



PORT RECORD

FALL 2006

THE WORLDWIDE PUBLICATION OF THE PORT OF NEW ORLEANS

A NEW DAY

**Cruising
Returns to
New Orleans**



FLEET STRENGTH

After over 110 years of assisting vessels on the Mississippi River, we have more experience in more situations than anyone on the river. And we pass that experience on to our Captains every day - Captains who have been with Bisso for an average of over 14 years.

Now, heading into our third century of operation, Bisso continues to invest in the best tugs for every possible job. Over the last 5 years, we've spent \$15 million on four new tugs, including the first Z-drive tractor tug built on the lower Mississippi. And we have plans to add more Z-drive tractor tugs to our fleet in the near future.

Today, we offer clients more security, maneuverability and horsepower with the largest fleet of twin and triple screw propulsion tugs on the Mississippi. This means we can send fewer tugs to do your jobs at a better overall price.

So next time you're looking for an assist on the Mississippi River, go with Bisso.



AGENTS IN: BERGEN | LONDON | BREMEN | TOKYO | PUSAN

8237 Oak St. • P.O. Box 4250 • New Orleans LA 70178
504.861.1411 (24 hours) • fax: 504.861.3545 • www.bissotowing.com

PORT RECORD

FALL 2006

THE WORLDWIDE PUBLICATION OF THE PORT OF NEW ORLEANS

BOARD OF COMMISSIONERS



Conrad H. Appel, III
Chairman



H. Daniel Hughes, II
Vice-Chairman



James O. Campbell
Secretary-Treasurer



Samuel B. Nunez, Jr.
Past Chairman



John J. Kallenborn
Commissioner



A. J. Gibbs
Commissioner



Thomas D. Westfeldt
Commissioner



Gary P. LaGrange
President/CEO

President/CEO
Gary P. LaGrange

Chief Operating Officer
Patrick J. Gallwey

Executive Assistant for Operations
Ted Knight

Special Assistant
Kyle Goode

Director of Business Planning and Commercial Development
Joseph G. Cocchiara Jr.

Director of Finance & Administration
James Ruckert

Director of Port Operations
Paul Zimmermann

Director of Port Development
Deborah D. Keller

Director of Cruise & Tourism
Robert Jumonville

Director of Marketing
Robert M. Landry

Director of Administration
Cynthia Swain

Director of Legal Services
Brien Gussoni

Special Counsel
J. Michael Orlesh, Jr.

Director of Internal Audit
Mark P. Williams

PORT OF NEW ORLEANS

P.O. Box 60046
New Orleans, LA 70160
Telephone: (504) 522-2551
Fax: (504) 524-4156
Customer Service:
1-800-776-6652

New York Office
Robert A. Bambino
Manager, Ocean Carrier Sales
60 S. Service Rd, Suite 100
Melville, NY 11747
Phone: (631) 454-5240
Fax: (631) 454-5241
bambinor@portno.com

Far East Office
Captain Nobuyuki Tanaka
tanaka@portno.jp
P.O. Box 96, WTC Bldg.
Tokyo 105, JAPAN
Phone: 81-3-3435-5381
Fax: 81-3-3436-4870

São Paulo Office
Celso Camargo
South America Managing Director
Rue Helena, 275 - 3rd floor - Suite 31
04552-050 São Paulo - SP
Phone: 55-11-3016 34 20
Fax: 55-11-3845 13 27
crelogadvisor@uol.com.br

FEATURES



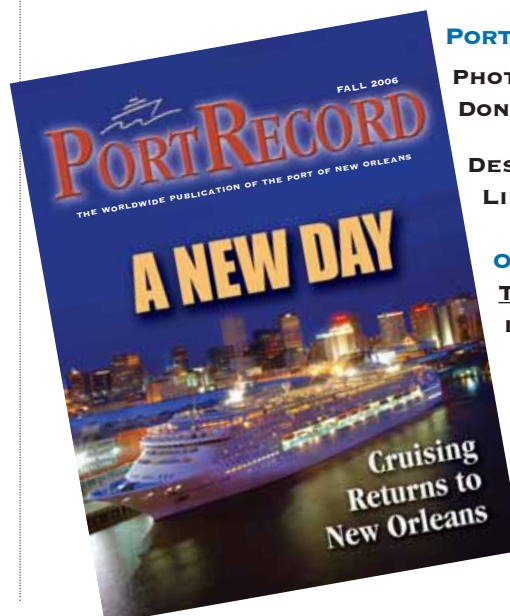
Photo by Donn Young

A NEW DAY

Cruising Returns to New OrleansPage 4-5

CONTENTS

- AAPA Convention in New Orleans 6-7
- Wind Blades Spur Project Cargo..... 8
- LaGrange Delivers Stats to Breakbulk Conference 9
- Return of Maersk 10
- State of the Port 12
- Board Elects Appel Chairman 13



PORT RECORD

**PHOTOGRAPHY BY
DONN YOUNG**

**DESIGN BY
LINDA ROCKEFELLER**

ON THE COVER

**THE NORWEGIAN SUN
DOCKS AT THE PORT'S
ERATO STREET CRUISE
TERMINAL AND PARKING
GARAGE ON THE
MORNING OF OCT. 15.**



The Port Record
is published by
The Board of
Commissioners,
Port of New Orleans.



P.O. Box 60046
New Orleans, LA
70160-0046
(504) 522-2551
Fax (504) 524-4156

**PORT PUBLICATION
DIRECTOR**

Chris Bonura
Manager of Corporate
Communications
bonurac@portno.com

**PORT
PHOTOGRAPHER**

Donn Young
youngd@portno.com

**PORT RECORD
STAFF**

Matt Gresham
Public Information
Officer
Christy McBrayer

**PRINTED BY
Mpress**

FOR ADVERTISING
Contact Chris Bonura

The Port Record is distributed free quarterly to subscribers with maritime and associated interests by the Board of Commissioners of the Port of New Orleans, P.O. Box 60046, New Orleans, LA 70160. Information is gathered from sources considered to be reliable, but the completeness and accuracy of the information cannot be guaranteed. Requests for changes of address should be accompanied by mailing label. All correspondence concerning the magazine should be directed to:

Port Record

P.O. Box 60046
New Orleans, LA
70160-0046
(504) 528-3222
Fax (504) 528-3376

FROM THE CEO . . .

PANAMA CANAL EXPANSION MEANS FUTURE OPPORTUNITIES

Projections are that current maritime trade commerce into the United States will double by the year 2020, using more voluminous ships, requiring greater drafts and berths. The Panama Canal has historically served as a critical link encouraging bi-coastal U.S. trade with Europe, Asia, the Caribbean and Latin America.

Estimates are the Panama Canal would reach full capacity in the near future and vessels continue to increase each year in size.

That's why I applaud the overwhelming approval of the Panamanian people in an October national referendum on Panama Canal expansion.

I feel the time is right to move forward with expansion plans for the Canal to ensure the route's long-term viability and to keep pace with the steady growth and the demands of the shipping industry. The project would allow more and larger ships to transit the Canal and would benefit regional, as well as worldwide trade.

According to the American Association of Port Authorities, expectations are that maritime trade - just into the United States - will double within at least 15 years and potentially between 10 and 15 years as emerging overseas economies continue to flourish. In that relatively short-term horizon, we could see the need to handle twice as much cargo volume as we are seeing today. That is quite a daunting task for both the Canal and our port facilities.

The expansion will build a new lane of traffic along the Canal through the construction of a new set of locks - doubling capacity and allowing wider ships. The project is estimated to cost \$5.25 billion and will



be paid by Canal customers through a system of graduated toll increases.

This expanded Canal will benefit world trade and U.S. ports along the Gulf of Mexico and the East Coast, offering growing shipping interests from Asia and the Far East an alternative route - other than the West Coast - to reach Mid-America.

This project will increase capacity at one of the world's critical trade arteries and allow the vital "All-Water-Route" to continue to grow and tighten the global supply chain and help get goods to market faster and more efficiently for consumers.

For the Port of New Orleans, the expansion could be a boon in terms of Asian imports, such as steel, natural rubber and plywood. The Port is already a top-ranking port in the United States for foreign steel, with more than 1 million short tons imported from Japan, Korea, China and Taiwan in 2004 alone. In the first nine months of 2006, the Port imported more than 1.3 million short tons of steel from customers in the aforementioned countries.

The same is true for rubber coming from Indonesia, Malaysia and Thailand.

Expanding vital trade routes, such as the Panama Canal, would ease costs and congestion and level the playing field between West Coast and Gulf Coast ports in terms of Asian trade.



LEAVING THE COMPETITION IN OUR WAKE



E. N. BISSO & SON, INC.

3939 N. Causeway Blvd. Ste. 401 • Metairie, LA 70002 • Phone: 504 828-3296 • Fax: 504 831-6701 • Web: www.enbisso.com

CRUISING BOOSTS TOURISM RECOVERY

In the wee hours of Oct. 15, the *Norwegian Sun* docked at the Port of New Orleans' new \$37 million Erato Street Cruise Terminal and Parking Garage, marking the return of homeported cruise ships to the Crescent City.

"We're proud to demonstrate our commitment to the City of New Orleans by returning with a big, new balcony ship," said Bob Thye, Norwegian Cruise Line's senior vice president of revenue management and itinerary planning, during a mid-morning press conference. "With 47 million potential passengers living within a 500-mile radius of New Orleans, this vibrant city is a key partner for NCL."

Barely a week later, a large group of smiling Port and city dignitaries gathered in a third-floor lounge of Carnival Cruise Line's *Fantasy* to welcome the world's largest cruise ship operator back to New Orleans and mark the return of year-round cruising to the Big Easy.

"Carnival is delighted to resume 'Fun Ship' cruising from New Orleans, which in addition to being one of America's great cities, has historically been one of our most popular and fastest growing homeports," said Bob Dickinson, president and CEO of Carnival.

As guests and VIPs, including New Orleans Mayor Ray Nagin, mingled, Port President and CEO Gary LaGrange thanked Carnival officials for their effort to bring cruising back to New Orleans.

LaGrange cited Carnival executives Maurice Zarmati, Scott Knudson, Gordon Buck and Jennifer De La Cruz.

"But, this is just part of the team who helped make the recovery of the cruise industry possible," LaGrange said.

New Orleans city and tourism officials all met the return of cruising to New Orleans with much praise and thanks for the confidence shown by the Port's cruise partners. And the passengers cruising attracts means a big shot in the arm for the recovery efforts of the city's tourism industry.

In 2004, New Orleans was one of the fastest growing homeports in the United States, according to the International Council of Cruise Lines. Embarkations and disembarkations grew an astounding 818 percent in the decade prior to the events of 2005, to top 753,000. In addition, the cruise



THE NORWEGIAN SUN DOCKS AT THE PORT OF NEW ORLEANS' NEW \$37 MILLION ERATO STREET CRUISE TERMINAL AND PARKING GARAGE. THE COMPLEX FEATURES A 90,000 SQUARE-FOOT TERMINAL AND A 1,000-VEHICLE PARKING GARAGE.



EAGER CRUISE PASSENGERS CHECK-IN AT THE PORT'S NEW ERATO STREET CRUISE TERMINAL AND PARKING GARAGE.



THE ERATO STREET CRUISE TERMINAL AND PARKING GARAGE FEATURES EXPANDED, COVERED LANES FOR LOADING AND UNLOADING PASSENGERS.

industry contributed \$226 million annually to the regional economy and supported more than 2,800 jobs.

"The importance of the return of the cruise industry to New Orleans cannot be overstated," said Stephen Perry, president and CEO of the New Orleans Convention and Visitors Bureau. "It is another tremendous milestone in the city's recovery of the hospitality and tourism industry, sending an important signal to the world that New Orleans is open for business and is still a world-class destination."

The Norwegian Sun sails seven-day exotic Western Caribbean cruises through March, the *Fantasy* sails four- and five-day Western Caribbean itineraries year round, and Royal Caribbean's *Grandeur of the Seas* returned Dec. 2 to sail seven-day itineraries through May. The *Carnival Triumph* will

IN CRESCENT CITY

homeport in New Orleans in August to begin seven-day itineraries, at which time New Orleans' cruise industry will have returned to 100 percent.

"Right now, we are at the midway point on our journey to restoring the cruise industry to pre-Katrina levels," said LaGrange. "Cruise passengers returning to New Orleans will see that the city's historic beauty and charm is alive and thriving. And with the addition of the Erato Street Cruise Terminal, the Port is poised to continue to create new and exciting cruising opportunities for cruise lines and passengers." In fact, the month of December proved to be the busiest period for cruise ship calls in the Port's history. Throughout December, the Port would host 23 cruise ship calls by seven different cruise ships. The busy schedule means cruise ships will be in port 21 days during the month, bringing approximately 95,000 passengers through New Orleans.

Tourist destinations, such as the French Quarter, Central Business District, Warehouse District, Garden District and Uptown, were spared flooding and severe damage from Katrina's winds and water. Those areas tourist frequent bounced back quickly and are now experiencing a resurgence in tourist dollars.

Perry said the entire tourism industry would realize the return of regular cruising in New Orleans.

"The ripple effect the industry has impacts a wide sector with a direct impact on our economy," he said. "Airport traffic increases, airport shuttles and taxis are busier, hotel rooms are filled and restaurants and music venues benefit from those who choose to stay a little longer to enjoy the sites and sounds that make New Orleans America's most authentic, culturally rich city."

LaGrange praised industry officials for returning their ships to New Orleans docks.

"It took the vision of long-time partners to see that Katrina did not change the inherent value of New Orleans as a cruise port," LaGrange said. "People want to cruise from New Orleans because it adds another interesting port city to their itinerary."

With an eye toward the future, Port and U.S. Maritime Administration officials signed an agreement Oct. 25 to lay the groundwork for cruise industry expansion. The deal turned over parts of the Poland Avenue Wharf to the Port of New Orleans to spur work on the conversion of

the dock into a new cruise terminal. The project is currently in the engineering and design phase, but would allow the Port to expand capacity to accommodate three of the industry's largest ships simultaneously.

"Our agreement with the Board of Commissioners of the Port of New Orleans sets the stage for a strong future for New Orleans' cruise industry," said Sean Connaughton, MARAD's Maritime Administrator. "Before Katrina, New Orleans was one of the fastest growing cruise ports in the country. Now, it's clear the Port is picking up where it left off."

The Port's agreement with MARAD dates back to 1927, when the federal government needed dockage space at the Poland Avenue Wharf for military vessels. The Port transferred the property to the federal government and today it is used to berth Ready Reserve Fleet ships, which move military cargo overseas. These ships were the same used by the Port to house staff and dock workers in the months following Hurricane Katrina.

"We learned following the events of last year that MARAD is a great neighbor," LaGrange said. "In fact, I lived on board the Cape Kennedy, one of six MARAD ships used by the Port to house employees and restart operations."

Under the terms of the agreement, MARAD will continue to use berths 1, 2 and 3, but transfers berths 4 and 5 back to the Port at no charge to spur the conversion of the wharf into a new cruise terminal. The Port occasionally used a temporary cruise terminal at the site when choice weekend slots at Julia Street were occupied. In addition, Princess Cruise Lines' *Golden Princess* will sail three cruises in December from the Poland site, which will serve as a market test for additional cruises by the company in the future.



PORT OF NEW ORLEANS BOARD CHAIRMAN SAMUEL NUNEZ, PORT PRESIDENT AND CEO GARY LAGRANGE AND NEW ORLEANS MAYOR RAY NAGIN SHARE A LAUGH AFTER SIGNING THE RIVERFRONT DEVELOPMENT AGREEMENT NOV. 15. PORT COMMISSIONERS CONRAD APPEL, DANIEL HUGHES, THOMAS WESTFELDT AND JAMES CAMPBELL STAND IN THE BACKGROUND.

The City and Port also signed an historic agreement in November aimed at streamlining development of New Orleans' riverfront. The Port agreed to reserve several of its docks between Jackson Avenue and the Industrial Canal for public access, mixed with commercial, retail and residential development.

"The Mississippi River is world renowned as an avenue of commerce, but the riverfront also provides vistas that are a testament to the beauty and history of this city," LaGrange explained. "We have been missing opportunities to open up unused portions of the riverfront to the public. Now, we are sending an invitation to developers to create new economic opportunities along the river."

Projects such as the Audubon Aquarium of the Americas, Entergy I-MAX Theater, Riverwalk Marketplace, Hilton Riverside and One River Place condominiums have already found homes along the banks of the Mighty Mississippi in New Orleans.

A world-class design team will be chosen in a competitive process to deliver development plans for the 4.01-mile stretch of riverfront property. Some early ideas for the property include public parks and walkways, a world-class amphitheater, museums and other attractions.

HUNDREDS OF PORT EXECES ATTEND CONVENTION IN NEW ORLEANS



THE RIVERWALK JAZZ BAND SECOND-LINES DOWN THE CENTER AISLE AT THE CONCLUSION OF THE OPENING CEREMONY OF THE 95TH ANNUAL AAPA CONVENTION AT THE NEW ORLEANS HILTON RIVERSIDE.

The 95th American Association of Port Authorities Annual Convention attracted more than 500 port executives from throughout the Western Hemisphere to New Orleans.

The convention, held Sept. 10-14, featured a multi-faceted agenda of keynote speeches, panel discussions and a robust exhibition of service and product suppliers to the port industry.

Kurt Nagle, AAPA's president and CEO, said the event served as a special time to remember the importance of the event's host – the Port of New Orleans – to the world's shipping community.

"The Port of New Orleans has rebounded remarkably after the events of 2005," he said. "Having our annual convention there this year was a small contribution to the recovery process of the Port and the entire region."

Gary LaGrange, president and CEO of the

Port of New Orleans, expressed his gratitude several times to the attendees for having faith in New Orleans and the port.

"We are deeply honored to have the opportunity to host you all," LaGrange said during the convention's opening ceremonies. "I give you all credit for being here and having faith in us. Tourism and the Port are the backbone of New Orleans. We were able to get back up and running because of the support from all of you."

Gerald L. Shaheen, chairman of the U.S. Chamber of Commerce and group president of Peoria, Ill.-based Caterpillar Inc., focused his keynote address on security issues and the expansion of critical infrastructure for the maritime transportation industry.

Events such as Hurricane Katrina and 9-11 forced transportation officials to re-think the strength and security of the nation's critical infrastructure, Shaheen said.



AAPA CHAIRMAN BERNARD GROSECLOSE GREETES DELEGATES AT THE OPENING CEREMONY OF THE 95TH ANNUAL AAPA CONVENTION.

Other topics on the convention's agenda included effective communications strategies, especially during times of crisis. Public relations officials with Tulane University documented how the school kept in contact with students and faculty, met payroll and bounced back to reopen just six months after the storm.

Val Marmillion, president of Washington D.C.-based Marmillion & Co., offered help planning multifaceted, effective public relations campaigns to garner heightened support from the public and policymakers. His presentation centered on his firm's work on the America's Wetlands campaign to garner Congressional and public support for restoring Louisiana's vanishing wetlands.

Convention delegates said the discussions offered beneficial insight into their daily tasks.



TED FALGOUT, EXECUTIVE DIRECTOR OF PORT FOURCHON, SHOWS OFF A BABY ALLIGATOR DURING THE TASTE OF LOUISIANA RECEPTION FOR THE 95TH ANNUAL AAPA CONVENTION. FALGOUT AND HIS STAFF SERVED ALLIGATOR SAUCE PIQUANTE.

AAPA ANNUAL

“The presentations were very pointed to what all ports are dealing with right now,” said Pete Wallace, deputy executive director – Port of Hueneme. “From imminent domain issues to dealing with local city governments. It all hit home.”

Others were intrigued to learn what local executives went through in the aftermath of Hurricane Katrina.

“The communications speakers were excellent,” said Phyllis Saathoff, managing director of Port Freeport. “Especially interesting was learning about what Tulane went through. It was inspirational.”

The convention was not all business, however. Delegates attended a spate of receptions and parties. The Port hosted an

opening night reception at the Hilton Riverside and a Taste of Louisiana party at its administration building, featuring regional delicacies cooked and served by more than two dozen Louisiana port authorities. The Virginia Port Authority, which will host AAPA delegates in 2007, hosted a party themed “Discovering New Worlds” and the convention hit a crescendo on its last night with the Chairman’s Gala, which featured a Mardi Gras parade, complete with Carnival floats, bead-tossing riders and the McDonough 35 High School marching band. Delegates danced the night away to the sounds of the Low Rider Band, comprised of members of the 1970s hit funk band War.

ENTERTAINERS IN COLONIAL ATTIRE GREETED AAPA DELEGATES AT THE HAMPTON ROADS RECEPTION AT THE FOUNDRY. THE VIRGINIA PORT AUTHORITY HOSTED THE RECEPTION THEMED “DISCOVERING NEW WORLDS.” VPA WILL HOST THE 2007 AAPA ANNUAL CONVENTION.



THOMAS KORNEGAY, CENTER, EXECUTIVE DIRECTOR OF THE PORT OF HOUSTON AUTHORITY, ENJOYS THE OPENING NIGHT RECEPTION OF THE 95TH ANNUAL AAPA CONVENTION ONBOARD THE CAJUN QUEEN.



NEWSTREAM

AAPA HELPS FRIENDS OF LIBRARY SURPASS FUNDRAISING GOAL

Hurricane Katrina’s wind and water devastated all of New Orleans’ public libraries last year, causing an estimated \$30 million in damage. The Friends of the New Orleans Public Library is helping to lead recovery efforts and generous AAPA members contributed to the cause while in town.



Colleen Groseclose, wife of AAPA Chairman Bernard Groseclose, organized spouses of AAPA members to help sell commemorative pins benefiting the non-profit organization’s efforts.

“We contacted the group and wanted to help,” Colleen said. “At first we were going to ask everyone to bring a children’s book, but we found out what the organization really needed was money. This is something simple and easy we can do to help and it’s a beautiful pin.”

The Fleur de Lis pins are hand-made by New Orleans artist Thomas Mann and sold for \$45 apiece.

AAPA members bought more than 200 pins, bringing the group’s total donation to more than \$12,000, according to Patrick O’Brien, executive director of Friends of the New Orleans Public Library, a group that boasts 700 members and a volunteer staff of 40.

“AAPA helped us surpass our fundraising goal this year of \$150,000,” O’Brien said. “It’s absolutely incredible.”

O’Brien pointed out AAPA outpaced another group that helped with pin sales in June: the American Library Association.

“(The Library Association) has more than 40,000 members and they didn’t raise this much,” he said.

O’Brien said the money raised pays for everything not in the City of New Orleans’ library system budget. This year the group purchased all periodicals for reopened libraries, new computers, and funded adult and youth literary programs.

In August, the library system reopened its first flooded branch and plans to operate two bookmobiles to travel in recovering neighborhoods until more branches reopen

WIND BLADES SPUR PROJECT CARGO AT PORT

APPROXIMATELY 1,000 BLADES MEANS ADDITIONAL 20 SHIP CALLS THROUGH 2007



WIND BLADES, DESTINED FOR WIND-ENERGY FARMS THROUGHOUT THE UNITED STATES, ARE LOADED ONTO RAIL CARS AT THE PORT'S LOUISIANA AVENUE WHARF.

Superior rail connectivity within the Port of New Orleans is attracting new project cargo, which is spurring ship calls and tonnage in the growing niche business.

The latest project secured by Port officials is regular shipments of large blades for wind turbines manufactured in Brazil and destined for alternative energy wind farms currently under construction throughout the United States. The first shipment of blades, which are 125 feet long and weigh about 17,000 pounds each, arrived in late August. About 1,000 will be delivered to the Port through 2007, accounting for another 20 ships calls.

"We're very excited to handle this business," said Jesse Weisman, manager, business development for New Orleans Public Belt, the agency that handles rail service within the Port. "It's challenging. It's not an everyday rail move. There's a lot of coordination involved. It's a definite increase in our project

cargo business, which is a growing niche complimenting our existing business. We welcome it. It's positive for the entire Port, the city and it is a good cause."

Oldendorf Carriers is the shipping company delivering the cargo to New Orleans and Coastal Cargo Company is the terminal operator handling the blades at the Louisiana Avenue Wharf. NOPB and Coastal Cargo officials worked together to attract the business, previously shipped through Houston.

The blades arrive on specially designed racks in pairs of two and are lifted off the ship much like container cargo. Coastal officials developed a spreader bar with unique specifications for the cargo. The racks are then placed on three rail cars. Each rack uses two 60-foot flat cars and an 89-foot flat car. The rack is welded onto the 89-foot car, which is placed between the two 60-foot cars. The cargo hangs over the two 60-foot flat cars – used for

additional support. Currently, BNSF Railway is the company moving the traffic inland.

"This is a new commodity in New Orleans," said Tim Pinter, Coastal Cargo's terminal manager. "This is the first test run and it's going well. We enjoy project cargo and know how to handle it. It's a growing business within the Port and it's a business we'd like to grow."

Port of New Orleans President and CEO Gary LaGrange credited strong cooperation between Port officials, terminal operators and New Orleans Public Belt for new project cargo business within the Port.

"We have geographic, intermodal and personnel advantages to attract additional project cargo to our wharves in the future," LaGrange said. "We are the only Port in the United States served by all six Class 1 railroads and are located at the mouth of America's 14,500-mile inland waterway system. We offer on-dock rail service and superior connectivity. Combine these advantages with an extraordinary work ethic among the Port community and you have a recipe for future success growing our project cargo sector."

And cargo associated with the wind energy business is growing each year. New demand for wind power is driven by fuel price volatility and supply, according to the American Wind Energy Association. The first commercial wind farms were built in California in the early 1980s. But, since 1999, when the industry offered only 2,000 megawatts of power to U.S. consumers, the industry has blossomed and has now surpassed the 10,000-megawatt mark and is installing more wind power capacity each year than the entire nation's capacity in 2000. The industry's growth is the result of federal tax incentives included in the Energy Policy Act signed more than a year ago by President Bush.

A megawatt of wind power generates enough electricity to power 250 to 300 homes. With capacity exceeding 10,000 megawatts, wind power is serving about 2.5 million homes nationwide.

LAGRANGE DELIVERS STATS TO BREAKBULK CONFERENCE

A surge in breakbulk cargo imports has helped the Port of New Orleans' recovery efforts in the year following Hurricane Katrina.

Total general cargo figures for the first eight months of 2006, are up 9.5 percent overall, boosted by a nearly 38 percent gain in traditional breakbulk cargo imports. In addition, the 2006 figures are 9.5 percent ahead of the Port's five-year average.

"We've been able to achieve this mostly due to our traditional breakbulk cargoes," said Gary LaGrange, President and CEO of the Port of New Orleans. "We lost about a third of our container capacity during the storm and our container shipments reflect that. However, we've been able to make up the difference with increased breakbulk shipments."

LaGrange delivered the figures to officials in New Orleans for the 17th Annual Breakbulk Transportation Conference and Exhibition held at the New Orleans Marriott Oct. 30 and 31. The Port of New Orleans traditionally serves as the conference's host. However, it was moved to Houston, Texas last year due to Hurricane Katrina.

"The Port of New Orleans is proud to have the Breakbulk Conference back where it belongs," LaGrange told the group. "It means a lot to this Port and to the City of New Orleans that you are here visiting us, seeing our progress and spending your dollars in our hotels and restaurants."

Compared to the same period in 2005, which comprises the period prior to the hurricane, iron and steel imports rose 37 percent, totaling 2.96 million short tons. Natural rubber rose 22.6 percent for the same period, totaling 316,418 short tons. Forestry products, namely lumber, rose a modest 3 percent so far in 2006 to 265,885 short tons. Overall, cargo at the Port's board-owned facilities totals more



STEEL COILS ARE UNLOADED RECENTLY FROM THE HULL OF A SHIP AT THE PORT OF NEW ORLEANS. A SURGE IN STEEL AND IRON IMPORTS HELPED BOOST THE PORT'S GENERAL CARGO FIGURES BY MORE THAN 9 PERCENT COMPARED TO YEAR-AGO NUMBERS RECORDED PRIOR TO HURRICANE KATRINA.

than 5.7 million short tons, up 9.5 percent compared to the same period one year ago.

Breakbulk cargo is loose cargo shipped on pallets or bundles and stowed

in a vessel's hold as opposed to containerized or bulk cargo. Iron and steel, natural rubber, forestry products and non-ferrous metals are the Port's leading breakbulk commodities. *[Signature]*

RETURN OF MAERSK SEALAND SERVICE TO SPUR CONTAINER BUSINESS IN PORT



The *M/V Ara J*, pictured above, called on the Port of New Orleans Sept. 20, marking the return of Maersk Sealand's weekly Expresso Service.

A longtime shipping partner of the Port of New Orleans returned one of its two former weekly services to the Crescent City, a move that will spur continued growth in the Port's container business.

Port President and CEO Gary LaGrange made the announcement Sept. 20 during his annual State of the Port Address to the World Trade Club of New Orleans.

The *MV Ara J* called on the Port the morning of Sept. 20, marking the return of APM Terminals and Maersk Sealand's weekly Expresso Service to Central and South America. The vessel called on Ceres Gulf's terminal at the Napoleon Avenue Container Terminal.

"The ports that Maersk serves with its Expresso Service are crucial, especially with the advent of the Central American Free Trade Agreement," LaGrange said. "We want to continue to grow that business in New Orleans and work with our friends and business partners in Latin America. This is vital to restoring our container business in the Port of New Orleans."

During the first eight months of 2006, containerized cargo was down 33 percent, primarily due to the absence of Maersk Sealand, whose facility at the France Road Container Terminal sustained severe flood and wind damage. That terminal constituted one-third of the port's container terminals.

LaGrange thanked Rob Baigrie, Maersk's port director for the company's operations in Houston and New Orleans.

"We are elated to have one of two services back," LaGrange said. "And we will do everything in our power to have the second service return, as well."

Baigrie said the company is proud to return to the Crescent City.

"Maersk is very pleased to return to New Orleans with the Expresso Service," he said. "We are continually looking to create global opportunities for our customers. We look forward to being able to bring business to the Port of New Orleans as this area rebuilds."

Four ships are employed in Maersk's service. Prior to Hurricane Katrina, the full service generated about 30,000 containers per year or 600 containers per week. The cargo is primarily coffee and apparel. The ships call on the ports in Cartagena,

Colombia; Manzanillo, Panama; Puerto Limon, Costa Rica; Puerto Cortez, Honduras; Santo Tomas, Guatemala; Progreso, Mexico; New Orleans, and Houston.

Latin American trade can prove to be a boon for the Port of New Orleans. A study conducted by LSU economist Jim Richardson found Latin American trade in Louisiana could generate new business sales of \$169 million to \$339 million and create up to 2,769 new jobs due to the adoption of the Central American Free Trade Agreement in 2005. The returning service complements the Port's existing regular services to Latin America provided by Mediterranean Shipping Company, Hapag-Lloyd and SeaBoard Marine.



The International Transportation Management (ITM) Conference and Exhibition

29 – 30 January 2007
Ritz-Carlton, New Orleans, USA



The event for everyone specialising in international movement and storage of freight.

Conference sessions includes:

- The effect of politics on international transportation
- Distribution centres, intermodal parks, and the supplychain
- The role of global intelligence in your life

Plus! Tour of the Port of New Orleans and the city's regeneration

www.itm-events.com

To register and to view the full conference programme please visit www.itm-events.com and for further information please contact: lauren.morrey@informa.com tel: +44(0)20 7017 4212

Sponsored by



Organized by



Supported by



LAGRANGE CITES MILESTONES AND LOOKS TO THE FUTURE IN STATE OF THE PORT ADDRESS



PORT PRESIDENT AND CEO GARY LAGRANGE DELIVERED HIS ANNUAL STATE OF THE PORT ADDRESS TO THE WORLD TRADE CLUB OF NEW ORLEANS.

On Sept. 20, Port of New Orleans President and CEO Gary LaGrange delivered the annual State of the Port Address to the World Trade Club of New Orleans at the Plimsoll Club atop the World Trade Center. The date marked exactly one year and one week after the arrival of the *Lykes Flyer*, the first commercial cargo ship to call on the Port of New Orleans after Hurricane Katrina. He highlighted the milestones surpassed in the last year and cited goals for the future.

LaGrange opened by commending the maritime industry's resolution to deliver under the extraordinary circumstances after the storm.

"This industry can rightfully boast that it was the first industry back up and running

after Hurricane Katrina," LaGrange said. "Phenomenal is the only way to describe it, especially considering that this Port sustained \$230 million in damages to its facilities and lost critical access to about 25 percent of its terminal operations."

LaGrange also cited great strides in the Port's ongoing recovery efforts. During the first six months of 2006, overall cargo figures were up by about 5 percent, but containerized cargo was down 33 percent primarily due to the absence of Maersk Sealand, whose facility at the France Road Container Terminal sustained severe flood and wind damage. LaGrange thanked Rob Baigrie, Maersk's port director for the company's operations in Houston and New Orleans, for returning its Expreso Service, one of two weekly services the company operated at the Port prior to the storm.

LaGrange expressed his enthusiasm in the return of the service bringing the Port's container numbers closer to normal, but emphasized the need for help from the federal and state governments to restore about \$375 million worth of Port infrastructure that relies on the Mississippi River Gulf Outlet (MRGO).

One example is New Orleans Cold Storage (NOCS), a frozen poultry exporter which moved 310,000 tons of frozen products

in 2005, supported 718 direct and indirect jobs, and had a \$35.6 million impact on the state economy annually. Only 40 percent of the company's ships can reach its facilities due to the lack of deep-draft access. Company officials are working the larger ships on the Mississippi River and shipping cargo from there.

"We understand how important this company is to our economy," LaGrange said, urging state lawmakers to take action on the matter before the region "needlessly loses a company that is clearly primed for growth."

LaGrange also trumpeted the success in luring the cruise industry back to New Orleans. The cruise industry generated \$226 million in direct and indirect sales in 2004 and supported 2,798 full and part-time jobs. He announced that three of the four cruise ships that home-ported in the Crescent City prior to Hurricane Katrina will have returned by the end of the year with the fourth back in 2007. The hallmark of the rejuvenated cruise industry in New Orleans is the \$37 million Erato Street Cruise Terminal, which showcases a 90,000 square-foot terminal and a 1,000-vehicle parking garage.

In addition, LaGrange cited another promising milestone, the Riverfront Development Agreement between the Port and

the City of New Orleans. This agreement, which had been in negotiations for several years, will free about four miles of riverfront between Jackson Avenue and Poland Avenue for redevelopment, including both multi-use commercial, residential and maritime activities.

LaGrange highlighted another positive event for not only the Port, but for New Orleans tourism, which successfully took place the week before the address. The 95th Annual Convention of the American Association of Port Authorities was held in the Crescent City welcoming executives from Canada, the United States, Latin American and the Caribbean. LaGrange said the event was an opportunity for the Port to boast to the maritime community of the strides made in the last year and to pause to think how far the Port community has to go.

"We are back in the big leagues again with our pre-Katrina cargo levels restored and the cruise industry ready to sail back to New Orleans," he said. "But now is not the time to become complacent. Our ability to keep up our current level of activity is in jeopardy until we can address the underlying issues of replacing capacity and restoring deep-draft access to our inner harbor tenants that depend on it."

BOARD ELECTS APPEL CHAIRMAN

HUGHES, CAMPBELL ELECTED

VICE CHAIRMAN, SECRETARY-TREASURER

The Board of Commissioners of the Port of New Orleans elected Conrad H. Appel III chairman at its Nov. 16 meeting.

A native of New Orleans, Mr. Appel is the founder and president of ConstructionSouth Inc., a general construction and contracting firm employing more than 200 people. He is also president of separate businesses in the areas of construction management, equipment leasing, and real estate development and brokerage.

Former Gov. Mike Foster appointed Mr. Appel to the Board in June of 2002. He replaces former Louisiana Senate President Samuel Nunez Jr., whose term as chairman expired this month. Mr. Nunez will continue to serve as a commissioner. H. Daniel Hughes II will take over as vice chairman and James Campbell will serve as secretary-treasurer.

Mr. Appel, who will serve a nine-month term as chairman, is a graduate of Isidore Newman School and earned a bachelor's degree in electrical engineering in 1973 from Louisiana State University. He also earned post-graduate credits in finance, accounting and real estate.

Port President and CEO Gary LaGrange expressed great confidence in Mr. Appel, citing the businessman's nearly 35 years of experience in management and executive leadership positions.

"Mr. Appel brings a wealth of experience in both construction and project management to his new position and those are both areas of expertise the Port vitally needs right now as we continue rebuilding and expanding our infrastructure," LaGrange said.

Along with his business experience, Mr. Appel is actively involved in civic, non-profit and trade associations. He has served as chairman of the Jefferson Business Council, as a commissioner on the



CONRAD APPEL III, INCOMING CHAIRMAN OF THE PORT OF NEW ORLEANS BOARD OF COMMISSIONERS, PRESENTS A PLAQUE TO OUTGOING CHAIRMAN SAMUEL NUNEZ JR. AT THE BOARD'S NOV. 16 MEETING.

Governor's Workforce Development Taskforce; vice chairman of the Chamber of Commerce, New Orleans and the River Region; chairman of the Jefferson Parish Economic Development Commission; and chairman of the New Orleans District for Louisiana Associated General Contractors.

Mr. Appel also served on the boards of the New Orleans Business Council, Greater New Orleans Inc., World Trade Center, Louisiana Children's Museum, Metropolitan Crime Commission, Bridge Lights, Saint Martin's School, Select Committee for East Jefferson Hospital, Loyola's Institute of Human Relations, Metropolitan Area Committee, and the University of New Orleans – Council on Lifelong Learning.

Mr. Appel and his wife, Carol, have two children, Conrad Appel IV and Whitney

Appel.

Mr. Hughes is owner of Diversified Group Inc. and was appointed to the Board in December of 2003. Mr. Campbell was appointed to the Board in November of 2004 and is president of International Longshoreman's Association Local 3000.

The Board is made up of seven commissioners. They are unsalaried and serve five-year staggered terms. The Governor of Louisiana appoints Board members from a list of three nominees submitted by 19 local civic, labor, education and maritime groups. The Board reflects the three-parish jurisdiction, with four members from Orleans Parish, two from Jefferson Parish and one from St. Bernard Parish.

Other members include Nunez, Allen J. "A.J." Gibbs, John Kallenborn and Thomas D. Westfeldt II.

NEWSTREAM

DAN-GULF SHIPPING RETURNS TO HEADQUARTERS

Following a six-month evacuation to Houston, Texas, and an extensive renovation to its Metairie, La., headquarters, Dan-Gulf Shipping returned to its main offices in September.

"It was always our intention to return to the New Orleans area," said Dan-Gulf President Niels Busse. "We have a commitment to the area and have too many things going on for us down here. And we had to get back to the Gumbo."

The shipbroker and steamship agency was up and running within a week after Hurricane Katrina in temporary offices in Houston. Within six months, the company was back in temporary office space in Metairie and in September returned to its headquarters at 3117 7th Street in Metairie.

"We were able to maintain our entire staff throughout," Busse said. "We've been fighting with lost files that were destroyed during the storm, but with respect to shipping it's been business as usual."

The firm specializes in a variety of commodities, including project cargoes, heavy-lifts, steel and forestry products, neobulk and rolling stock.

In October, the firm announced an ambitious joint venture to expand its project cargo business. Dan-Gulf's Caytrans Project Services Americas Ltd. and BBC Chartering & Logistics of Leer, Germany, formed CAYTRANS BBC LLC, a Louisiana-based firm, which will be managed by Dan-Gulf. The new firm has the ability to tap into a large fleet of multipurpose tweendeckers operated by BBC. Sales will be handled by BBC USA in Houston and Dan-Gulf in New Orleans.

"We see this new joint venture as a unique opportunity for continued growth in a market area where both parties have been operating since their inception," Busse said.

We're also excited through this venture to have a presence in New Orleans at this special time in the city's history," said Svend Andersen, managing director of BBC, Leer.

PORT LAUNCHES REDESIGNED WEB SITE

The Port of New Orleans launched a redesigned web site recently, in an effort to better serve customers, cruise passengers and the general public.

"All of the important features and information our customers have grown accustomed to remain, just in a better organized site," said Gary LaGrange, president and CEO of the Port of New Orleans.

The new web page can continue to be found at www.portno.com.

Visitors will see a sleek new look, improved maps and graphics, and updated photos. The site also expands its section for cruise passengers, offering new driving instructions and maps, resources for shore-side itineraries in and around New Orleans, and answers to frequently asked questions posed by potential cruise passengers.

"As we have expanded our cruising opportunities and schedules, the Port's web site has become an increasingly important resource for cruise passengers embarking or disembarking in New Orleans," LaGrange said.

The new site continues to feature archived press releases and publications, video downloads and citizen resources, including web cams, links to receive Board of Commissioners meeting agendas, and bid and procurement information for those wishing to do business with the Port.

"We believe our customers and friends here in New Orleans and around the world will find the new site to be easy to navigate and user friendly," LaGrange said.



NEW ORLEANS COAST GUARD VETERAN FEATURED



Marvin Perrett, a New Orleans native and veteran Coast Guard coxswain, spoke during the International Conference on World War II held at the National WWII Museum in New Orleans in November.

Perrett spoke of his role piloting Higgins Landing Crafts on the beaches of Normandy, France, on D-Day. The conference was one of the largest, most significant World War II gatherings since the 1940s. Veterans, authors, journalists and historians from across the globe gathered for the event.

Also in November, the New Orleans Mayor's Military Advisory Committee honored Petty Officer 1st Class John Monteleone with its Exceptional Military Service Award for his work during Hurricane Katrina. The committee bestowed the award Nov. 16 during the New Orleans City Council's Military Appreciation Ceremony for the men and women of the local armed services.



QUEEN ELIZABETH 2 CALLS ON NEW ORLEANS

The *Queen Elizabeth 2*, dubbed the most luxurious and famous cruise ship in the world, called on New Orleans for the first time in her nearly 40-year history Nov. 27.

The 963-foot ship and its 1,778 passengers made a port call to the Crescent City, meaning guests toured New Orleans, but there were no embarkations or disembarkations.

“The Port of New Orleans is extremely honored to host a ship of this caliber,” said Port President and CEO Gary LaGrange. “It is a show of confidence in our cruise ship terminals and in New Orleans’ rebounding tourism industry. We want to welcome these world travelers and invite them back to visit again.”

The *Queen Elizabeth 2* arrived at 8 a.m. at the Port’s Julia Street Cruise Terminal and departed at 11 p.m. the

same day. Passengers toured the historic French Quarter, dined in world-famous restaurants and visited various museums.

The *QE2* was christened in 1967 and since has traveled 5.5 million nautical miles – more than any other cruise ship – completing 24 full world cruises. Registered in Southampton, England, the *QE2* has crossed the Atlantic nearly 800 times. She is also the fastest cruise ship in the world, able to reach speeds of 32.5 knots.

The vessel’s history has not always been one of luxury cruises, however. In 1982, she was requisitioned by the British Government for service in the Falklands Campaign and joined the ranks of her predecessor – the *Queen Elizabeth* – which was converted to a troop transport ship during World War II.

CONGRESS PASSES PORT SECURITY BILL

The American Association of Port Authorities applauded Congress’ passing of the Port Security Bill Sept. 30.

The Security and Accountability for Every Port Act of 2006 is the first legislation of its kind to authorize an annual federal funding level to help secure U.S. ports against terrorism. The bill calls for \$400 million to federal Port Security Grant funding for each of the next five years to help boost security in the maritime transportation industry.

“In this important new legislation, members of several House and Senate committees took components of the GreenLane Maritime Cargo Security Act, the SAFE Port Act and the Public Transportation Terrorism Prevention Act of 2006 to develop a bill that enhances port and cargo security at home,” said Kurt Nagle, AAPA’s president and CEO. “This bill also strengthens the lone federal program that helps America’s ports harden their facilities against terrorism and reduces the potential for terrorists or weapons to reach our shores via maritime commerce.”

By passing this legislation, Nagle said Congress “recognizes it needs to have a greater financial partnership with U.S. ports to pay for critical seaport security measures.”

A troubling aspect of the legislation, however, is that recent appropriations do not match Congressionally recommended funding.

“For this upcoming fiscal session, dramatic differences remain between the amount Congress recommended for port security and what it will actually fund,” Nagle said.

Only about half, or \$210 million, authorized in the SAFE Port Act was actually appropriated.

Nagle said the high cost of implementing port security, including the new Transportation Worker Identification Credential system, illustrates the need for greater funding.

“It’s important that the next annual spending bill provide the full \$400 million for the Port Security Grant program to help ports pay to install TWIC card readers and other terrorism prevention programs at their facilities.”

VP CHENEY VISITS PORT

Vice President Dick Cheney paid a visit to the Port of New Orleans Oct. 12 to discuss recovery efforts with U.S. Army Corps of Engineers officials and maritime industry executives.

Cheney visited with Canal Barge Company President and CEO Merritt Lane III onboard a tug docked alongside the Port of New Orleans administration building before meeting with Corps officials.

"I appreciate the opportunity to come back to New Orleans and get a briefing on how things are going in what's a crucial part of the whole recovery operation, obviously," Cheney told reporters gathered for the visit. "We've come a long way, but we've got a lot to do yet. I'm delighted to have the opportunity to stop in and see what has been accomplished

and improve my own understanding of what remains to be done."

The Corps of Engineers is responsible for rebuilding the 169 miles of levees in southeast Louisiana that sustained damage as a result of Hurricane Katrina.

Cheney said the project is one of the biggest the Corps has ever undertaken in its history.

"And that's altogether fitting since



VICE PRESIDENT DICK CHENEY SPEAKS WITH BRIGADIER GENERAL ROBERT CREAR, COMMANDER OF THE MISSISSIPPI RIVER VALLEY DIVISION OF THE CORPS OF ENGINEERS, IN A MEETING ROOM AT THE PORT.

this was one of the worst natural disasters, obviously, that the United States has ever had to endure," Cheney added.



Your way. Connected.

New Orleans to Memphis - 22 hours.
To Chicago - 40 hours.

Welcome to CN's unparalleled network. Your way of getting scheduled single-line service from New Orleans to the entire continent. The smart way to get fast, reliable and consistent service. And the best way to connect the Atlantic, Pacific and Gulf of Mexico coast every time. For more information, call 1-888-MOVIN-CN.

www.cn.ca/imx



NORTH AMERICA'S RAILROAD



New Orleans Renaissance

In New Orleans, every day is a celebration. Our unique culture, cuisine and music offer the perfect prelude or conclusion to a cruise to the Western Caribbean.

Not even Hurricane Katrina could erase our competitive edge. The French Quarter, the Garden District, the Arts District, swamp tours and plantation homes still have the same allure for cruise passengers.

By 2008, New Orleans will have three full-service cruise terminals. We recently opened the Erato Street Cruise Terminal and parking facility, and another terminal is on the drawing boards.

Come experience the factors that continue to make New Orleans a great destination, including:

- 10 million visitors each year
- 47 million people within a day's drive
- International airport 17 miles away
- 30,000 hotel rooms within a short walk
- Full service ship support and services





PRSRT STD
U.S. POSTAGE

PAID
New Orleans, LA
Permit No. 33



Number one.
From sea to shining 



Cooper/T. Smith
Corporation

coopersmith.com

Stevedoring ♦ Logistics ♦ Tugboats ♦ Midstream Transfers ♦ Insurance ♦ Mooring...