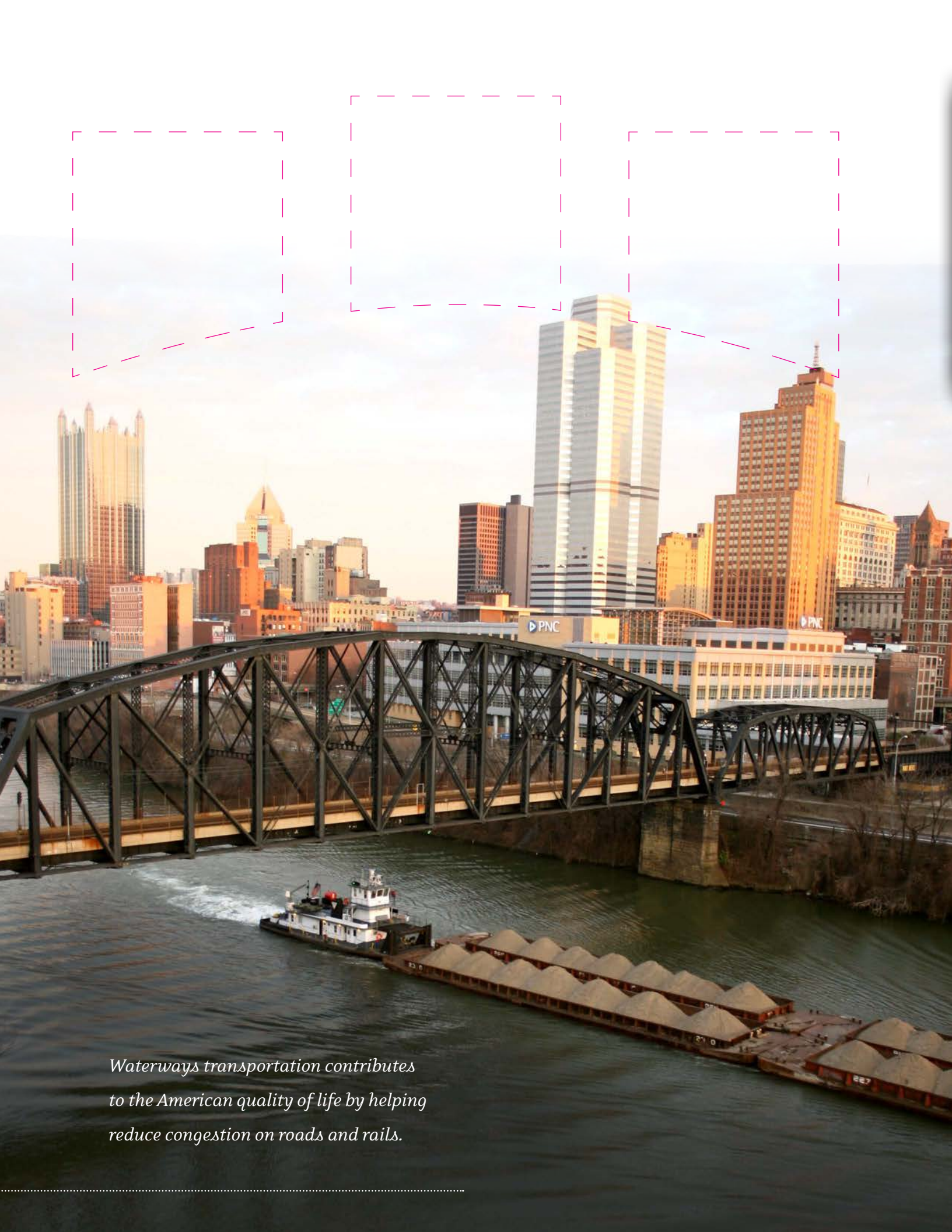


THE AMERICAN
WATERWAYS OPERATORS

2011 Annual Report





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



Vision

The American Waterways Operators is the national advocate for the U.S. tugboat, towboat and barge industry, which serves the nation as the safest, most environmentally friendly and most economical mode of freight transportation.

Mission

The American Waterways Operators represents the people who own and operate the tugboats, towboats and barges serving the rivers, coasts, Great Lakes and harbors of the United States. AWO promotes the industry's value to the nation as a driver of the U.S. economy with a positive impact on the American quality of life, moving vital commodities safely, providing family-wage jobs, reducing air and water pollution, relieving highway congestion and protecting homeland security.

Values

AWO members:

- Operate their companies and vessels in an ethical manner.
- Care for their employees and the public by working to improve the safety of their operations and the professionalism of their people.
- Care for the environment by working to protect and improve the quality of our nation's air and water.
- Supply creative, practical and economical solutions to their customers' and the nation's transportation needs.
- Provide value to the nation, moving cargoes vital to the U.S. economy as the safest, most environmentally friendly and most efficient mode of freight transportation.
- Value member diversity and engage in cooperative endeavors for the betterment of the industry.
- Work collaboratively with government and other stakeholders to find solutions to issues of safety, security, the environment and freight mobility.

Chairman's Message: AN HISTORIC JOURNEY



Peter Stephaich
*Chairman of
the Board*

As we look back on 2011, and look forward to 2012, the tugboat, towboat and barge industry stands at an historic crossroads. We are about to establish a new milestone in marine safety: a towing vessel inspection program that will redefine how our industry operates for the next generation.

Barges that carry petroleum, chemicals and other liquid cargoes have been inspected by the U.S. Coast Guard for many years, while the towing vessels that push these barges have not. And although towing vessel operations are already regulated by the Coast Guard through a substantial array of existing rules and requirements, there has not been a comprehensive towing vessel inspection program administered by the Coast Guard until now. In order to properly verify compliance with the forthcoming rules, the Coast Guard will have to develop an innovative approach to inspection, incorporating the use of Towing Safety Management Systems and Coast Guard-approved third-party audits.



Since 2003, AWO has been very proactive in requesting and providing input into the development of these new regulations, working in partnership with the Coast Guard. Even though our industry's safety record in such important

metrics as crew fatalities, oil spills and vessel casualties has improved over the past 20 years - sometimes steadily, sometimes dramatically - AWO members believed that a comprehensive towing vessel inspection program, with a requirement for a safety management system at its core, would improve the safety performance of the entire industry. The National Transportation Safety Board has echoed this call, urging the requirement for a safety management system for all vessels as one of its top ten Most Wanted Transportation Safety Improvements.

In December 2003, the AWO Board of Directors voted to pursue, in concert with the Coast Guard, a towing vessel inspection program that would build upon the AWO Responsible Carrier Program, an award-winning safety and environmental protection program with which all AWO members must comply as a condition of membership. The industry approached the Coast Guard and proposed that it ask Congress for the authority to create such an inspection program, an authority that was then granted in the Coast Guard and Maritime Transportation Act of 2004.

Since then, the industry has provided input into the development of a towing vessel inspection program through the Towing Safety Advisory Committee, a congressionally authorized federal advisory committee that counsels the Coast Guard on issues related to towing vessel safety. After years of discussion and development, the Coast Guard issued a notice of proposed rulemaking, or NPRM, proposing a towing vessel inspection program on August 11, 2011.

This is a remarkable achievement, one that speaks volumes about AWO member companies' well-deserved reputation as safety leaders. This industry did not stand by and wait for new federal safety regulations. Instead, it demonstrated



the vision, led the effort and pushed for new regulations that would make the entire industry even safer.

The leadership demonstrated by AWO member companies was recognized by Coast Guard VADM Brian Salerno, Deputy Commandant for Operations, who said, “This NPRM, which proposes an inspection regime for a previously uninspected class of vessels, is the result of the Coast Guard working closely with industry to improve vessel safety to prevent accidents and protect vessels, crews, cargoes, our shared waterways and our environment while being mindful of the burden created by regulations.”

Likewise, NTSB Chairman Deborah Hersman also hailed the publication of the NPRM, especially its Towing Safety Management System provisions, saying, “[T]hrough the leadership of the American Waterways Operators, the towing industry has encouraged the development of, and announced their support for, this important initiative to improve safety. Congratulations to the U.S. Coast

Guard and AWO for this important step to improve safety on our nation’s waterways.”

AWO members are committed to operating safe and environmentally responsible companies. Our goal is to improve the safety and environmental performance of our entire industry, because we all share the same waterways and the same obligation to the American public. In addition to its support for the new inspection regulations, AWO established a Task Force on the Future of AWO Safety Leadership to lead the development of further improvements in safety and environmental stewardship, over and above the requirements of law and regulation. We are moving forward to implement the ambitious ten-year plan recommended by the Task Force.

AWO members can be justifiably proud of this record of achievement, for which they have worked so hard over the past decade. We move forward into 2012 hopeful and confident that these new initiatives will improve safety, security and environmental protection for generations to come.

*Barging
is the
most energy
efficient mode
of bulk
transportation.*

Executive Committee



Peter Stephaich
Chairman of the Board
 Campbell Transportation Co., Inc.
 Pittsburgh, PA



Dick Lauer
 Sause Bros.
 Portland, OR



Charles Linn Peterson
Vice Chairman of the Board
 Kirby Inland Marine, LP
 Miami, FL



Buckley McAllister
 McAllister Towing
 New York, NY



George Foster
Immediate Past Chairman of the Board
 JB Marine Service, Inc.
 St. Louis, MO



Frank Morton
 Turn Services, LLC
 New Orleans, LA



Capt. Alan Bish
 Reinauer Transportation Company
 Staten Island, NY



Lee Nelson
 Upper River Services
 St. Paul, MN



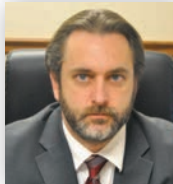
Jim Farley
 Kirby Inland Marine, LP
 Houston, TX



David Sehrt
 Ingram Barge Company
 Nashville, TN



Cathy Hammond
 Inland Marine Service
 Hebron, KY



Gregg Thauvette
 The Great Lakes Group
 Cleveland, OH



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



Paul Tobin
 American Commercial Lines, Inc.
 Jeffersonville, IN



The American Waterways Operators was founded in 1944.

Board of Directors

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Chairman of the Board
Campbell Transportation Co., Inc.
Pittsburgh, PA

Mr. Linn Peterson
Vice Chairman of the Board
Kirby Inland Marine, LP
Miami, FL

Mr. George Foster
Immediate Past Chairman
JB Marine Service, Inc.
St. Louis, MO

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Amherst Madison, Inc.
Charleston, WV

Capt. Alan Bish
Reinauer Transportation Company
Staten Island, NY

Mr. Mark Bourgeois
LeBeouf Bros. Towing, L.L.C.
Houma, LA

Mr. Larry Daily
Alter Barge Line, Inc.
Bettendorf, IA

Mr. J.C. Dann
Dann Marine Towing, LC
Chesapeake City, MD

Mr. Stephen Dann
Dann Ocean Towing, Inc.
Tampa, FL

Mr. Z. David DeLoach
DeLoach Marine Services
Port Allen, LA

Mr. Joe Devall
Devall Towing & Boat Service, Inc.
Hackberry, LA

Mr. Tommy Echols
Echo Marine, Ltd./
Echo Towing Service Inc.
Baytown, TX

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Kirby Inland Marine, LP
Houston, TX

Ms. Cherrie Felder
Channel Shipyard Company, Inc.
Metairie, LA

Mr. Mark Flynn
Higman Marine Services, Inc.
Houston, TX

Mr. Austin Golding
Golding Barge Line
Vicksburg, MS

Ms. Cathy Hammond
Inland Marine Service
Hebron, KY

Mr. Charles Haun
Parker Towing Company, Inc.
Tuscaloosa, AL

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E.N. Bisso & Son, Inc.
Metairie, LA

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The Vane Brothers Company
Philadelphia, PA

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JANTRAN, Inc.
Rosedale, MS

Mr. Merritt Lane
Canal Barge Company, Inc.
New Orleans, LA

Mr. Richard Lauer
Sause Bros.
Portland, OR

Mr. Mike Luhr
Luhr Bros., Inc.
Columbia, IL

Mr. Brendan MacGillivray
Seaboats, Inc.
Portsmouth, RI

Mr. Tom Marian
Buffalo Marine Service, Inc.
Houston, TX

Mr. Mark Mayfield
James Transportation LLC
d/b/a James Marine, Inc.
Paducah, KY

Mr. Buckley McAllister
McAllister Towing
New York, NY

Mr. Art Mead
Crowley Maritime Corporation
Jacksonville, FL

Mr. Darren Melvin
Hanson Material Service
Romeoville, IL

Mr. Frank Morton
Turn Services, Inc.
New Orleans, LA

Mr. Emmitt Neal
Crounse Corporation
Paducah, KY

Mr. Lee Nelson
Upper River Services
St. Paul, MN

Mr. Brent Nissen
American River Transportation Co.
St. Louis, MO

Mr. Dan Nutt
K-Sea Transportation Partners, LP
Seattle, WA

Mr. Frederik A. Nyhuis
Marathon Petroleum Company LLC
Russell, KY

Mr. Jeff Parker
Allied Transportation Company
Norfolk, VA

Mr. James "Goat" Patterson
Osage Marine Services Inc.
St. Louis, MO

Mr. John Pigott
Tidewater Barge Lines, Inc.
Vancouver, WA

Mr. Steve Scalzo
Marine Resources Group
Seattle, WA

Mr. David Sehart
Ingram Barge Company
Nashville, TN

Mr. Rich Smith
Westar Marine Services
San Francisco, CA

Mr. Mike Somales
CONSOL Energy Sales Company
Monessen, PA

Mr. Gregg Thauvette
The Great Lakes Group
Cleveland, OH

Mr. Paul Tobin
American Commercial Lines, Inc.
Jeffersonville, IN

Mr. Clark Todd
Blessey Marine Services, Inc.
Harahan, LA

Mr. Ted Tregurtha
Moran Towing Corporation
New Canaan, CT

Mr. William Waterman
Penn Maritime, Inc.
Stamford, CT

Mr. Ted Waxler
SCF Waxler Marine LLC
Memphis, TN

Mr. Matt Woodruff
Kirby Corporation
Houston, TX

Mr. Alan Zurawski
Naknek Barge Lines, LLC
Seattle, WA



President's Report: ADVANCING OUR PRIORITIES



Thomas A. Allegretti

President & CEO

AWO confronted the challenges of 2011 buoyed by a strong optimism and confidence that can only derive from battle-tested achievements, most prominently the effective 2010 defense of the industry in turning back a torrent of harmful legislative proposals that sprang from the highly charged congressional reaction to the *Deepwater Horizon* oil spill. That spirit of optimism and confidence was instrumental in allowing AWO to effectively pivot from a game of strong defense to one of assertive offense as we found and created opportunities to advance the industry's public policy and safety agenda in 2011.

The significant accomplishments of 2011 are well chronicled in Chairman Peter Stephaich's message and in the subsequent pages of this annual report. The industry's attributes and characteristics, ranging from its deeply held safety culture, to the excellent family-wage jobs it provides to Americans, to the homeland security benefits of an American-owned and operated vessel fleet, to the significant environmental contributions of barge transportation, provided a strong foundation on which to deliver our messages and advance our priorities. Even for an association with an already long record of safety and public policy achievements, 2011 was an extraordinary year. On the advocacy front, the strong congressional reaction to the Administration's unlawful waivers of the Jones Act in the drawdown of crude oil from the Strategic Petroleum Reserve, House passage of seminal legislation to establish a uniform and

practical national approach to the regulation of vessel discharges, the introduction of legislation to eliminate the burdensome and unnecessary second trip to a TWIC enrollment center for American mariners, and the resolve of an international coalition of maritime organizations to challenge unconstitutional state legislation that would undermine the Coast Guard's authority over interstate commerce were at the forefront of industry achievements. On the safety front, the advance of the Coast Guard's towing vessel inspection regulation, strongly supported by AWO, will meaningfully improve the federal standards governing tugboats and towboats, and approval by the AWO Board of Directors of the groundbreaking work of the Future of AWO Safety Leadership Task Force provides a clear and ambitious vision of future safety improvements over the next 10 years.

All of these achievements are especially meaningful because they were accomplished in a challenging political climate in which it is extremely difficult to get anything done. It is said that "fortune favors the prepared," and that axiom was certainly validated in AWO's work during 2011. A healthy combination of pursuing sound and thoughtful strategies, taking advantage of unanticipated opportunities, and good old-fashioned perseverance was a successful trifecta for our industry this year.

Simultaneous with the prosecution of this impressive agenda, AWO members also engaged in a careful examination of AWO's value. Belonging to a trade association that effectively protects its members, that can secure remedial and helpful legislation and that tangibly shapes the industry's future produced results that AWO members can understand, appreciate and quantify.



NTSB Chairman Deborah Hersman aboard the m/v Jackie Sue in St. Louis with Goat Patterson, Osage Marine Services, Inc., and AWO Immediate Past Chairman George Foster, JB Marine Service, Inc.



Yet the member consideration of value went broader and deeper than advocacy results. The expectation of AWO members is that the quest for increased value is intense and never-ending. It is expected that this quest is embedded in the leadership of its national officers and in the DNA of its staff, and that the organization's leaders are ever mindful that every member of AWO belongs voluntarily and provides financial support for which there are other competing and worthy demands. The value assessment also looked beyond the specific results to examine more deeply what they represent. It is significant that AWO is achieving results in the areas most important to its members. Additionally, many of the results stem from work that is self-generated – goals that have been conceptualized by the Board and actions planned by AWO's members. These are the kind of proactive and forward-thinking activities that help us be masters of our own destiny and shape our own future.

The bottom line of the value assessment was that AWO is an organization with a very healthy balance sheet that produces high margins for its stakeholders.

AWO is fortunate to be governed by leaders who understand that their investment in AWO should be seen in the same way as other durable assets, such as their personnel and their fleets. They understand that building and maintaining the asset that is AWO is a long-term investment in ensuring the success of the enterprise. Their vision and leadership result in AWO budget discussions each year that are focused on the right goals and facilitate consensus decisions about the level of investment needed to ensure future success.

AWO has been substantially strengthened by this internal assessment. It has broadened understanding and strengthened commitment. And for those who lead and govern the organization and those who prosecute this work, it ensures that we never become complacent. It ensures that we work hard to produce real results – protecting AWO members, securing helpful laws and regulations and positively shaping the industry's future. It allows us, and strengthens our determination, to meet the challenges of 2012 with the optimism and confidence that is part of our legacy and part of our future.

The U.S. Department of Transportation has projected that the demand for commercial waterways transportation will more than double by 2025. America must invest in its aging waterways infrastructure to handle that increase.

*The vessels operated by AWO
members are American-owned,
American-built and American-crewed.*



An Established Safety Culture

AWO members are committed to leading the marine transportation industry in safety and environmental performance. This commitment is codified in AWO's strategic plan, AWO 21, which calls on the association to "lead and support AWO members in continuously improving safety, security and environmental stewardship." This commitment has also been demonstrated by the association's history of innovative safety initiatives spanning nearly two decades.

AWO Responsible Carrier Program

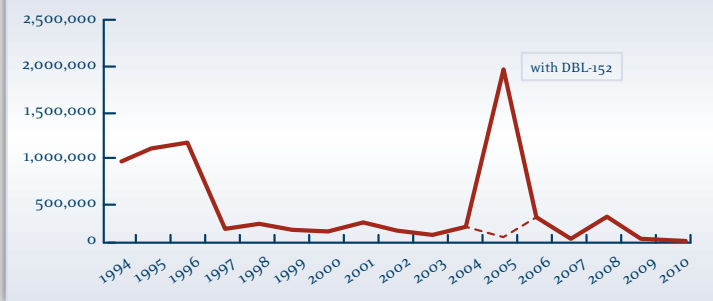
In 1994, AWO became the first transportation trade association to adopt a code of safe practice and environmental stewardship for member companies with the establishment of the Responsible Carrier Program. The RCP, a third party-audited safety management system, guides the development of safety and environmental protection programs that exceed federal regulatory requirements. Compliance with the RCP is a condition of AWO membership. The RCP has been praised by the U.S. Coast Guard and the Department of Transportation, as well as by shippers of essential commodities.

U.S. Coast Guard-AWO Safety Partnership

In 1995, AWO became the first marine transportation trade association to enter into a public-private safety partnership with the Coast Guard. The mission of the award-winning Coast Guard-AWO Safety Partnership is to improve vessel and personnel safety and enhance environmental protection and to strengthen the communication and working relationship between the industry and the Coast Guard.

The open dialogue and cooperative, non-regulatory approach of the Partnership has resulted in the launch of almost 40 Quality Action Teams to address priority safety and environmental issues, including the reduction of crew fatalities and oil spills and the promotion of crew endurance and alertness.

OIL SPILLS FROM BARGES (in gallons), 1994-2010



The Partnership has also facilitated the smooth transition to towing vessel inspection through the Towing Vessel Bridging Program. To date, the Coast Guard has completed over 3,500 industry-initiated examinations to ensure compliance with existing requirements and help to prepare vessel owners for the forthcoming inspection regulations.

Towing Vessel Inspection and Safety Management Systems

A towing vessel inspection regime was first recommended by a Coast Guard-AWO Safety Partnership working group in 2003. In 2004, AWO strongly supported the Coast Guard's request for new statutory authority to inspect towing vessels, including a requirement for safety management systems. After legislation was passed by Congress in 2004, AWO worked closely with the Coast Guard through the congressionally authorized Towing Safety Advisory Committee to provide advice on the development of proposed towing vessel inspection regulations.

In the 20 years since the passage of the Oil Pollution Act of 1990, there has been a 99.6% decrease in tank barge spills.

An Established Safety Culture

*Tank barge
oil spills in
2010 achieved
the lowest
levels since
1973, when
Coast Guard
recordkeeping
began.*

The Coast Guard published a regulatory proposal in August 2011, which includes a provision for towing vessel owners and operators to implement a Towing Safety Management System. AWO's leadership in actively encouraging the development of safety management systems for towing vessels has been recognized by the National Transportation Safety Board, which has called for safety management systems for all vessels as one of its ten Most Wanted Transportation Safety Improvements.

Promoting Crew Alertness

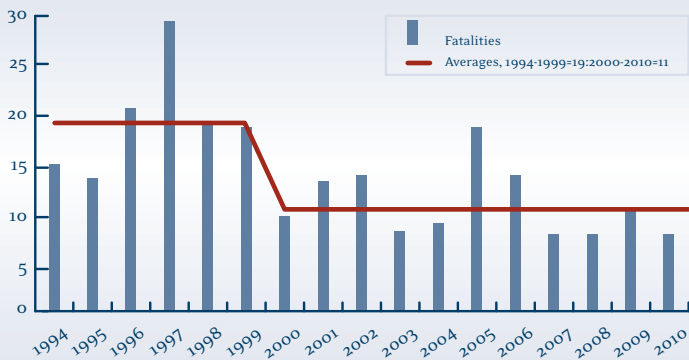
The Coast Guard-AWO Safety Partnership has also encouraged the adoption of science-based Crew Endurance Management System principles to enhance crew alertness. In 2009, AWO and the Northwestern University Center

for Sleep and Circadian Biology initiated an innovative study of crew endurance within standard industry watch schedules to inform and complement CEMS. This cutting-edge research, which will be the largest known sleep study involving mariners, continues into 2012.

Future of Safety Leadership

In 2010, AWO established a senior-level task force on the Future of AWO Safety Leadership to develop a new vision of industry safety leadership and a work program to achieve it. This year, AWO's Board of Directors approved the Task Force's recommendations, which call on AWO members to create strong safety cultures and lead the industry in safety and environmental stewardship by exceeding regulatory minimums, striving for continuous improvement and measuring performance. The work to implement these recommendations, which represent the most significant AWO safety initiative since the inception of the RCP, is now underway. The work of the Task Force is the latest chapter in AWO's ongoing effort to support its members as they challenge themselves to lead the industry in safety and environmental performance.

CREW FATALITIES, 1994-2010



Did You Know? SAFETY FACTS

In 2010, the last year for which complete statistics are available:

- Crew fatalities matched their all-time low.
- Oil spills from barges fell to their lowest levels ever, marking the second year in a row that a record low for oil spill volumes was reported.

In 2011, over 130 AWO members successfully completed third-party audits certifying their compliance with the RCP.



Jeff L. Yates © 2010

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





Providing Jobs and Homeland Security

The tugboat, towboat and barge industry is vital to America's economy. Today's modern fleet of over 4,000 tugboats and towboats and more than 27,000 barges moves over 800 million tons of America's commerce each year at a fraction of the cost of other transportation modes. In many cases, there is no viable alternative to barge transportation of these bulk commodities.

The industry provides well-paying, family-wage jobs on America's inland rivers, the Atlantic, Pacific and Gulf coasts, the Great Lakes, and ports and harbors around the country. Transporting the building blocks of U.S. industries – including petroleum, coal, chemicals, agricultural products, cement, sand and iron ore – the domestic barge industry is a vital part of America's intermodal transportation network and supports tens of thousands of shoreside jobs. American industries depend on

barging as the most efficient and economical form of domestic cargo transportation. Without barge transportation, thousands of jobs would disappear that our nation cannot afford to lose, and the price of key commodities would be much higher.

The tugboats, towboats and barges that ply our nation's waterways provide "eyes and ears" to the U.S. Coast Guard for homeland security. Built and owned by Americans, the industry's vessels are crewed by skilled merchant mariners who are a homeland security resource. That was never more evident than on 9-11, when American mariners answered the Coast Guard's call for "all available boats" and conducted the largest maritime evacuation in history from lower Manhattan. On this 10th anniversary year of 9-11, we remember their heroism.

The tugboat, towboat and barge industry comprises the largest segment of the domestic U.S.-flag fleet, providing economic, national and homeland security for America.

Jones Act Benefits to the Nation

Under a longstanding maritime law known as the Jones Act, cargo shipped between two U.S. ports must be transported on vessels that are American-owned, American-built and American-crewed. The Jones Act is the foundation of the U.S. domestic maritime fleet, and the tugboat, towboat and barge industry comprises the largest segment of that fleet. The Jones Act is critical for America's economic, national and homeland security.

America's domestic Jones Act shipping industry is responsible for nearly 500,000 jobs and more than \$100 billion in annual economic output. Jones Act-related U.S. labor compensation associated with the domestic fleet exceeds \$29 billion annually, with those wages spent in virtually every corner of the United States. Additionally, the Jones Act generates \$11 billion in U.S. taxes.

The Jones Act supports U.S. national security by ensuring available American vessels capable

of supporting our national defense and by providing for merchant mariners skilled in operating these vessels. The U.S. Navy has said that repeal of the Jones Act would "hamper [America's] ability to meet strategic sealift requirements and Navy shipbuilding." Over the past several decades the Navy has consistently opposed efforts to repeal or modify key U.S. maritime laws.

A critical component of homeland security is the ability to secure our nation's waterways. Since the Jones Act requires that vessels operating between U.S. ports and on our inland waterways be American-owned and operated under U.S. laws and U.S. governmental oversight, the domestic tugboat, towboat and barge industry fulfills an important homeland security function. Without the Jones Act, foreign-crewed and owned vessels would be able to travel our inland waterways into the very heartland of America. Repeal or modification of the Jones Act would make America less secure.

The tugboat, towboat and barge industry provides family-wage jobs for hardworking Americans; jobs that cannot be outsourced.

Unprecedented Mississippi River Flooding

The historic flooding that occurred on the Mississippi River in 2011 focused a national news spotlight on the barge industry and highlighted its value to the nation's economy in terms of vital commodities transported and jobs provided.



Jeff L. Yates © 2011

Protecting the Environment: THE GREENEST MODE OF CARGO TRANSPORTATION

The capacity of one inland barge is equal to that of 17 rail cars or 70 semi-trailer trucks.

Reducing Highway Congestion

One of the many advantages of barge transportation is that it helps keep thousands more trucks off our already crowded highways. This has a positive effect on traffic, pollution and public safety. The fuel efficiency of tugboats and towboats combined with the enormous carrying capacity of barges make barging the greenest mode of cargo transportation, compared to rail or trucking. Barges transport cargoes on the waterways, away from congested population centers.

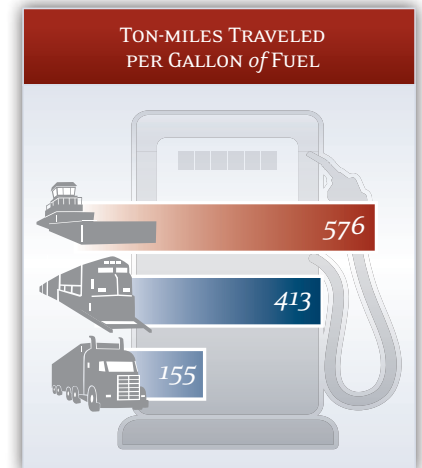
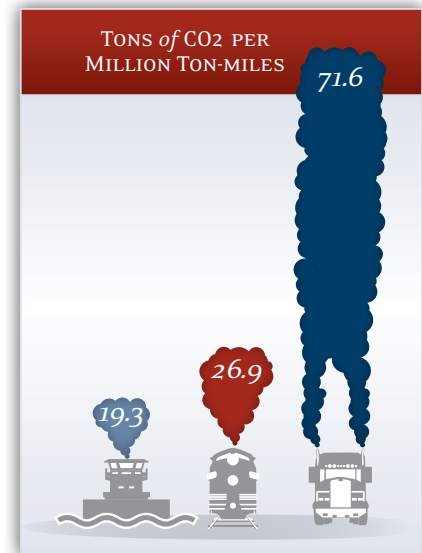
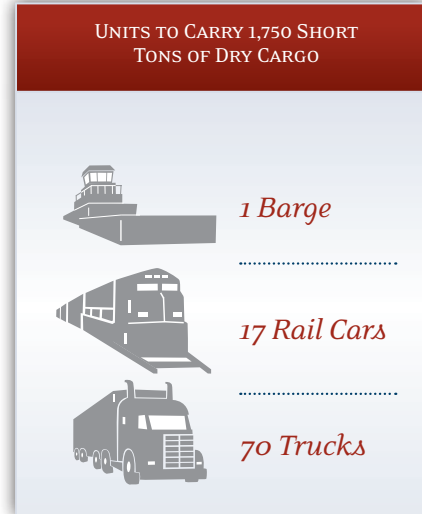
Lowest Emissions of All Modes

Barging has a smaller carbon footprint than transporting cargo by trains or trucks because it results in fewer emissions. Barges have a significant advantage over trains and trucks in terms of CO₂ produced per ton of cargo moved. Transport by rail emits 39% more CO₂, and transport by truck emits 371% more CO₂, than transport by barge.



Fuel Efficiency of Tugboats/Towboats

Barging saves energy. Barges can move one ton of cargo 576 miles on one gallon of fuel, as compared to 413 miles by rail and 155 miles by truck. This means that barging is the most energy-efficient way to move America's freight.





2011 Accomplishments: MOVING FORWARD

Towing Vessel Inspection

The publication last summer of the towing vessel inspection proposed rulemaking, secured after extensive AWO outreach to the Administration and Congress, represented an historic milestone in a decade-long journey to raise safety standards throughout the tugboat, towboat and barge industry. In 2004, AWO supported the Coast Guard in seeking new statutory authority to establish an inspection program for towing vessels based on a safety management system; since 2004, AWO has worked through the congressionally authorized Towing Safety Advisory Committee to assist the Coast Guard in developing proposed regulations to implement the program. In 2011, AWO members mobilized in large numbers to analyze the proposed rules, present testimony at public meetings and submit comprehensive comments to the docket to help the Coast Guard refine the long-awaited regulatory proposal.

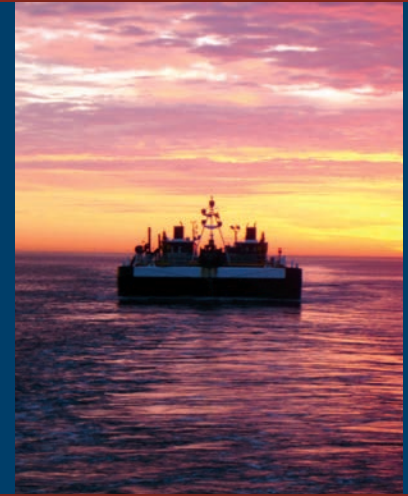
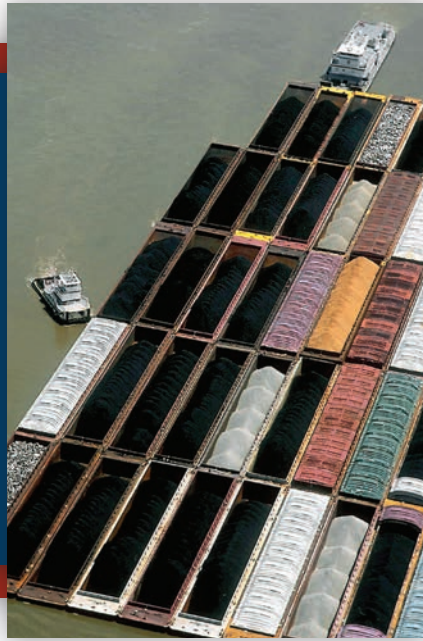
Vessel Discharges

AWO joined forces with other maritime trade associations, labor unions, shippers and port authorities to promote a uniform and practical national approach to the regulation of ballast water and other vessel discharges. Led by Coast Guard and Maritime Transportation Subcommittee Chairman Frank LoBiondo (R-NJ) and Water Resources and Environment Subcommittee Chairman Bob Gibbs (R-OH), the House of Representatives passed strong, bipartisan legislation in November. In 2012, AWO will focus its legislative advocacy efforts on the Senate, in addition to working with the Environmental Protection Agency to make the next Vessel General Permit as practicable as possible for vessel owners.

TWIC Second Trip

AWO advocated for legislation requiring the Transportation Security Administration to

Currently, 90% of tank barges carrying oil have full double hulls; by 2015 all tank barges carrying oil in U.S. waters will have double hulls.



Waterways transportation is the most environmentally-friendly mode of freight transportation.

(continued) 2011 Accomplishments: MOVING FORWARD

eliminate the need for Transportation Worker Identification Credential applicants to make a redundant and burdensome second trip to an enrollment center to activate their TWIC. The House-passed Department of Homeland Security appropriations bill signaled Congress's dissatisfaction with the current TWIC enrollment process, prohibiting the use of federal funds to require an applicant to make two trips to an enrollment center. In the fall, companion bills with bipartisan cosponsorship were introduced in the House and Senate to reform the TWIC enrollment process and require no more than one in-person visit to an enrollment center. AWO will work to secure enactment of this much-needed reform legislation in 2012.

Integrity of the Jones Act

In close coordination with the American Maritime Partnership, AWO worked to build strong bipartisan support for the Jones Act and prevent the erosion of the cabotage laws so important to U.S. economic, national and homeland security. AWO and AMP led the fight to reverse Administration policy that permitted waivers of the Jones Act for the transportation of crude oil from the Strategic Petroleum Reserve while available U.S.-flag vessel capacity and U.S. citizen mariners sat idle. AWO and AMP

strongly supported the introduction and passage of legislation to improve the transparency of the Jones Act waiver process and ensure that U.S. vessels and crews are used when available.

Inland Waterways Infrastructure

AWO supported Waterways Council, Inc. in working toward adoption of the Inland Waterways Capital Development Plan to improve inland waterways infrastructure project management and delivery and ensure the system's continued vitality. In 2012, AWO will work with WCI to secure introduction and enactment of legislation to adopt the Capital Development Plan.

Federal Authority over Vessel Operations

AWO continued to lead an international coalition of maritime organizations challenging the constitutionality of state legislation that would seriously undermine the Coast Guard's authority over the regulation of vessels engaged in interstate commerce. The safe and efficient movement of economically critical cargo by vessels in interstate and international commerce requires strong, effective standards of safety and environmental stewardship established by one knowledgeable federal agency, the Coast Guard, not a patchwork of inconsistent state-imposed requirements.

AWO Staff

THOMAS A. ALLEGRETTI
President & CEO

JENNIFER A. CARPENTER
*Senior Vice President -
National Advocacy*

LYNN M. MUENCH
*Senior Vice President -
Regional Advocacy*

ROBERT L. CLINTON
Vice President - Safety

ANNE DAVIS BURNS
*Vice President -
Public Affairs & Communications*

CHRISTOPHER A. COAKLEY
Vice President - Legislative Affairs

LYNN M. CRAIG
Vice President - Finance & Administration

MARK A. WRIGHT
Vice President - Southern Region

CHARLIE P. COSTANZO
Vice President - Pacific Region

ROBERT R. ROWE
Director - Atlantic Region

VICKIE M. HAMMOND
Assistant to the President

JAYSON C. LARNER
*Manager -
Information Technology & Training*

MARY C. MILLS
Office Manager & Receptionist

ASHLEY M. SMITH
Coordinator - Meetings & Membership

BRIAN W. VAHEY
Government Affairs Associate

CAITLYN E. STEWART
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BRITTANY F. MEYER
Government Affairs Associate

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Government Affairs Associate

KATELIN W. MCCRORY
Government Affairs Assistant

ANNE M. HOBBS
Coordinator - Finance & Administration

MARY J. ANASTACIO
Staff Accountant

CARMINA M. SMITH
Accounting Assistant

*More than
half of
America's
grain exports
move by
barge along
the nation's
inland
waterways,
accounting
for \$10 billion
in exports.*





THE AMERICAN WATERWAYS OPERATORS

The National Trade Association of the Inland and Coastal

Tugboat, Towboat and Barge Industry