

AWO Spring Convention Held in Nation's Capital

The American Waterways Operators held its Spring Convention from April 16-18 in Washington, D.C. AWO held its annual membership meeting, convened its Board of Directors, and staged its sixth annual "Barge-In" on Capitol Hill, briefing members of Congress on advocacy priorities.

The Board of Directors approved the association's regional and national priorities and voted to accept two amendments to the AWO Constitution: 1) to allow the Treasurer a seat on the Board of Directors (he or she is already a member of the Executive Committee), and 2) to change the litigation funding structure to avoid the flawed "pass the hat" method so that all members contribute equitably. The Board also held a strategic dialogue on the future of the Responsible Carrier Program (RCP) and the RCP audit after implementation of the towing vessel inspection regulations.

In the Common Issues Council meeting, members held special discussion sessions on two of the most important industry issues: the Towing Safety Advisory Committee's report on the Coast Guard's



During the Board of Directors meeting at the Spring Convention, Outgoing Chairman Royce Wilkin displayed a clock he received from Tom Allegretti, AWO President & CEO (right), for his contribution to the association. Also pictured: Incoming Chairman Merrit Lane.

draft towing vessel inspection regulations, and the implementation of the Transportation Worker Identification Credential (TWIC). The TWIC discussion featured guest panelists Maurine Fanguy, Acting Director, Maritime and Surface Credentialing, Transportation Security Administration, and CDR Pete Gautier, Chief, Cargo and Facilities Division, U.S. Coast Guard. The Common Issues Council also featured discussions on the recent Environmental Protection Agency final rule on marine engine emissions, federal ballast water legislation in

Congress, joint Coast Guard-AWO committee initiatives on crew endurance management and travel time, and a resolution in the House of Representatives to support the Jones Act.

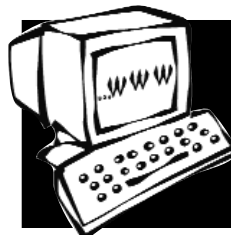
At the membership meeting, new directors were enrolled from each region, and new officers were elected, including Chairman of the Board Merritt Lane, President and CEO, Canal Barge Company, Inc.; Vice Chairman of the Board Tim Casey, President & CEO, K-Sea Transportation Corp.; President & CEO Thomas Allegretti;

(continued on page 2)

VOLUME 65, No. 8 • APRIL 25, 2008

| | |
|-------------------------------|---|
| Association News..... | 1 |
| Legislative News..... | 4 |
| Agency Actions..... | 5 |
| Responsible Carrier News..... | 6 |
| Members Only..... | 9 |

AWO Convention Special Edition



The new and improved...

www.americanwaterways.com

AWO Spring Convention Held in Nation's Capital

(continued from page 1)



Secretary Vickie Hammond; and, Treasurer Mark Buese, Senior Vice President, Kirby Corporation.

Leadership Remarks

Outgoing Chairman Describes "Internal and External Challenges"

In his farewell address to the Board, outgoing Chairman Royce Wilken described the year as being marked by the common theme



of both internal and external challenges that were the main focus of AWO's activities.

Speaking first of the internal challenges, he explained that the crucial hurdle over the past two years was "reorganizing AWO into an organization that is more capable of meeting the demands of an aggressive and changing regulatory and legislative environment." He noted that "although it is not complete, much has been accomplished. The vessel that is AWO is surely on course for success. Together we are leaving a legacy for the future of AWO as an organization that is better structured, better organized and more capable of meeting the challenges that show no sign of diminishing."

Next, he spoke of the external challenges, congratulating the organization on achieving the passage of the Water Resources Development Act (WRDA) over the President's veto. "As much as anything, this victory was

the result of sheer persistence. We had not had a WRDA bill enacted in seven years – even though they usually are passed every two years. Year after year, we persevered. We formed alliances with other supporters of the legislation. We activated AWO's grassroots time after time when we thought it was necessary. And we succeeded."

Lastly, Mr. Wilken emphasized the critical importance on industry unity. "The success we had on WRDA – and the successes we will have in the future – came from only one source: member participation. Last year I told you that we must coalesce and push our energy outward, not inward. The membership must come together to present a united front and be effective in convincing the government to make the right policy choices. As the challenges have grown, we have reached down deep and found out what our capabilities are, and we have found that we have strength through unity. That unity comes from the participation of all of us."

New Chairman Outlines His Agenda

Incoming Chairman of the Board Merritt Lane first thanked his predecessor Mr. Wilken, saying, "You have guided AWO through a critical transformation into a more efficient and effective association. Thanks to your efforts, we have a strong administrative foundation in place, and AWO is now building the



framework to support our most core responsibility: advocacy."

Mr. Lane then assessed the challenging environment in which the association will be working, concluding that "whether it's shaping the implementation of the Transportation Worker Identification Credential (TWIC) program and inspected towing vessel regulations, fighting user taxes and threats to the Jones Act, or dealing with environmental issues such as emissions and ballast water regulations, we'll have to learn to play a better game of offense and not just defense. This is the essence of advocacy excellence."

He then outlined his agenda, which is comprised of five key areas:

- 1) Complete the reorganization of AWO staff, strengthening its internal administration and allowing it to focus more intently on external issues;
- 2) Improve the staff's capacity to identify issues, frame and communicate them properly, and to use members' expertise to identify solutions and to leverage their relationships;
- 3) Develop an early warning system that helps identify emerging issues and allows AWO to proactively engage and plan for them;
- 4) Make more time for and increase staff capability to facilitate open, candid membership discussions; and,
- 5) Activate and deploy grassroots resources more aggressively and effectively to keep the industry and its issues utmost in the minds of elected officials.

(continued on page 3)

AWO Spring Convention Held in Nation's Capital



(continued from page 2)

Mr. Lane concluded with an appeal to the members, asserting that "this is our organization and its ability to serve us well is entirely proportionate to the intellectual, emotional and financial investments we make in it. I ask you to support it and to work with your staff and your leadership to make AWO stronger and more effective in serving our industry and all of us."

President Delivers State of the Association

President & CEO Thomas Allegretti reported to the Board that, after beginning the process of implementing the transition, transformation and reorganization plans, the state of the association was "strengthened."



He explained the changes that took place in 2007, beginning with the transformation of the internal administration of the association. "We spent an enormous amount of time first understanding the full dimensions of the administrative challenges we faced and developing a program of

transformation and transition to correct those internal weaknesses. We then set about implementing the program in all of its component parts."

He then detailed the thought process that led the Board to vote in October to change the way the staff is structured to deploy every available asset on the core business of advocacy. "As the enormous dimensions of the public policy challenges we face came into ever sharper relief, it also became abundantly clear that we were not structured or resourced appropriately to effectively deal with that public policy agenda. So, while still very much in the midst of dealing with the reform of our internal administration, we began the process of discussing with members across the country how to achieve more and better advocacy," which led to a staff reorganization.

Therefore, Mr. Allegretti stated, "The state of your trade association coming into 2008 is much strengthened – strengthened in our internal administration, strengthened by the addition of fine new professionals on our staff, and strengthened by a reorganization of our staff structure that focuses our resources on our core business and our greatest need." ❁

Important Dates and Reminders

..... at a glance

For more information, please contact Hermoine Wellman at (703) 841-9300, extension 291, unless otherwise noted.

May 14-15: Coastal Safety Committee Meeting, Chateau Sonesta Hotel, New Orleans, LA

July 17-18: Southern Region Summer Meeting, Grand Hotel Resort, Point Clear, AL

July 23-24: Interregion Safety Committee Summer Meeting, Sheraton Westport Plaza Hotel, St. Louis, MO

August 13-14: Midwest and Ohio Valley Regions Joint Summer Meeting, The Palmer House Hilton, Chicago, IL

August 21-22: Atlantic Region Summer Meeting, Location TBD

September 11: Pacific Region Summer Meeting, Salty's on Alki, Seattle, WA

Welcome New Carrier Members!

Wood Towing, LLC

5821 River Road
Avondale, LA

Rep: Sarah Wood Ham
Vice President

Highland Marine, LLC

6620 Riverside Drive,
Suite 100
Metairie, LA

Rep: Mr. Clint Guidry,
Operations Manager

Deslatte Towing, LLC

7908 Tom Drive
Suite 8
Port Arthur, TX

Rep: Capt. Chris Deslatte,
Owner/Captain



Administration Sends User Tax Proposal To Congress

On April 4, Assistant Secretary of the Army for Civil Works John P. Woodley officially transmitted the Administration's inland waterway user tax proposal to Congress. In separate letters to Speaker of the House Nancy Pelosi and President of the Senate Richard Cheney, Secretary Woodley said that "measures must be taken...to generate more revenue." Legislative language embodying the Administration proposal was attached to the letters to Congress.



The proposal would establish a new two-tier lockage fee based on the size of the lock chamber being transited. The fee would be assessed on each barge and would be paid by the vessel operator. The Secretary of the Army is given the authority to establish a method of collection for the barge lockage fee.

Beginning on October 1, the lock fee would be \$50 per barge at sites having a main lock chamber at least 600 feet in length. The fee would increase annually by \$10 per barge on October 1 for each of the next three years, reaching \$80 per barge by fiscal year 2012 for these sites. For sites with main lock chambers less than 600 feet long, each year the per-charge fee would be 60 percent of the amount applicable to the larger lock chambers.

Beginning on January 1, 2013, and continuing for each subsequent year, the lock fee could automatically increase or decrease for each calendar year by \$10 per barge for the large locks and \$6 per barge for the smaller locks based on the balance in the Inland Waterway Trust Fund at the end of the preceding calendar year. If the preceding year's balance was below \$25 million, or if it was less than \$50 million and had declined from the level of the balance one year earlier, the fee would automatically increase for the new calendar year by \$10 and \$6 per barge based on lock size. If the preceding year's balance was more than \$75 million and had increased from a year earlier, the lock fee would automatically decrease by either \$10 or \$6 per barge for the next year.

As the barge lockage fee is phased in, the current diesel fuel tax would be phased out, dropping to 10 cents per gallon on October 1 to five cents per gallon in October 2009. The fee would be repealed after September 30, 2010.

The proposal would also add 40 segments of waterways to the existing 27 segments that make up the inland and intracoastal waterways system. These new segments of inland waterways would not be subject to the inland waterways fuel tax while it is being phased out under the proposal.

AWO opposes the Administration's lockage proposal because it eliminates the equitable fuel tax system and substitutes a system that would unfairly target vessels that transit through many locks a day while overlooking those that transit through none. In addition, it does not fix the broken system that causes critical projects to be over budget, delayed and poorly planned. For more information, please contact Boyd Hollingsworth at (703) 841-9300, extension 258, or via email at bhollingsworth@vesselalliance.com.

*** Late Breaking News ***

House of Representatives Takes Up Coast Guard Authorization Bill

As this issue of the *AWO Letter* goes to press, the House of Representatives is preparing to take up the Coast Guard Authorization bill (H.R. 2839). The Coast Guard legislation was reported out of the House Transportation and Infrastructure Committee in June 2007. The bill was subsequently referred to the House Committee on Homeland Security, the House Committee on the Judiciary, and the House Committee on Energy and Commerce. Those three committees separately considered the legislation and completed their action on the measure earlier this year. AWO has been working diligently to secure an amendment to the Coast Guard Authorization bill that will provide a workable interim work authority provision in the Transportation Worker Identification Credential (TWIC) program.

On April 22, the House Rules Committee considered the rule for floor consideration of the Coast Guard bill, including which amendments would be in order. As a result of AWO's efforts, both Congressman Gene Taylor (D-MS) and Congressman Charles Boustany (R-LA) filed amendments on interim work authority which they intended to offer when the bill is considered on the floor. Unfortunately, the Rules Committee did not agree to make either of the two interim work authority amendments in order when the Coast Guard bill is considered by the full House.

(continued on page 5)

House of Representatives Takes Up Coast Guard Authorization Bill

(continued from page 4)

There were two factors which appeared to factor heavily into the Rules Committee decision not to make the amendments in order:

1. The Administration released a "Statement of Administration Position" (SAP) on the bill prior to the Rules Committee action. This is standard procedure for a measure coming to the House floor. In its SAP, the Administration stated that the interim work authority provisions being sought would "open a dangerous security loophole and undermine the security objectives of the Transportation Worker Identification Credential."
2. Some members of the House of Representatives were prepared to make the political argument that the interim work authority provision would lessen security, despite AWO's demonstration that the potential employee's background check against the terrorist watch list under the interim work authority amendments would be the same as required under the existing Transportation Security Administration rule on TWIC.

Since the interim work authority amendments were not made in order to the Coast Guard bill in the House, the provisions will not be included when the House passes the Coast Guard bill as anticipated.

AWO is continuing to work with Senator Mary Landrieu (D-LA) and Senator David Vitter (R-LA) and other members of the Senate to include an interim work authority provision in the Senate version of the Coast Guard

Authorization bill when it is brought before the full Senate later this spring. AWO will redouble its efforts on the Senate side. It is more important than ever that an interim work authority provision be included in the Senate bill so that when the House and Senate Coast Guard bills are conferenced later this year, there is a basis for including an interim work authority provision in the final version of the legislation.

In addition, the Coast Guard bill contained a title dealing with ballast water exchange and treatment. At press time, several amendments were pending to that section of the bill. The final results of action on the ballast water language will be reported in the next *AWO Letter*. For more information, please contact Boyd Hollingsworth at (703) 841-9300, extension 258, or via email at bhollingsworth@vesselalliance.com.

Coast Guard Seeks Applications for MERPAC

The U.S. Coast Guard is seeking applications for membership on the Merchant Marine Personnel Advisory Committee (MERPAC). MERPAC is a federal advisory committee that was established to advise the Coast Guard on matters such as implementation of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) and other licensing and training issues. MERPAC generally meets twice a year, once at Coast Guard headquarters in Washington, D.C., and once at another location, but may meet more for extraordinary purposes.



There are five positions that will expire or become vacant on January 31, 2009. The Coast Guard is seeking applicants from vessel operating companies, marine training institutions other than state or federal maritime academies, licensed engineering officers, and licensed deck officers, preferably with an inland endorsement. Each member serves a term of three years and may serve consecutive terms if re-appointed.

Applications can be found by clicking [here](#). Completed applications are due by June 15 and should be sent to:

Mr. Mark Gould
Assistant to the Designated Federal Officer (DFO) for MERPAC
Commandant (CG-5221)
U.S. Coast Guard
2100 Second Street, SW
Washington, DC 20593-0001

Safety Committees Future Goals Discussed

During the Common Issues Council meeting on April 17, held as part of the AWO Spring Convention, Steve Brundrett, Chairman of the Interregion Safety Committee, reported on a meeting that Gail Johnson, Chairman of the Coastal Safety Committee, and he had with AWO senior staff Tom Allegretti, Jennifer Carpenter and Bob Clinton on February 13. The meeting focused on AWO's efforts to ensure the value and importance of the Safety Committees to AWO's overall effort over the past year to reorganize itself to ensure administrative and advocacy excellence. As AWO looks forward to the changing landscape of safety after the implementation of the towing vessel inspection regulations, it must consider what safety functions constitute true value for members, what role the Safety Committees can play in advancing AWO's national goals and priorities, and what support AWO can provide given the reality of limited staff resources.

It was agreed that the Safety Committees are uniquely positioned to provide technical assistance in the development of the new sample policies and procedures that will be required under the inspection regulations. Additionally, the Safety Committees are well positioned to help keep members informed of the requirements and challenges of complying with the new regulations.

Mr. Brundrett reported that the discussions also focused on Ms. Johnson's and his perception of what members want and expect from AWO's Safety Committees and the

value they provide both members of the committees and AWO as an organization. Those discussions are summarized as follows:



1. There needs to be vertical alignment with AWO's advocacy efforts that provides Safety Committee members with information on AWO's advocacy efforts and an opportunity to support AWO's big picture goals and priorities. Especially critical is the effort to attain broad and deep implementation of CEMS throughout the industry. Other areas where the committees can be especially effective include the promotion of crew travel time best practices and work on safety statistics, including the leading indicators survey, as tools to assist Safety Committee members in their efforts to enhance their companies' safety performance.

One means of promoting this integration between the Safety Committees and the overall work of AWO is for the Safety Committees to hold one or more meetings close in time and location to AWO regional and national meetings to provide Safety Committee members and AWO staff the opportunity to attend both meetings.

2. Committee members need AWO to continue to support the preparation and distribution of materials that they can use to communicate safety information to mariners and others within their companies, such as presentations, lesson plans, and sample policies and procedures. Production of these materials must emphasize quality rather than quantity, recognizing the limitations of AWO's resources.
3. There needs to be meeting follow up that includes an *AWO Letter* story, short email summary of the meeting, and posting of meeting presentations and materials on the AWO Web site.
4. The committees need to hear pertinent speakers on topics that are aligned with their annual priorities and those of AWO. To accomplish this, costs for future Safety Committee meetings will be budgeted in such a way that it will be possible for AWO to

TWIC ENROLLMENT UPDATE

TWIC enrollment will begin/has begun at the following ports:

- **April 23:** Chattanooga, TN; Portsmouth, NH; LaPorte, TX
- **April 30:** San Juan, PR; Galveston, TX; Juneau, AK
- **May 1:** Freeport, TX; Port Hueneme, CA
- **May 7:** Sandusky, OH
- **May 8:** Anchorage, AK

For the complete up-to-date TWIC Quarterly Deployment Plan, please click [here](#).

(continued on page 7)

Safety Committees Future Goals



(continued from page 6)

occasionally cover the expenses of selected speakers that are of special interest to members of the committees.

5. An improved means of communication is needed whereby Safety Committee chairmen can be informed when new members join AWO. This information can be used in an outreach program in which Safety Committee chairmen welcome new members, encourage their participation in the Safety Committees, and support their safety efforts. AWO will ask its staff members Jayson Lerner and Hermoine Wellman to investigate the possibility of developing a simple electronic means of communicating the enrollment of new members to Safety Committee chairmen.
6. A method, such as a chat room or Web forum, is needed that can be used by the members of the Safety Committees to exchange information on best practices and new safety initiatives, and improve communication between members. AWO will obtain a legal opinion on liabilities associated with hosting a Web forum on AWO's Web site and report to the Safety and Executive Committees.

The high points of these discussions were shared with the Executive Committee at its meeting on February 28, which voiced its general agreement with all of these ideas. The Executive Committee further concluded that it should invite the chairmen of the two safety committees to meet with the Executive Committee once a year to report on the committees' work and progress toward achieving its safety priorities.

If you have any questions on the content of these discussions, please contact Bob Clinton at (703) 841-9300, extension 253, or via email at bclinton@vesselalliance.com, or Steve Brundrett at (504) 585-4638, or via email at sbrundrett@canalbarge.com.

AWO Coastal Safety Committee Meeting Reminder Information

**May 14-15, 2008
New Orleans, LA**

If you have not yet registered the Coastal Safety Committee Meeting to be held on May 14-15 in New Orleans, LA, please do so as soon as possible! The meeting will be held at the Chateau Sonesta Hotel – New Orleans, 800 Iberville Street, and will begin at 1:00 p.m. on Wednesday, May 14. A cocktail reception will be held at the conclusion of the afternoon session, and the meeting resumes at 8:00 a.m. on Thursday, May 15, concluding by 12:00 p.m.

All AWO member companies are invited to send a representative to either, or both, the subcommittee and main meeting. Committee members are also invited to “bring a mate (or captain or deckhand)” or anyone else who might benefit from seeing the work of a broad base of industry safety professionals and helping to learn new ways crewmembers can help in upgrading the safety culture of the inland barge and towing industry.

To secure a hotel room, please contact the hotel directly at (504) 586-0800. To register for this meeting, please click [here](#). For more information, please contact Hermoine Wellman at (703) 841-9300, extension 291, or hwellman@vesselalliance.com.

If you receive a hard copy of the *AWO Letter* and need to know the exact Web addresses of the hyperlinks in any articles, please contact Mary McCarthy at (703) 841-9300 or via email at mmccarthy@vesselalliance.com.



New Requirements for RCP Auditors

The Responsible Carrier Program (RCP) Accreditation Board met in December 2007 in Nashville, TN, and developed several changes to the qualifications required for an auditor to become AWO-certified. The Accreditation Board believes that these changes will further enhance the professional qualifications of RCP auditors. The Accreditation Board-recommended changes include requiring auditors to have barge and towing industry or other qualifying industry experience; expanding the definition of qualifying experience to recognize time spent in safety and quality assurance; and, requiring

completion of a recognized lead auditor course, rather than the less rigorous "recognized auditor class" currently required.

When the AWO Board of Directors met on April 18, it was advised of these recommendations and expressed full support for the Accreditation Board's actions. Therefore, effective May 1, the requirements to become an AWO-certified RCP auditor will be changed to include the new qualifying experience.

A copy of the new RCP auditor application can be found on AWO's



Web site by clicking [here](#). If you have any questions, please contact Bob Clinton at (703) 841-9300, extension 253, or bclinton@vesselalliance.com.

Responsible Carrier Program Recertification Status

At the AWO Board of Directors meeting on April 18, Bob Clinton, AWO Vice President - Safety, reported that during 2007, 64 members were scheduled for recertification or certification audits. Sixty members have notified AWO of their completed audits. Three members were unable to complete the required audit, and as a result, had their memberships terminated. One member resigned its membership when it was unable to complete its initial audit within the time allowed. One company has yet to complete its and it must do so by May 12. Three companies remain on probation and must successfully undergo an annual audit within three months of the date of their audit or have their memberships immediately terminated.

CEMS Training Opportunities

The Crew Endurance Management System (CEMS) is a system for managing risk factors in maritime work environments that can lead to human error and performance slumps. The Coast Guard and AWO have been working together to help companies implement the principles of CEMS. In this space, AWO will publish details of CEMS training opportunities around the country. For further information on CEMS training opportunities, please contact LCDR Vivianne Louie, U.S. Coast Guard, at (202) 372-1358.

| DATE | LOCATION | CONTACT |
|----------------|--|---|
| May 6-7 | Salyers Solutions, LLC St. Petersburg, FL | Jo Ann Salyers (Instructor) (504) 236-4962 salyers_solutions@hughes.net |
| May 21-22 | Salyers Solutions, LLC Baltimore, MD | Jo Ann Salyers (Instructor) (504) 236-4962 salyers_solutions@hughes.net |
| June 18-19 | Salyers Solutions, LLC Huntington, WC | Jo Ann Salyers (Instructor) (504) 236-4962 salyers_solutions@hughes.net |
| June 30-July 1 | Salyers Solutions, LLC Honolulu, HI | Jo Ann Salyers (Instructor) (504) 236-4962 salyers_solutions@hughes.net |