

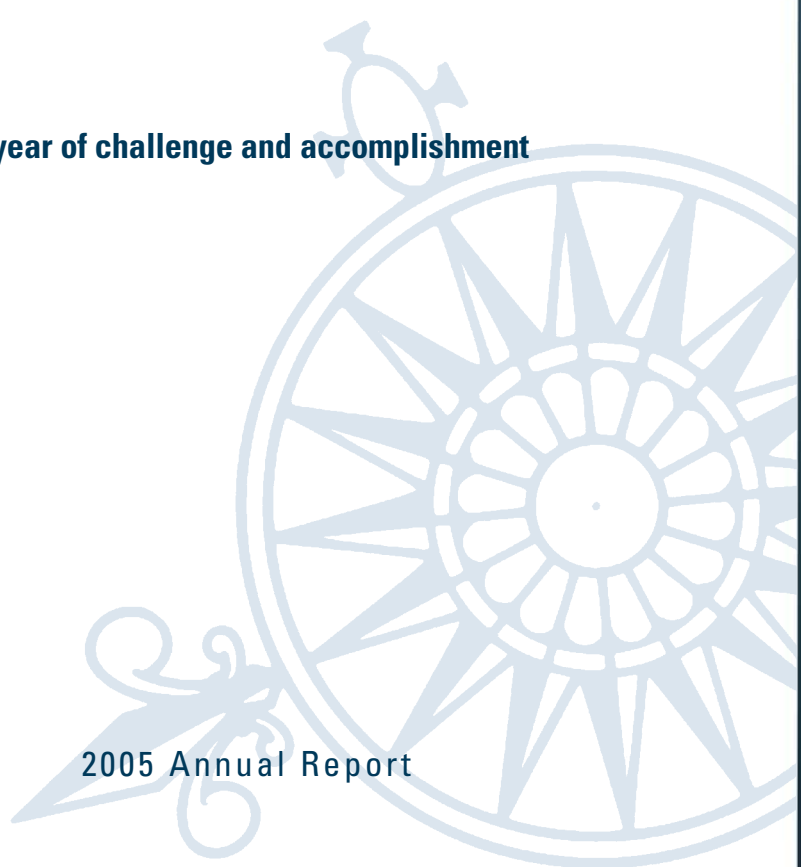


The American Waterways Operators



A year of challenge and accomplishment

2005 Annual Report





“The work and accomplishments of 2005 stemmed from two distinct sources – proactive industry plans to improve the safety, security and environmental performance of its fleet, and natural catastrophes that wrought profound human tragedy and intense government reaction.”

Thomas A. Allegretti
President & CEO
The American Waterways Operators

Chairman's Message

2005 WAS A YEAR OF UNIQUE CHALLENGE. The impact of Hurricanes Katrina, Rita and Wilma on the tugboat, towboat and barge industry was profound. Nonetheless, the industry rose to the challenge. In the great tradition of maritime industry cooperation, individual companies provided generous assistance to one another. The industry as a whole also came together to help government with rescue and recovery efforts. AWO worked with other maritime associations to assist the U.S. Army Corps of Engineers, the U.S. Coast Guard and the United States Navy in the relief effort, making industry assets and expertise available. A 24/7 command center was set up to provide the federal government with a single "one stop shop" that could find and deploy industry assets. The industry is bouncing back now, in large part due to the character of the unsung heroes who worked through the crisis to find solutions and keep America moving.

I am so proud of the response of this industry. They say that when the chips are down, true character is revealed. I think the true generous, self-help, hard-working and reliable character of this industry was revealed in the face of these devastating storms. Thank you to the many AWO companies who generously made their assets and personnel available to help the nation begin to recover and to restore normal waterborne navigation, so vital to America's economy.

Another challenge faced in connection with the hurricanes was the Administration's decision to issue temporary waivers of the Jones Act in the aftermath of Hurricane Katrina for the transportation of petroleum. Our industry chose not to oppose the President's decision to issue a first waiver, since, at the time, pipelines were down and a case could be made that a potential risk to national security existed, the only rationale that permits a waiver of the Jones Act under U.S. law. However, when a second waiver was issued, it was not based on the same solid rationale, resulting in work being awarded to foreign vessel operators and denied to Americans, some of whom were the very people who had been victimized the most by the hurricane. As the largest segment of the U.S. domestic fleet, the tugboat, towboat and barge industry has made billions of dollars of investments based upon the Jones Act. The integrity of the Act is, therefore, of enormous consequence to the industry, and we must oppose any weakening of the law.

Despite these great challenges, it was also a year of achievement. AWO members' commitment to safety continued to grow as they helped the Coast Guard develop regulations to make towing vessels an inspected class for the first time ever. This is a change that our members favor for its positive impact on industry safety. The Responsible Carrier Program and the Coast Guard-AWO Safety Partnership have paved the way to this historic moment. The achievements in safety over the past decade, including an 89% reduction in tank barge oil spills, a record low in crew fatalities and a declining rate of vessel casualties, demonstrate the industry's true commitment to continuous improvement. The new inspection regulations will require that all towing vessels operate subject to a Coast Guard-approved safety management system, as recommended by the National Transportation Safety Board. We are confident that this new inspection program will effect further changes in the industry that will make possible even greater accomplishments in safety.

Finally, another achievement came with Congress' acknowledgement that our nation's waterways transportation infrastructure needs to be modernized and well maintained, an issue the towing industry has been advocating for some time. Congress voted late in the year to fund the Army Corps of Engineers at a record \$5.4 billion. This was gratifying recognition by Congress of the importance of the nation's lock and dam system, with funding for the Inland Waterways Trust Fund projects set at \$379 million, a record level of appropriation since the Trust Fund was established.



"I think the true generous, self-help, hard-working and reliable character of this industry was revealed in the face of these devastating storms."

A handwritten signature in dark ink, appearing to read "Steven P. Valerius". The signature is fluid and cursive, written over a white background.

Steven P. Valerius
Chairman of the Board
The American Waterways Operators

Executive Committee



Steven P. Valerius
Chairman of the Board
 Kirby Inland Marine, LP
 Houston, TX



Mark Knoy
 MEMCO Barge Line
 Chesterfield, MO



Dale Sause
Vice Chairman of the Board
 Sause Bros.
 Coos Bay, OR



Walter K. Kristiansen
 E.N. Bisso & Son, Inc.
 Metairie, LA



Edmond J. Moran, Jr.
Immediate Past Chairman of the Board
 Moran Towing Corporation
 New Canaan, CT



H. Merritt Lane, III
 Canal Barge Company, Inc.
 New Orleans, LA



Timothy J. Casey
 K-Sea Transportation Corp.
 Staten Island, NY



Deane Orr
 CONSOL, Inc.
 Elizabeth, PA



John Dragone
 Maritrans Operating
 Company L.P.
 Philadelphia, PA



Cathy Shantz-Hammond
 Inland Marine Service
 Hebron, KY



James L. Guttman
 Mon River Towing, Inc.
 Belle Vernon, PA



Richard Smith
 Westar Marine Services
 San Francisco, CA



Charles H. King, Jr.
 Buffalo Marine Service, Inc.
 Houston, TX



“The achievements in safety over the past decade...demonstrate the industry’s true commitment to improvement.”

Steven P. Valerius
Chairman of the Board
 The American Waterways Operators

2005 Board of Directors

Steven P. Valerius
Chairman of the Board
 Kirby Inland Marine, LP
 Houston, TX

Dale Sause
Vice Chairman of the Board
 Sause Bros.
 Coos Bay, OR

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Immediate Past Chairman of the Board
 Moran Towing Corporation
 New Canaan, CT

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 K-Sea Transportation Corp.
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 Harley Marine Services
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 Alter Barge Line, Inc.
 Bettendorf, IA

John Dragone
 Maritrans Operating
 Company L.P.
 Philadelphia, PA

Taylor DuChaine
 Cenac Towing Company, Inc.
 Houma, LA

Tommy Echols
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 Towing Service Inc.
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 Belle Vernon, PA

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 Buffalo Marine Service, Inc.
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 Metairie, LA

Mark Knoy
 MEMCO Barge Line
 Chesterfield, MO

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 Canal Barge Company, Inc.
 New Orleans, LA

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 B & H Towing
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 Memphis, TN

Harry Lee
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 Houston, TX

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 Crouse Corporation
 Paducah, KY

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 Luhr Bros., Inc.
 Columbia, IL

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 Houston, TX

T.F. Mercer
 Pecos, Inc.
 Seattle, WA

Charles F. Nalen
 Crowley Maritime
 Corporation
 Jacksonville, FL

Deane Orr
 CONSOL, Inc.
 Elizabeth, PA

Jeffrey Parker
 Allied Transportation
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 Norfolk, VA

Charles Peterson
 Coastal Tug & Barge, Inc.
 Miami, FL

John Pigott
 Tidewater Barge Lines, Inc.
 Vancouver, WA

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 Florida Marine
 Transporters, Inc.
 Mandeville, LA

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 Marine Resources, Inc.
 Seattle, WA

David G. Sehrt
 Ingram Barge Company
 Nashville, TN

Cathy Shantz-Hammond
 Inland Marine Service
 Hebron, KY

Ric Shrewsbury
 Western Towboat
 Seattle, WA

Richard Smith
 Westar Marine Services
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Ted Waxler
 Waxler Towing Co., Inc.
 Memphis, TN

W. Norb Whitlock
 American Commercial
 Barge Line LLC
 Jeffersonville, IN

George Wittich
 Weeks Marine, Inc.
 Cranford, NJ



Waterways transportation contributes to the American quality of life by helping reduce congestion on roads and rails.

President's Report

For the nation as a whole and for America's tugboat, towboat and barge industry, 2005 was a year of stark contrasts, marked both by moments of genuine elation and deep despair. The bridge that joined the wide chasm between elation and despair was a deep pride in the work the industry accomplished during this challenging year. Much was achieved in 2005 of which AWO members can be very proud.

The work and accomplishments of 2005 stemmed from two distinct sources — proactive industry plans to improve the safety, security and environmental performance of its fleet, and natural catastrophes that wrought profound human tragedy and intense government reaction. In both cases, it was imperative that AWO utilize all of the tools, expertise, and energy in its "advocacy excellence" arsenal to ensure rational government action.

In the aftermath of Hurricanes Katrina and Rita, the nation was transfixed by graphic images of human suffering. But, for our industry, the pain was very real. AWO member companies throughout the Gulf and river system were directly impacted. The men and women who work aboard the industry's vessels lost their homes and communities. The industry's vessels were tossed like matchsticks over the levees and up on the shores. But, within hours after the end of the first storm, the industry came together in a cooperative effort with government to assess the damage, restore commerce and provide critical assets to federal agencies. That joint endeavor, marked by incredible acts of generosity and selflessness, was sustained for weeks. It was an extraordinary effort of which the industry can be deeply proud.

The storms also generated government reaction in the public policy arena that could have done long-term damage to the domestic marine transportation industry. In the frenzy to deal with the impacts of Hurricane Katrina, the Administration waived temporarily the provisions of the Jones Act. That waiver might well have become permanent if not for the effort of industry leaders to keep Administration decisionmakers fully informed on the capacity of the tank barge and tanker fleet to move critical cargoes. That sober educational feat in the midst of crisis and turmoil is one of which the industry can also be proud.

2005 also witnessed proactive industry activity on AWO's advocacy priorities. Scores of AWO members worked to lay the groundwork for a sound towing vessel inspection rule; to authorize construction of modern locks on the Upper Mississippi River; to improve maritime security standards; to develop a comprehensive crisis plan for all inland waterways; and to turn back the unconstitutional creep of state regulation of interstate commerce. All of these efforts flowed from careful thought at the start of the year about the industry's public policy priorities. They, too, are the basis for justifiable pride.

The challenges and accomplishments of 2005 touched every operational sector of the tugboat, towboat and barge industry. However, AWO's work on each one was grounded in the core values of the whole industry, which know no operational distinction. Take a moment to review AWO's values on the last page of this annual report. Every major accomplishment of 2005, whether planned or reactive, found its roots in these values. Every issue the industry pursued, and every public action it took, stemmed from its deeply held beliefs about the industry's responsibilities to its crews, the public, and the environment, and its affirmative leadership role to promote progressive public policies. Those values, and the work that derived from them, should evoke industry pride of the highest order.



"The challenges and accomplishments of 2005 touched every operational sector of the tugboat, towboat and barge industry. However, AWO's work on each one was grounded in the core values of the whole industry, which know no operational distinction."

Tom Allegretti

Thomas A. Allegretti
President & CEO
The American Waterways Operators

AWO Advocacy – A Year of Challenge and Accomplishment

Transforming Industry Safety

AWO's top advocacy priority, a historic initiative to improve safety, security and environmental protection in the U.S. towing industry, took a major step forward in October as the congressionally established Towing Safety Advisory Committee (TSAC) approved a comprehensive report making recommendations to the Coast Guard on the content of a new inspection regime for towing vessels. With AWO's active support, the Coast Guard and Maritime Transportation Act of 2004 made towing vessels subject to Coast Guard inspection and authorized the agency to require a safety management system as a core component of the new inspection regime. AWO has played a leadership role in the TSAC Working Group on Towing Vessel Inspection, which has been working since December 2004 to develop recommendations aimed at providing a starting point for the forthcoming Coast Guard regulatory process.

Hurricane Response – A Model of Industry Resolve and Collaboration

Hurricane Katrina tested the resolve of the marine transportation industry. Like many along the Gulf Coast, the thousands of men and women who make up the tugboat, towboat and barge industry suffered great losses of their homes and communities. Despite these personal losses, AWO members, working closely with the United States Coast Guard, the U.S. Army Corps of Engineers and the U.S. Navy, once again met the challenges of Mother Nature's worst by quickly restoring navigation to the Mississippi River system and the Gulf Intracoastal Waterway. This unparalleled collaborative response allowed for the prompt delivery of critical fuel supplies.

Less than one month after Hurricane Katrina roared ashore, Hurricane Rita exacted her toll on the marine transportation industry. While Rita did very little physical damage to the barge and towing vessel fleet, and while much of the Gulf's waterways were quickly reopened, flooding at the Calcasieu Locks and Leland Bowman Locks threatened the supply of petroleum and petrochemical products. Recognizing that a shutdown of both locks would have resulted in a national energy crisis, barge industry leaders, along with key customer organizations such as the American Chemistry Council and the American Petroleum Institute, engaged officials in the highest levels of government, including the Department of Homeland Security, the Corps of Engineers, the Department of Energy, and the White House, to develop a solution that kept critical petroleum and petrochemical cargoes moving.



The tugboat, towboat and barge industry comprises the largest segment of the U.S.-flag fleet.

In 2005, the tugboat, towboat and barge industry encountered many challenges that required AWO to employ advocacy excellence. Here are some highlights of how those challenges were met.

Enhancing Maritime Security

AWO continued its partnership with the Coast Guard to improve maritime security on our nation's rivers, coasts and harbors, securing Coast Guard approval of amendments to the AWO Alternative Security Program, including new requirements for barges carrying ammonium nitrate. AWO also worked to improve communication and consistency in the Coast Guard's security verification inspection process, making the process smoother and more efficient for both AWO members and Coast Guard inspectors.

Advocating for a Modernized Waterways Infrastructure

Substantial progress was made in 2005 on appropriations for U.S. Army Corps of Engineers navigation projects. With an appropriations bill totaling \$5.4 billion for the Corps, funding for Inland Waterways Trust Fund projects measured \$379 million, the largest such

appropriation since the Trust Fund was created. By a resounding 406-14 vote, the House of Representatives passed the Water Resources Development Act of 2005. WRDA '05 authorizes some 700 water projects, studies and modifications, including the Upper Mississippi-Illinois Waterway, a backlog building up since the last WRDA was enacted almost five years ago. As the year came to a

close, the Senate had not yet taken up its WRDA bill on the floor, which won committee approval earlier in the year.

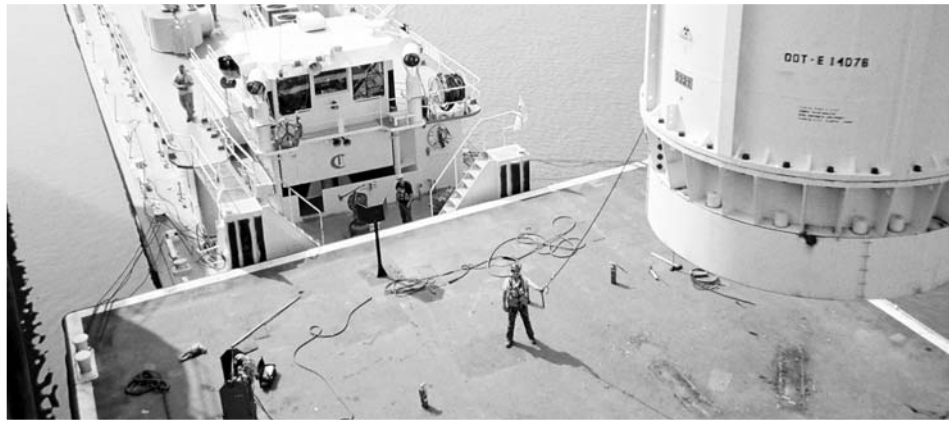
Meeting New Jones Act Challenges

As 2005 began, AWO focused on leading a maritime industry effort to close an insidious new loophole threatening the U.S.-ownership requirement of the Jones Act. As the year drew to a close, Congress was poised to pass legislation giving the Coast Guard new tools to crack down on illegal mortgage financing transactions. However, Jones Act waivers announced in the aftermath of Hurricanes Katrina and Rita pointed up continuing challenges to the nation's longstanding cabotage laws. Working closely with the Maritime Cabotage Task Force, AWO sought to demonstrate to the Administration and Congress that the Jones Act fleet has the capacity to meet U.S. energy needs, now and in the future, and the waivers were allowed to expire on schedule. AWO will continue to educate policymakers on the importance of the Jones Act and the capacity of the domestic fleet.

Ensuring Crew Safety in California Ballast Water Exchange Rules

The California Lands Commission developed a set of rules to detail the process of conducting ballast water exchanges. AWO worked with the Lands Commission in securing a provisional exclusion from ballast water exchanges on unmanned barges because of the safety concerns surrounding the practice. The provisional exclusion will be codified by the Lands Commission in the form of a letter to the individual companies assuring them that the state will not pursue civil penalties against the tug and barge industry for not conducting ballast water exchanges on unmanned barges.

Waterways transportation is the most environmentally friendly mode of commercial transportation.



Lock delays due to aged facilities cost hundreds of millions of dollars a year. Consumers ultimately bear these costs.

Managing the Washington State Oil Transfer Committee

During the 2004 legislative session, Washington State passed a bill requiring the state Department of Ecology to write rules detailing environmental safety measures that would be required during oil transfers. The department plans to require pre-booming of some types of transfers when the conditions are such that the pre-boom could be deployed safely and would be effective. The Rules are still in the drafting stage and AWO has worked to ensure that the language being developed is reasonable and practical. AWO has also been working to ensure that unconstitutional manning requirements are not included in the state regulation.

Advocating Reasonable Regulation

AWO worked with Congress and the Coast Guard to clarify new requirements for oil spill response plans for non-tank vessels, a mandate of the 2004 Coast Guard authorization act that affects more than 600 towing vessels. AWO also supported legislation to clarify applicability of the provision and urged the Coast Guard to adopt a tiered approach to the forthcoming regulations, with requirements tied to a vessel's size, fuel type and capacity, and spill history and risk.

Preserving Missouri River Navigation

In August, the U.S. Court of Appeals for the Eighth Circuit ruled to uphold the longstanding congressional intent of the Flood Control Act (FCA) of 1944 that flood control and navigation are dominant purposes, and recreation, and fish and wildlife protection are secondary purposes, and that "if future circumstances should arise in which ESA (the Endangered Species Act) compliance would force the Corps to abandon the dominant FCA purposes of flood control or downstream navigation, the ESA would not apply." The court was very careful to explicitly use the terms "downstream navigation" throughout the ruling. Several plaintiffs, including the Missouri Attorney General, continue to interpret that to include Mississippi River navigation. AWO continues to work with the Administration, the U.S. Army Corps of Engineers, the U.S. Fish & Wildlife Service, Congress and stakeholder partners to ensure reliable navigation on the Missouri and Mississippi rivers.

Waterways Action Plan

To ensure the safety and security of towing industry crews and the public, along with protecting the waterways infrastructure, the River Industry Executive Task Force, an AWO standing task force, signed a letter of agreement with the U.S. Army Corps of Engineers and the U.S. Coast Guard to initiate an effort to consolidate several existing crisis plans into one comprehensive plan to address high water, low water, ice and high velocity river conditions. The plan will include all major Western Rivers and will approach the rivers as a system. The new plan will standardize all plans to avoid miscommunication and conflicting expectations. This new comprehensive Waterways Action Plan will be a living, electronically available document that will be exercised on a regular basis. The document will be completed in early 2006.



Tank barge spills declined by 89% between 1994 and 2003, the most recent year for which complete statistics are available.

60% of America's grain exports move by barge along the nation's inland waterways, accounting for \$10 billion in exports.

The capacity of one inland barge is equal to that of 15 rail cars or 60 semi-trailer trucks.

Preserving Federal Jurisdiction over Interstate Commerce

Early in the year, the U.S. Department of Justice filed a lawsuit in the U.S. District Court for the District of Massachusetts on charges that the Massachusetts Oil Spill Act treads on federal jurisdiction in making rules governing maritime operations in U.S. waters. AWO and three other maritime organizations subsequently filed to intervene in the case and officially joined the litigation in the spring, becoming full parties to the lawsuit. AWO is joined in the motion by the Chamber of Shipping of America, INTERTANKO and BIMCO. All preliminary motions have been filed and AWO is working with the Department of Justice and the other maritime organizations to resolve this matter without the time and expense of a full trial proceeding.

Continuous Improvement for Cleaner Air

As one of the most environmentally friendly forms of transportation, the tugboat, towboat and barge industry has a long history of leadership in environmental protection. AWO members have worked with state environmental agencies in Texas and Louisiana to help develop the scope of their emissions reduction programs. AWO members have compiled industry recommendations for best management practices to reduce cargo tank emissions, and, in conjunction with the Chemical Transportation Advisory Committee and both state environmental agencies, will disseminate the recommendations to the entire tank barge community, including third party tankering services, facilities and shipyards.

Finding ways to improve the environment by continuously improving our operations, processes and technology is a hallmark of AWO's commitment to environmental protection.

Seeking Relief from Unfair Taxation

A unique coalition of AWO members and non-member towing companies formed the Tax Equity and Amnesty (TEA) Committee to protect themselves against the arbitrary application of fuel taxes in New York State. The TEA Committee is actively engaging the New York State Tax and Finance Department to secure a fair and accurate method to calculate the Petroleum Business Tax. The TEA Committee was also working at year's end, and will continue in 2006, to lobby the New York State executive and legislative branches for a full repeal of the tax.



The U.S. Department of Transportation has projected that the demand for commercial waterways transportation will more than double by 2025.

Public Affairs Outreach

Outreach to Policymakers

AWO conducted its third annual congressional “Barge-In” in conjunction with its Spring Convention, involving members in visits with their representatives and senators. This day-long initiative serves to educate policymakers on important issues and to thank lawmakers for their support for the industry.

AWO also continued its ongoing Congressional Education Program, providing briefings on the value of the industry to the nation’s economy, environment, quality of life and national security to policymakers who are members of key congressional committees in the 109th Congress.

With operations and employees across the country, AWO members are the core of the association’s grassroots advocacy team. In 2005, AWO expanded the reach of its congressional grassroots network, involving more AWO members in more contacts with Members of Congress and their staffs than ever before. AWO Board members led the way in this critical component of the association’s congressional outreach and advocacy program.



Industry Image Campaign

In an effort to raise awareness and educate policymakers “inside the Beltway” on America’s tugboat, towboat and barge industry, AWO continued to use its industry image campaign as a communications tool. The campaign consists of radio ads, explaining the value the industry brings to the nation, placed on two all-news radio stations and print ads on various aspects of industry efficiency and safety placed in the most widely read newspaper on Capitol Hill.

Web Site Redesign

In 2005, AWO began a process to redesign its Web site, www.americanwaterways.com, in order to modernize and more effectively communicate its important messages to the AWO membership, policymakers, the media, other stakeholders and the general public. The new site will be unveiled in early 2006.

Safety Calendar

The AWO 2005 Safety Calendar focused on “Security Measures and Safety,” with all of the safety messages originating from the U.S. Coast Guard-approved AWO Alternative Security Program. Since the events of 9/11 have inextricably tied safety and security issues together, the calendar’s messages suggested awareness behaviors for an industry considered “the eyes and ears on the nation’s waterways.”



Media Outreach During Crises

2005 found AWO and its members dealing with several crises created by natural disasters like devastating hurricanes and weather-related accidents. AWO placed special emphasis on counseling members on how to deploy effective crisis communications aimed at the general public, employees and customers, and on their role in implementing the AWO Crisis Communications Plan.

A Congressional Budget Office study found that barging was the most energy efficient mode of bulk transportation.

AWO's public affairs efforts use diverse tools to communicate the value of the tugboat, towboat and barge industry to the nation's economy, environment, national security and quality of life.

Safety

Responsible Carrier Program – Evolving to Meet New Industry Needs

In 2005, AWO continued its efforts to ensure that the Responsible Carrier Program continues to evolve to meet the needs of its members by providing them with a state-of-the-art safety management system that includes the tools necessary to help them reduce fatalities, injuries, oil spills and vessel casualties. This evolution is part of AWO's effort to make certain that the Responsible Carrier Program contains all of the elements expected to be required by the new towing vessel inspection regulations currently being drafted by the Coast Guard. To meet this goal, 15 new requirements were added to the Responsible Carrier Program and became effective in 2005. The addition of another four items was approved in 2005, to be effective in 2006. These additional new elements, and several more to be added over the next two years, will ensure that all AWO members complying with the Responsible Carrier Program will be in full compliance with the new towing vessel regulations when they come into effect and guarantee that AWO members meet the goal of a seamless transition into inspected status.

CEMS Manual

The new Crew Endurance Management System (CEMS) implementation manual, "CEMS: Getting Started, Making It Work," was jointly developed by a Coast Guard-AWO working group. The manual is a practical, plain-language guide to making CEMS a part of AWO member companies' operations. The primary authors of the manual are AWO members who are in the process of implementing CEMS themselves and have practical tips, testimonials and lessons to share. The manual is meant to provide real-world answers to the questions AWO members are asking about how to get started with CEMS implementation, whatever the company size, type or area of operation.



Lesson Plans – Tools to Improve Safety

The AWO safety committees, Coastal and Interregion, are proud of their continued work in developing safety tools for the entire industry. In 2005, the Interregion Safety Committee

developed three new lesson plans on Ladder Safety; Slip, Trip and Fall Prevention -- Beyond the Basics; and Prescription Drugs and Over-the-Counter Pain Relievers. The Coastal Safety Committee completed the final three lesson plans of its five-lesson series on Line Handling. All of the lesson plans are developed to address targeted safety issues and designed in such a way that every AWO company can use the standard information continued in the lesson plans, and if necessary, modify the plans to address its unique operations.



More than 99.9997% of the oil moved by barges was delivered safely in 2003, the most recent year for which complete statistics are available.

Safety is the number one priority for AWO, and the most pressing industry safety challenges are addressed through its Responsible Carrier Program, the Coast Guard-AWO Safety Partnership, and the work of the AWO Safety Committees.

Industry Statistics

The U.S. Tugboat, Towboat and Barge Industry – A Vital Link in Moving America’s Commerce

G – Grain:

68 million tons, 55% of the export market. *By commodity:* 35 million tons of corn, 66% of export market; 19 million tons of soybeans, 64% of export market; 12 million tons of wheat, 38% of export market.

C – Coal:

195 million tons, 16% of U.S. total. Most feeds U.S. power plants.

PC – Petrochemicals:

25 million tons, 43% of U.S. total.

PP – Petroleum Products:

214 million tons, 19% of U.S. total. Delivering most of New England’s home heating oil and gasoline, with 15 million tons.

F – Fertilizers:

13 million tons, 23% of U.S. total.

MS – Metal Scrap:

7 million tons, 22% of U.S. total. Most is iron and steel scrap that is input to modern electric-arc furnaces.

COB – Container-on-Barge:

Areas of operation include Seattle to Alaska, New York City to Albany (with plans to expand to Connecticut ports), the growing Gulf Coast-Mississippi River network, and Puerto Rico/Virgin Islands.

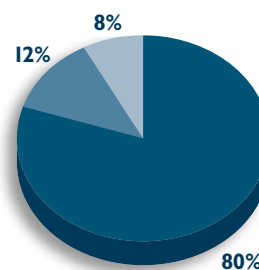
SA – Ship Assist:

Much of America’s goods arrive in busy deepwater ports such as Los Angeles/Long Beach, New York, Houston and Boston. The towing industry provides vital services such as assisting container ships into and out of their berths, supplying fuel and other supplies, and lightering or removing cargo so vessels that have drafts exceeding water depth can enter the harbors.



Vast Majority of Tank Barges Already Double-Hulled

The Oil Pollution Act of 1990 requires that all vessels carrying petroleum and petroleum products be double-hulled by 2015. The towing industry is already well ahead of that target, with 80% of its tank barges double-hulled.



- Double-Hull: 2,938
- Single-Hull: 298
- Other: 461

(Note: Other hull types are double-sided, double-bottomed, and other reinforced structures.)

Currently, 80% of tank barges carrying oil have full double hulls; by 2015 all tank barges in U.S. waters will have double hulls.

AWO 21 Strategic Plan 2004-2006

AWO 21, the association's strategic plan, sets forth the values held by AWO member companies and guides the work of the AWO staff by detailing the organization's vision, mission and goals.



Vision

The American Waterways Operators is the leading national advocate for, and promoter of, a safe, secure and environmentally responsible tugboat, towboat and barge industry.

Mission

The American Waterways Operators is the national trade association representing the owners and operators of tugboats, towboats and barges serving the waterborne commerce of the United States. Its mission is to promote continuous improvement in safety and environmental standards, the long-term economic soundness of the industry and the importance of waterborne commerce in the national transportation system.

Values

AWO Members:

- Recognize the fundamental responsibility to operate their companies in an ethical, safe, secure and environmentally responsible manner that benefits their employees, their customers, the public and the environment.
- Embrace continuous improvement in safety and environmental performance and compliance with safety management systems such as the Responsible Carrier Program.
- Recognize that the waterways of the U.S. are a national asset and a shared resource requiring stewardship and improvement.
- Constructively engage the public policy process on matters that affect safety, security, the environment, the communities in which we operate, and the economic soundness of the industry.
- Continue the industry heritage of cooperation, draw strength from member diversity and support initiatives that fortify the industry and foster achievement of its goals.

Goals

1. Be an effective and proactive advocate with the U.S. Congress.
2. Be an effective and proactive advocate with federal agencies.
3. Promote continuous improvement in industry safety, security and environmental performance.
4. Promote positive public awareness of the industry.
5. Influence state and regional initiatives that affect industry interests.
6. Inform the membership on public policy issues.
7. Ensure effective and efficient management and governance of the association.

AWO Staff



Creative: Howell Marketing Design Group

Thomas A. Allegretti
President & CEO

Lee H. Hill
Chief Financial Officer &
Senior Vice President

Jennifer A. Carpenter
Senior Vice President –
Government Affairs &
Policy Analysis

Anne Davis Burns
Vice President – Public Affairs

Robert L. Clinton
Vice President – Safety

Christopher A. Coakley
Vice President – Atlantic Region

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