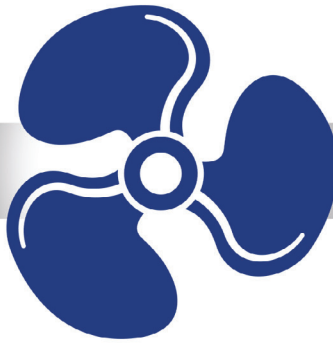


AWO

ORGANIZATIONAL



ACCOMPLISHMENTS

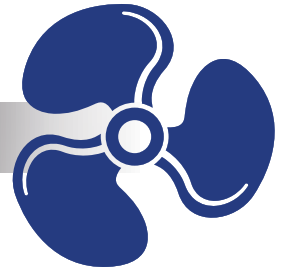
2016

Against the backdrop of a challenging economic year for members, AWO worked to deliver results that safeguard industry investments, reduce regulatory burdens, promote marine safety and environmental stewardship, and position the industry for future success, while exercising constant attention to stewardship, efficiency and cost control. Notable accomplishments include:

ADVOCACY

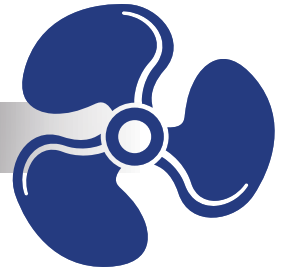
- ✓ Led the American Maritime Partnership, a 450-member pro-Jones Act coalition, in carrying out a comprehensive advocacy and public affairs effort to build support for the Jones Act and decisively defeat challenges to U.S. cabotage laws.
- ✓ Prevented anti-Jones Act amendments from being considered during Congressional debate on comprehensive energy reform and Puerto Rico financial assistance legislation.
- ✓ Secured publication of towing vessel inspection rule that was highly responsive to AWO comments and did not include problematic provisions found in the notice of proposed rulemaking.
- ✓ Secured Coast Guard acceptance of the Responsible Carrier Program as an existing Safety Management System that complies with Subchapter M requirements.
- ✓ Secured inclusion of the Vessel Incidental Discharge Act in the House-passed National Defense Authorization Act. Spearheaded bipartisan letter signed by 42 Senators and coalition letter signed by 200 organizations supporting inclusion of VIDA in House-Senate conference agreement on NDAA. Secured commitments from House and Senate leadership to act on VIDA early in 2017 following a late-hour effort to include the bill in an end-of-year stopgap spending package.
- ✓ In partnership with Waterways Council, Inc., secured enactment of the Water Infrastructure Improvements for the Nation (WIIN) Act – which includes the Water Resources Development Act – without unfavorable provisions on public-private partnerships, lock closures or Asian carp.
- ✓ Secured publication of Coast Guard policy letter on ATB operations that permits crewmembers to safely transit between the tug and barge while allowing the barge to maintain its unmanned certification and loadline.
- ✓ Secured publication of final rule on TWIC readers that exempts towing vessels and most barge fleeting facilities from the requirement to install electronic readers.
- ✓ Dissuaded the Coast Guard from requiring vessel operators to switch to new electronic ballast water report forms without adequate lead time.
- ✓ Facilitated publication of Transportation Research Board study on towing vessel crewmember sleep efficiency and worked with trade media to amplify its finding that there is no scientific evidence to support a change in hours of service requirements.

AWO 2016 ORGANIZATIONAL ACCOMPLISHMENTS



- ✓ Planned and executed largest Barge-In in AWO history, with 218 Congressional visits conducted by 164 members from 96 AWO member companies.
- ✓ Raised more than \$169,000 for the AWO PAC in 2016 and more than \$313,000 over the two-year election cycle, exceeding the Board-established goal of \$225,000 for 2015-2016 and representing a 179% increase over the previous two-year cycle.
- ✓ Disbursed a record \$261,500 in AWO PAC dollars over the 2015-2016 election cycle, with 91% of those funds invested in Members who won reelection and will return to the 115th Congress.
- ✓ Sponsored 20 tugboat and towboat tours attended by 127 staff and one Member of Congress from 84 Congressional offices.
- ✓ Conducted 43 meetings to build and strengthen relationships between AWO members and U.S. Coast Guard and Army Corps of Engineers field commanders.
- ✓ Secured enactment of Coast Guard Authorization Act provision requiring the Coast Guard to align the expiration dates of merchant mariner credentials, medical certificates and radar observer endorsements.
- ✓ Secured issuance of Coast Guard policy providing for free, timely issuance of duplicate credentials to mariners whose credentials were lost or destroyed during Louisiana floods.
- ✓ Secured Coast Guard commitment to sustain the limited geographic license programs used by AWO members in the Eighth and Ninth Coast Guard Districts.
- ✓ Persuaded the Coast Guard to task the Towing Safety Advisory Committee and Merchant Marine Personnel Advisory Committee with making recommendations to ensure that STCW firefighting training requirements are not inappropriately imposed on inland mariners.
- ✓ Intervened with the Federal Maritime Commission to remove collective negotiation provisions in two regulatory agreements with international container ship operators that would have disadvantaged domestic providers of tug and barge services.
- ✓ Secured two-year reapproval of AWO alternative planning criterion for emergency towing in the Eighth and Ninth Coast Guard districts.
- ✓ Worked with the Coast Guard to strengthen the legal foundation for the Eighth District Tank Barge Streamlined Inspection Program while maintaining the utility of the program for AWO members.
- ✓ Led and managed UnLock Our Jobs coalition to ensure that commercial navigation on the Chicago Area Waterways System is not impeded by physical structures or other Asian carp control measures.
- ✓ Led the Coalition to Protect the Missouri River to protect navigation and flood control on the Missouri and Mississippi Rivers.
- ✓ Worked with allied organizations to influence the U.S. Army Corps of Engineers to select a preferred alternative for Missouri River management that avoids negative impacts on navigation.
- ✓ Led successful lobbying effort to prevent imposition of a costly, precedent-setting service tax on the towing industry in Illinois.

AWO 2016 ORGANIZATIONAL ACCOMPLISHMENTS

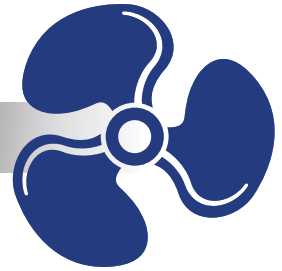


- ✓ Implemented River Industry Executive Task Force MOU that increases collaboration among industry, U.S. Coast Guard, and U.S. Army Corps of Engineers leaders on the Western Rivers.
- ✓ Worked to minimize impacts to navigation during rock pinnacle removal operations on the mid-Mississippi River.
- ✓ Secured publication of U.S. Coast Guard Atlantic Coast Port Access Route Study that incorporates proposed safe navigation corridors and recommends creation of an Atlantic Coast Fairway.
- ✓ Defeated a Washington State bill that would have established escort tug requirements for vessels not subject to such requirements under federal regulations.
- ✓ Worked with allies to defeat a Washington Department of Fish and Wildlife proposal to dramatically increase funding for state aquatic invasive species program.
- ✓ Worked with maritime allies to successfully oppose the siting of a professional sports arena complex that could disrupt key transportation links between the Port of Seattle and vital freight corridors.
- ✓ Worked with Oregon Department of Environmental Quality to minimize the impact of state ballast water management regulations on towing vessels.

SAFETY

- ✓ Implemented a robust education program to ensure successful member implementation of new RCP requirements, with 79 audits successfully completed in 2016.
- ✓ Signed agreements with ClassNK and ABS, recognized classification societies and Coast Guard-approved third-party organizations under Subchapter M, to increase RCP audit options for AWO members.
- ✓ Enhanced the inclusiveness of the RCP Standards Board by adding a representative from the inland harbor sector.
- ✓ Provided timely and authoritative information on Subchapter M requirements to members and non-members through a well-attended series of webinars and regional meeting presentations conducted in partnership with the U.S. Coast Guard.
- ✓ Increased member participation in the AWO Safety Statistics Reporting Program from 32% to 60% of AWO carrier members.
- ✓ Updated and improved Best Management Practices to reduce tank barge emissions.
- ✓ Worked through the U.S. Coast Guard-AWO Safety Partnership and AWO Arctic Navigation Workgroup to develop Ice and Cold Weather Operation Guidelines for towing vessels operating in Alaska.

AWO 2016 ORGANIZATIONAL ACCOMPLISHMENTS



PUBLIC AFFAIRS & COMMUNICATIONS

- ✓ Partnered with the U.S. Maritime Administration and PricewaterhouseCoopers to conduct a comprehensive study of the economic benefits of the tugboat, towboat and barge industry to the nation.
- ✓ Increased positive coverage of industry in trade and mainstream media, including 136 stories appearing in over 900 publications, nearly tripling the number of stories and doubling the number of publications over 2015 levels.
- ✓ Issued 11 news releases with placement in 1,300 publications and online sites with an audience of over 800,000 people.
- ✓ Strengthened media partnerships with key industry trade publications, resulting in consistent and increased coverage of AWO advocacy and safety priorities.
- ✓ Significantly increased AWO's social media presence, growing the association's Facebook audience by 180% and increasing Twitter impressions by 30%.
- ✓ Updated and launched improved Members Only section of AWO website.
- ✓ Maintained an ongoing effort to bring new and emerging issues to the attention of AWO members through presentations at national and regional meetings.

MEMBERSHIP, OPERATIONS, ADMINISTRATION & FINANCE

- ✓ Convened a member task force to develop and secure Board approval of a new AWO strategic plan, *Charting the Future*, to position the association for sustained future success.
- ✓ Successfully completed campaign to conduct a personal visit with every AWO carrier member by April 2016 and developed program to maintain strong member connectivity with AWO.
- ✓ Posted a net increase in AWO membership and member dues revenue for the second consecutive year.
- ✓ Staged national, regional and safety committee meetings attended by 736 individuals from 223 member companies.
- ✓ Developed a 2017 budget that includes no increase in member dues and assessments over 2016 levels.
- ✓ Exercised strong financial stewardship, achieving a clean audit with no adjusting entries or management letter recommendations.
- ✓ Worked with auditing firm to conduct a Risk and Reserve analysis to identify and mitigate financial risks to the association.
- ✓ Carried out an improved program of staff performance management to maintain a high-performing staff and fill open positions with qualified candidates.
- ✓ Implemented new member database that improves efficiency while providing enhanced features and capability for AWO members and staff.
- ✓ Conducted a continuous program of technology infrastructure improvement to increase reliability and security and reduce costs.
- ✓ Conducted organization-wide time management and communications training to improve staff productivity, efficiency, and cohesiveness.