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Senate Begins Consideration of WRDA Bill

The U.S. Senate has begun consideration of S. 601, the Water Resources Development Act of 2013, which includes important aspects of the Inland Waterways Capital Development Plan strongly supported by AWO and Waterways Council, Inc. Provisions in the bill include navigation project delivery reforms, streamlining of Inland Waterways Users Board appointments and investments in inland waterways projects across all geographic areas.

The Senate WRDA bill is the first to be considered by Congress since 2007, and addresses inland waterways infrastructure, harbor maintenance, and beach replenishment projects such as those needed by parts of the Northeastern United States damaged by super-storm Sandy. The legislation was unanimously approved by the Senate Environment and Public Works Committee in March.

A manager's amendment to the bill includes the federalization of Olmsted, an increase in the threshold for major rehabilitation projects to qualify for Inland Waterways Trust Fund funding from \$14 million to \$20 million, provisions to gradually compel the appropriation of the full amount collected annually by the Harbor Maintenance Trust Fund for authorized purposes, and includes a \$25 million annual program for dredging on the Mississippi River from St. Paul to the Red River. Also included in the manager's amendment is language from two AWO- and WCI-supported bills, S. 565 and 566, offered earlier this year

by Sen. Dick Durbin (D-IL) that would rehabilitate the gauge system on the mid-Mississippi River, as well as establish a number of public-private partnership infrastructure projects.

Sen. Robert Casey (D-PA), lead sponsor of S. 407, the Reinvesting in Vital Economic Rivers and Waterways (RIVER) Act, spoke on the floor about his efforts to include an increase in the Inland Waterways Fuel Tax in the bill, as recommended in the Capital

Development Plan. Although Senate rules prevented Sen. Casey from formally introducing an amendment to WRDA to raise the user fee, he assured supporters that he would continue to work with Senate leaders to enact the provision in the future.



AWO strongly supports and is working to assist WCI's efforts to include legislative language to enact the Capital Development Plan in a WRDA bill to improve the long-term reliability of the inland waterways system. AWO will also work to ensure that necessary investments in inland waterways infrastructure are adequately and equitably financed. Urging Members of Congress to support inclusion of the Capital Development Plan in WRDA was a top priority during AWO's grassroots meetings during the Barge-In last month.

Senate debate on the WRDA bill is expected to continue next week. For more information, please contact Craig Montesano at (703) 841-9300, extension 297, or at cmontesano@vesselalliance.com.

Do You "Like" AWO Yet?



Join our virtual community for the towboat, tugboat, and barge industry. Click [here](#) to view AWO's Facebook page and join. Spread the word among your colleagues!

In Memoriam: Frank Stegbauer

AWO joins industry friends from around the country in mourning the loss and remembering the life and many accomplishments of Frank T. Stegbauer. Mr. Stegbauer, the retired president and former owner of Southern Towing Company, died April 30 in Naples, FL, at the age of 88.

Throughout his long career, Frank Stegbauer was a passionate and outspoken advocate for the tugboat, towboat and barge industry. He began his career in 1946 with Warner & Tamble Company, a family-owned harbor services and towing business, and became co-owner of Southern Towing Company in 1960.

Mr. Stegbauer was elected AWO Chairman of the Board in 1977. AWO's *Annual Report* that year highlighted the opportunities and challenges the industry faced during Frank's chairmanship:

The winter of 1976-1977 gave a convincing demonstration of the dependence of a wide cross-section of Americans on water transportation. The usual cluster of user tax proposals made their way to the hopper in the new Congress. Locks and Dam 26 replacement bills were introduced. "Superfund" legislation is back in the picture and the "let's-reorganize-the-government" thrust continues to occupy political attention.



Frank led AWO effectively in confronting these matters. He played a particularly strong role in AWO's work with the Coast Guard to ensure that the regulatory regime governing the industry was a sound and practical one. He chaired AWO's Coast Guard Liaison Committee and served as the first chairman of the congressionally authorized Towing Safety Advisory Committee.

AWO President & CEO Tom Allegretti said, "Frank was an incredible supporter of AWO throughout his long career. He served for many years on our Board of Directors and held several important leadership positions on our internal committees. He was resolute in his love for and defense of the inland towboat industry. I will always especially remember the great generosity that he showed toward me

The scope and depth of [Frank's] knowledge was vast. We have missed him greatly in AWO since his retirement and we mourn his passing."

- AWO President & CEO
Tom Allegretti

and my colleagues on the staff. Whenever we were uncertain about the impact of a proposed regulation or unsure about an industry operation, he was the first member we turned to for answers. None of our questions were ever too stupid. He would carefully explain to us the practice or the impact so that we were better able to make the industry's case. The scope and depth of his knowledge was vast. We have missed him greatly in AWO since his retirement and we mourn his passing." ❀

CEMS Training Opportunities Available

The Crew Endurance Management System is a system for managing risk factors in maritime work environments that can lead to human error and performance slumps. The U.S. Coast Guard and AWO have been working together to help companies implement the principles of CEMS. The courses listed on the right are CEMS Coaches Classes, which are conducted by Salyers Solutions, LLC. For questions on these particular courses, please contact the course instructor, Jo Ann Salyers at (504) 236-4962 or via email at joann@salyerssolutions.com.

June 18 & 19
Salyers Solutions, LLC
Houston, TX

July 9 & 10
Salyers Solutions, LLC
Las Vegas, NV

For further information on CEMS training opportunities, please contact Pik Kwan Ng, U.S. Coast Guard, at (202) 372-1354.

White House Releases Ocean Policy Final Implementation Plan

Last month, the National Ocean Council released its Final Implementation Plan, the culmination of years of administrative effort beginning with the Bush administration and continuing through the Obama administration to streamline and coordinate the action of federal agencies on the oceans, coasts, and Great Lakes. The plan outlines a federal agency framework directing how agencies will share data to reduce redundancies in ocean-related regulatory activities. The plan does not create any new laws, regulations, or authorizations for funding.

AWO is a member of the National Ocean Policy Coalition, an industry group focused on advocating for maritime industry interests before the National Ocean Council. The Coalition submitted comments on the initial draft released in 2012 and also met with National Ocean Council staff earlier this year. The draft called for each region to set up inter-governmental planning bodies consisting of state, local, and tribal representatives. The fact that each region could end up with a separate regime for marine planning was a strong point of industry concern. It was also unclear if regions that were not willing to participate in marine spatial planning would be required to do so. This has been addressed in the final plan by clearly identifying regional planning as a voluntary process. Another point of industry concern, the potential incorporation of “eco-system based management” practices into federal environmental assessments, remains in the final plan.

AWO will continue to monitor the work of the National Ocean Council as the Final Implementation Plan is enacted by federal agencies. For more information on this issue, please contact Kevin Dowling at (703) 841-9300, extension 264, or kdowling@vesselalliance.com.

AWO Urges Coast Guard to Develop Designated Medical Examiner Program

In comments submitted May 2, AWO urged the U.S. Coast Guard to establish a designated medical examiner option as part of the agency’s merchant mariner medical evaluation program. The 2012 Coast Guard and Maritime Transportation Act required the Coast Guard to conduct an assessment of the effectiveness of the National Maritime Center’s medical evaluation program, and to analyze whether a designated medical examiner program could work for the maritime industry.



AWO’s comments were consistent with previous recommendations made by the AWO Working Group on Mariner Licensing and Medical Standards. In 2012, that group, comprising AWO member companies representing both inland and coastal operations, recommended that the Coast Guard establish a voluntary training and certification program for medical professionals under which medical professionals could become Coast Guard-recognized designated medical examiners. As envisioned by the AWO working group, a mariner using a designated medical examiner would receive expedited processing of his or her credential application by the National Maritime Center. A mariner would still have the option of using a qualified medical professional other than a designated medical examiner, and in that case the NMC would conduct a full review of the 719-K and associated information just as it does now.

In its comments, AWO expressed its belief that such a system “would benefit mariners by enabling them to choose to use a designated medical examiner and navigate the Coast Guard’s medical review process more quickly; it would also benefit the Coast Guard by reducing the NMC’s workload (once the initial investment of resources in establishing the program has been made); and will benefit marine safety by providing an incentive for mariners to use medical professionals who are familiar with Coast Guard requirements and the responsibilities and physical demands of vessel employment.”

AWO’s recommendation is similar to the Merchant Mariner Medical Advisory Committee’s March 2013 recommendation that the Coast Guard adopt a hybrid system that gives mariners the option of using either a Coast Guard-approved designated medical examiner or other qualified medical professional.

To read AWO’s comments, click [here](#). For more information, please contact Jennifer Carpenter or Brian Vahey at (703) 841-9300, extensions 260 and 251, respectively, or via email at jcarpenter@vesselalliance.com and bvahey@vesselalliance.com.

GAO Report Finds TWIC Reader Pilot Results Unreliable

On May 8, the U.S. Government Accountability Office published a report calling for Congress to halt the Department of Homeland Security's efforts to promulgate a final regulation on TWIC readers until DHS can conduct a successful security assessment of the effectiveness of TWICs in reducing maritime security threats. GAO has concluded that the Transportation Security Administration's February 2012 report to Congress on the TWIC reader pilot program showed that the test's results were incomplete, inaccurate, and unreliable for

informing Congress and developing a regulation about the readers.

GAO found that the reader pilot program was plagued by planning and data collection problems. According to the report, DHS did not develop an evaluation plan to properly assess the business and operational impacts of TWIC readers, and TSA and the U.S. Coast Guard did not fully identify how they would compensate for areas where the pilot did not provide the necessary data needed to inform the TWIC card reader notice of proposed rulemaking (including, but not limited to, the

11 years after the TWIC program began, it continues to be beset by internal control weaknesses... and the security benefits of the program have yet to be demonstrated.

reasons for TWIC reader failures during the pilot). GAO further concluded that 11 years after the TWIC program began, "it continues to be beset by internal control weaknesses... and the security benefits of the program have yet to be demonstrated." For these reasons, GAO recommends that Congress require DHS to complete a new assessment of the effectiveness of using TWICs with readers to enhance port security.

A notice of proposed rulemaking on TWIC reader requirements was published in March and exempts vessels with less than 14 crewmembers from carrying readers onboard. However, the proposed rule would require barge fleeting areas that handle vessels carrying certain dangerous cargo to install readers. In comments made at the Coast Guard's May 2 public meeting in Seattle, WA, AWO praised the Coast Guard for recognizing that readers add no security value on vessels with small crew sizes but expressed concern that the agency's proposal to require readers at fleeting areas could have significant operational impacts not accounted for in the rulemaking.

To read the GAO report, click [here](#). For more information, please contact Brian Vahey or Brian Bennett at (703) 841-9300, extensions 251 and 279, respectively, or via email at bvahey@vesselalliance.com or bbennett@vesselalliance.com.

TWIC Reader NPRM Comment Period Extended 30 Days

U.S. Coast Guard Commandant ADM Robert J. Papp, Jr., has advised Congress that the Coast Guard will extend the comment period for the notice of proposed rulemaking on TWIC reader requirements by 30 days. The comment period will now close June 20.

On April 2, Reps. Bennie Thompson (D-LA), Ranking Member of the House Committee on Homeland Security, and Sheila Jackson Lee (D-TX), Ranking Member of the committee's Border and Maritime Security Subcommittee, sent a letter to ADM Papp requesting an extension of the comment period. The Thompson-Jackson Lee letter stated that the comment period should be extended so "that the Coast Guard ensures sufficient time and opportunity for comments and concerns from TWIC stakeholders to be shared."

The letter requested that the comment period be extended at least 90 days to allow for additional public meetings to be held in geographically diverse areas. As reported in the April 17 *AWO Letter*, four public meetings have been held in Arlington, VA, Houston, Seattle, and Chicago. ADM Papp responded that although none of the comments have requested additional time, the comment period will be extended for 30 days.

To read the Thompson-Jackson Lee letter, click [here](#). To read ADM Papp's response, click [here](#). For more information on the TWIC reader NPRM, please contact Brian Vahey or Brian Bennett at (703) 841-9300, extensions 251 and 279, respectively, or via email at bvahey@vesselalliance.com or bbennett@vesselalliance.com.

Keeping America Afloat

A modern maritime strategy is key to preserving trade and security

Rep. Duncan Hunter (R-CA), Chairman of the House Subcommittee on Coast Guard and Maritime Transportation, penned the following editorial, which appeared in the May 9 edition of the *Washington Times*.

The old saying “he who rules the seas rules the world” is still relevant today. National and global interests — for America, in particular — are inextricably linked to the seas. With oceans covering 70 percent of the Earth’s surface, they are just as important now as they were centuries ago when exploration and discovery were possible only by setting sail.

The magnitude of commerce dependent on shipping alone is staggering. Approximately 75 percent of global commerce moves by water and the volume of international trade by vessel will only climb. Even so, the U.S. flag fleet is carrying just 2 percent of cargo tonnage, down from 25 percent in 1955.

Several factors have led to this decline, but the ramifications are not simply economic. The consequences also transcend into the realm of U.S. security as a result of commercial trade vessels serving as military sealift assets through the Maritime Security Program, which provides operational support to 60 U.S.-flag commercial vessels.

The fewer number of commercial vessels that are available to supplement military transport add to the strain of an already reduced and undersized naval fleet. With emerging threats requiring the full attention of naval resources and the shifting of America’s defense strategy to the Pacific, the support provided through the Maritime Security Program is absolutely essential. In continuing the program, Congress must look ahead and consider policies that support the growth of the U.S. international flag fleet to alleviate pressure on limited naval resources.

Equally important, the U.S. domestic flag fleet carries more than a billion tons in cargo each year and contributes \$100 billion in economic output. The fleet is U.S. owned, U.S. built and U.S. crewed, carrying grains, coal, iron ore, limestone and petroleum through inland waterways, across the Great Lakes and along the coasts. The fleet consists of 40,000-plus tankers, barges, tugboats and offshore support vessels, many of which are owned and operated by family businesses that

have been in the maritime industry for generations.

Emerging to the disadvantage of these businesses are obstacles and complications imposed through the prevalent failure to recognize the importance of a strong flag fleet to the U.S. industrial base and national security. For the entire maritime industry, a last line of defense is the Jones Act, which requires flag vessels to carry cargo between U.S. ports.


Recognizing what’s at stake, Fred Harris, CEO of General Dynamics National Steel and Shipbuilding Co. (NASSCO), cautions that without a renewed commitment to the Jones Act, the United States could lose its shipbuilding capability, the same way the United Kingdom lost theirs. In 1963, almost 20 percent of the world’s commercial tonnage was built in the United Kingdom, but they have not constructed a commercial oceangoing vessel in nearly a decade, leading the Ministry of Defense to recently award a contract for military tankers to a South Korean shipyard.

“For the entire maritime industry, a last line of defense is the Jones Act, which requires flag vessels to carry cargo between U.S. ports.”

NASSCO and others are working to make sure America doesn’t make the same mistake. For instance, NASSCO is currently teaming with Totem Ocean Trailer Express Inc., to build the first liquefied-natural-gas container ships in the world, creating new jobs and preserving critical capability.

On May 22, the nation will observe National Maritime Day, commemorating the first trans-Atlantic steamship voyage in 1819. Not only is this a time to observe our history, it’s also an opportunity to recommit to America’s maritime industry. In the process, preserving what works — such as the Maritime Security Program and the Jones Act — will go a long way, but it’s equally important that we explore new avenues such as short sea shipping, the liquefied-natural-gas trade and an improved ship-financing program, all of which can be accomplished through a national maritime strategy.

As global trade will continue to grow, maritime policies must take center stage for the United States to remain an industry leader. America definitely has a proud maritime past. Together, let’s vow to have more firsts in our maritime future.

Rep. Duncan D. Hunter, California Republican, is chairman of the Subcommittee on Coast Guard and Maritime Transportation. 

Southern Region

Coast Guard Eight District Change of Command

U.S. Coast Guard Commandant ADM Robert J. Papp, Jr., presided over the Coast Guard's Eighth District Change of Command on May 2 in New Orleans, during which RADM Kevin Cook assumed command from RADM Roy Nash. RADM Nash had led the Coast Guard's largest district since June 2011 during challenging low and high water episodes and was a key participant on the River Industry Executive Task Force. RADM Cook previously served as Deputy to VADM Rob Parker at LANTAREA Command.

AWO members in attendance included:

Greg Binion, Kirby Inland Marine, LP; Z. David DeLoach, DeLoach Marine Services; Cherrie Felder, Channel Shipyard Company, Inc.; Jeff Kindl, American Commercial Lines, Inc.; Matt Lagarde, AEP River Operations; Merritt Lane and Mary McCarthy, Canal Barge Company, Inc; Mario Munoz, Turn Services, LLC; Lee Nelson, Upper River Services; Fred Nyhuis, Marathon Petroleum Company, LP; Miki Rieth, ES&H Consulting & Training Group; David Sehart, Dave O'Loughlin, and Arnie Rothstein, Ingram Barge Company; and Pat Studdert and Tom Marian, Buffalo Marine Service, Inc. 🌊

Recreational Boating Season is Here!

Order Your Lifelines Brochures Now!

Boating season is here, and boaters are making preparations to hit the water. AWO urges recreational boaters to use special caution when operating around commercial vessels and to educate themselves on the constraints under which those vessels operate. AWO's popular brochure, entitled "Lifelines: Safety Tips That Could Save Your Life," delivers important safety tips to recreational boaters in an easy-to-read, user friendly format.



To request copies of the brochure, please email your request to Frank Leach at fleach@vesselalliance.com. This brochure is free; however, there is a cost for shipping. Order your brochures today! 🌊



Left to Right: Mark Wright, Pat Studdert, Tom Marian, Miki Rieth, Matt Lagarde, RADM Nash, Mario Munoz, Cherrie Felder, and Z. David DeLoach at the Coast Guard Eighth District Change of Command Ceremony.

AWO Technology Steering Group Recommends TowWorks VGP Exchange

The AWO Technology Steering Group has recommended that barge and towing companies interested in utilizing an electronic solution for recordkeeping required by EPA's Vessel General Permit consider the

VGP Exchange by  TowWorks.

Launched in August 2012, the VGP Exchange allows towing companies of all sizes to send and receive VGP recordkeeping information in a manner consistent with EPA requirements. To read the Technology Steering Group's recommendation to members, click [here](#).

In 2011, the Technology Steering Group was asked by the AWO Executive Committee to identify a vendor that could develop or adapt a standardized electronic mechanism for recording and exchanging inspection information required under the VGP. As part of this effort, the Steering Group developed foundational requirements that a prospective VGP recordkeeping solution should meet, including the ability for companies to collect inspection information from multiple custodians, the ability to query recordkeeping information dating back as far as three years, and the ability to transmit electronic records immediately, upon EPA request, among other things.

The Technology Steering Group found that the VGP Exchange effectively addressed each of its seven foundational requirements, and encourages interested members to contact TowWorks for more information about the system.

TowWorks can be reached by calling (281) 619-8322 and selecting option 2, or via email at sales@vgpexchange.com.

Briefs Filed in States' Appeal of Asian Carp Case Dismissal



On April 30, the U.S. Army Corps of Engineers filed a brief in the U.S. Court of Appeals for the Seventh Circuit as a defendant in a complaint brought by five states bordering the Great Lakes that are seeking an order requiring the Corps to "expeditiously develop and implement" the permanent physical separation of the Chicago Area Waterways System from Lake Michigan to prevent the migration of Asian carp. The states, led by Michigan and including Wisconsin, Minnesota, Ohio and Pennsylvania, are appealing the dismissal of their complaint by the U.S. district court, which was reported in the December 17, 2012 issue of the *AWO Letter*.

The states continue to claim that the Corps' operation and maintenance of the CAWS constitutes a public nuisance due to what they allege is the risk posed by Asian carp and their potential to migrate into Lake Michigan. In its brief, the Corps argues that the agency operates and maintains the CAWS at the express direction of Congress, and because actions authorized by statute cannot create liability for nuisance, the states' public nuisance claim is unsupported. This was the district court's reasoning for its dismissal of the states' complaint, and the Corps concludes that the Seventh Circuit should affirm the district court's judgment. The Corps also writes that the case can be dismissed on two alternate grounds: first, that the U.S. has sovereign immunity to a federal common law claim for public nuisance; and second, that Congress has displaced federal common law by taking action to address aquatic invasive species between the Great Lakes and Mississippi River basins while leaving in place the statutory mandate to operate the CAWS. The Corps' brief was joined by the Metropolitan Water Reclamation District of Greater Chicago, which is named as a co-defendant, and the City of Chicago, which is an intervenor.

A second brief was filed by two other intervenors: the Coalition to Save Our Waterways, an industry coalition of which AWO is a member, and Wendella Sightseeing Co., Inc., a Chicago-based passenger vessel operator. Their brief also argues that the district court's judgment was correct and that granting the relief sought by the states – the closure of the CAWS – is beyond the authority of the courts because it would violate existing statutes.

Once the states have filed their reply to the defendants' brief, the Seventh Circuit is likely to set a date for oral argument. For more information, please contact Lynn Muench at (314) 446-6474 or lmuench@vesselalliance.com, or Caitlyn Stewart at (703) 841-9300, ext. 262, or cstewart@vesselalliance.com.