

John W. Carnes
Maritime Administration
501 Magazine Street, Suite 1223
New Orleans, LA 70130-3394
Phone: 504-589-2000
Fax: 504-589-6559
Email: john.carnes@marad.dot.gov

Doris Bautch
Maritime Administration
2860 South River Road, Suite 185
Des Plaines, IL 60018-2413
Phone: 847-298-4535
Fax: 847-298-4537
Email: doris.bautch@marad.dot.gov

Heartland intermodal partnership
U.S. DOT/Maritime Administration
500 Poydras Street, Suite 1223
New Orleans LA 70130-3394

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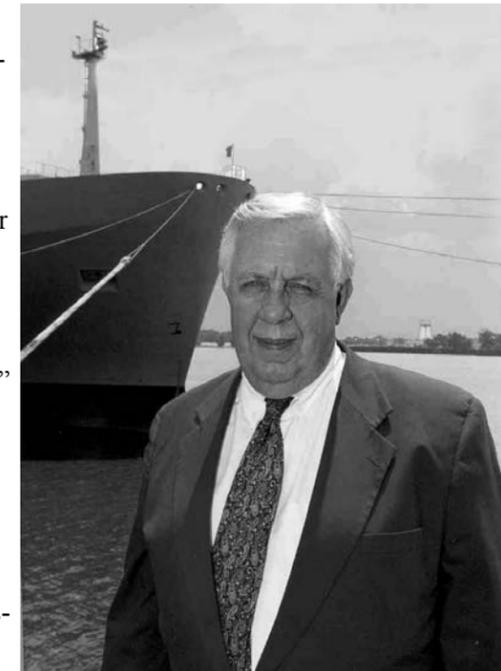
HIP HOORAY

UPDATE OF THE ACTIVITIES OF THE HEARTLAND INTERMODAL PARTNERSHIP

Maritime Transportation Visionary “Swallows the Anchor”

After 56 Years Service to the Transportation Industry

John W. Carnes, the father of the Gulf Rivers Intermodal Partnership and ultimately the Heartland Intermodal Partnership is swallowing the anchor (nautical term for retirement) after 33 years of service at the Maritime Administration (MARAD). His expertise will be sorely missed at MARAD, but we do hope he will continue his involvement with the Heartland Intermodal Partnership, which was inspired by John's vision to “expedite safe and secure freight movements, reduce congestion and advocate increased use of the Heartland's intermodal and water resources as strategies for coping with demands on the region's transportation system.”



In June 2004, John completed his fifty-sixth consecutive year in transportation, having started as a fireman on coal burning locomotives at the Pennsylvania Railroad's coal docks at Sandusky, Ohio. John served in the United States Navy as assistant navigator of the *USS Ticonderoga* and navigator on the *USS Shenandoah*. In 1957 he was a logistics officer in

charge of a temporary air field in Crete, which marshaled material to UN forces in Egypt following the Arab-Israel War.

Following John's graduation from the U.S. Merchant Marine Academy in 1954, he joined Alcoa for an 18-year stint, which was briefly interrupted by three years at sea for the Navy and Merchant Marine. He was employed by the Company as a watch officer on the *SS Alcoa Ranger* and was the Gulf General Terminals Manager when he decided to go public. In 1972 John joined the U.S. Department of Transportation's Maritime Administration. He has filled several hats while at MARAD:

- ◆ Regional Port and Intermodal Development Officer at MARAD's Central Region in New Orleans, LA;
- ◆ Chief of the Division of Port and Intermodal Operations at MARAD Headquarters, Washington, D.C.;
- ◆ Director of the Office of Intermodal Development at MARAD Headquarters, Washington, D.C.; and for the past eight years,
- ◆ Director at MARAD's Central Region in New Orleans, LA, supervising Maritime Administration field operations throughout a ten state area from Colorado to Florida. In addition to John's work with the Marine Transportation System, he oversees more than 50 government vessels in varying states of readiness, which are assigned to the Central Region. This includes ten Ready Reserve Fleet vessels, outported at three Gulf ports, with nucleus crews in a high state of readiness for emergency activation.

John is a plank owner of the National Port Readiness Working Group, an interagency coordinating group which he chaired in 1987 and which won national recognition for its accomplishments during Operation Desert Shield/Storm.

In New Orleans, John was Secretary of the

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Working Toward Innovative Transportation in Alabama, Arkansas, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, West Virginia, and Wisconsin

(“Maritime” continued from page 1)

American National Standards Institute's Technical Advisory Group of Shipborne Barges and authored several publications on LASH and Seabee systems. He also authored the *Where the Rudders Meet the Roads* report published in September 2002.

John has been an activist in ensuring that the Merchant Marine's role in WWII is known by spearheading the Merchant Marine exhibit at the National D-Day Museum located in New Orleans, LA

Among John's awards are the Vice President's National Performance Review citation, the Secretary's Silver Medal, and the Maritime Administrator's Bronze Medal.

John takes with him an unprecedented wealth of knowledge and experience in the transportation industry. He has truly been an inspiration.

We wish John fair winds and following seas.

~ Susan E. Schaefer

(“DOT” continued from page 2)

Captain Bill Schubert and his superb MARAD team, would conduct a wide-ranging review of our Nation's maritime policies. The goal, he said, would be to develop a comprehensive Marine Transportation System initiative—to be called SEA-21.

This policy review, and the SEA-21 initiative that is now in the final stages of development, reflect the convergence of five significant factors:

First, a clear recognition of the importance of the Marine Transportation System to our Nation's intermodal transportation system, national defense, foreign trade, and our economy;

Second, the present and projected growth of foreign trade and freight moving through our ports and

across the entire intermodal system;

Third, the need to strengthen the ports, intermodal connections, shipping, and shipbuilding that serve as the heart of our transportation system;

Fourth, the impact of the September 11th terrorist attacks on the MTS and maritime industry, and on the roles and missions of DOT and MARAD; and

Fifth, numerous reports and studies conducted by respected public and private sector entities highlighting the current conditions and future needs of the MTS and the maritime industry.

Excerpt from *Congressional Information Bureau, Inc.*,
Volume 108 – No 100 – May 24, 2004

(“Conference” continued from page 3)

ence with the Appalachian Regional Commission, the Corps of Engineers, Alabama State Port Authority, Lowndes County Port Authority, SSA Marine Inc. (stevedores at Lowndes County Port) and Mississippi State University.

“The challenge is to bring this (containerized) cargo to the waterways,” Waldon told *The Waterways Journal*. “It's a challenge not only for folks like myself who promote waterways, but also for the carriers.”

The opportunity is there and barge operators should retool their marketing strategies to capture “more of this non-traditional type business,” suggested Waldon. “If they're successful, they're going to have to change their operations to provide much more flexible service as well as dependable service.”

Couch said his firm is doing just that. “There's great prospect” on smaller waterways, he said. “We're looking at the Tenn-Tom quite a bit and we're also looking at the Red River—there are real good possibilities at Shreveport—and the Ouachita out of Monroe (La.), as well.

Excerpt from *The Waterways Journal*, July 5, 2004

Maritime Administrator Schubert Briefs HIP ExCom on Transportation Legislation

Maritime Administrator William Schubert and thirty other dynamic transportation officials from state and local governments, private business interests, and federal counterparts from the 24-state heartland converged at the Sheraton Gateway Suites in Chicago, "the Windy City," on June 17-18, 2004. A very productive semiannual meeting of the Heartland Intermodal Partnership (HIP) Executive Committee ensued, with the ultimate product being a work plan to continue the trek toward a panacea to avert the transportation congestion crisis the heartland, in particular, and the nation, in general, would face in the near future with the projected trade increase.

The Maritime Administrator commended the work of the HIP and presented the legislative segment of the meeting: addressing the status of the TEA-21 reauthorization bill known as the Safe, Accountable, Flexible, and Efficient Transportation Equity Act (SAFETEA); SEA-21 (a proposed bill under development comparable to TEA-21 (but for the Marine Transportation System) and AIR-21; National Water Highway System (formerly Short Sea Shipping); and Title XI (the Maritime Administration's loan guarantee program).

The HIP Executive Committee meeting essentially addressed the steps the partnership can take to assuage the forecasted congestion crisis, promote economic development, and increase the heartland's visibility as a most efficient multi-modal, intermodal region. The heartland's transportation infrastructure assets include not only highway and rail, but also a vast coastal and inland waterway system that has the potential to be an alternate "highway" for the movement of freight. In addition to the Legislative segment, agenda items included intermodal panels for highway, rail, water carriers and ports, a 501(c)(6) presentation, and a work plan segment.

- Intermodal Panels Presenters included: Highway - Kate Quinn, Asst. Administrator, Indiana Division, FHWA and Mike Howard, VP Intermodal, J.B. Hunt; Rail - Robert Centracco, Hazardous Materials Specialist, FRA; Water Carriers and Ports - Wade Battles, President, Gulf Ports Association and George Andres, President, Inland Rivers Ports and Terminals
- 501(c)(6) Presenter: Alan Moore, Attorney at McGlinchey Stafford
- Work Plan Segment: Planks were submitted, discussed, ranked and assigned.

The meeting adjourned on a positive note at noon on June 18. ~ Susan E. Schaefer

DOT Under Secretary Shane Underscores Progress on SEA-21 Including Tax Relief

Jeffrey N. Shane, Undersecretary of Transportation for Policy, addressed a Maritime Day Ceremony gathering in Washington, DC, recently. Excerpts of his remarks delivered at the Navy Memorial included the following:

U.S. Foreign trade and freight volumes at our ports are expected to increase by 50 percent by 2020, and some estimates predict even higher growth than that. Yet America's port and intermodal freight system is increasingly operating at the limits of its capacity right now. Challenges of the current system:

As if these challenges were not enough, our Marine Transportation System (MTS) decision-making until now has been carried out through an inefficient patchwork of disparate laws, policies, programs, and agencies. In the Federal government alone, seventeen agencies in six departments have responsibilities relating to the MTS. We have to improve federal coordination of our system if we are to compete in this 21st century global economy.

Our ports are all too often being pulled in two directions at the same time, being asked to add capacity to keep up with future demand while also ensuring that they have tough new security measures in place to protect our homeland.

Our job at the Department of Transportation is to ensure that that "mobility imperative" is not lost as we work to make the system more secure. It is also our responsibility to help ensure that we make the investments in port infrastructure that will be needed for our economy to compete in global markets. We simply must do both – security and infrastructure – in a way that is mutually beneficial and that allows America's entrepreneurial spirit to thrive rather than be choked by congestion.

Maritime as a Piece of an Intermodal Puzzle:

We ...developed a wide-ranging surface reauthorization package called the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – or SAFETEA. We hope we can reach agreement with Congress on SAFETEA soon –during the next few weeks. That proposal included a number of provisions of interest to all of you, including dedicated funds for the critical "last mile" connections between highways and ports and new mechanisms to encourage more robust private sector financing for major highway and intermodal projects. You should keep a close eye on the progress of that legislation in the weeks ahead. There's a lot in it for you.

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Port of Greater Baton Rouge Makes Strategic Land Purchase

The Port of Greater Baton Rouge recently purchased a parcel of land strategically located adjacent to the port's Inland Rivers Marine Terminal. The purchase includes 140 acres of land with 5,000 linear feet of water frontage on the U.S. Gulf Intracoastal Waterway. The land was purchased from 11 heirs of the Hummel estate. The \$1.675 million purchase was brokered by Marc Barker of Latter & Blum Realtors.

Port of Greater Baton Rouge CEO Roger Richard said, "Purchasing the land was a recommendation from the port's Millennium Plan." Developed for the port in 2002, the Millennium Plan is a blueprint for the port's future, outlining goals and strategies for economic development. "Purchasing this additional tract of land will provide an opportunity for the port to continue growing and to focus on our mission of promoting international trade and economic development."

Located west of the Inland Rivers Marine Terminal, the newly acquired land is slated for a possible barge docking facility and industrial development. The land offers ready access to U.S. Interstate 10, Louisiana Highway 1 and Union Pacific Railroad. The Intracoastal Waterway shortens the water-bound route to Houston by 170 miles.

Greg Johnson, Port of Greater Baton Rouge director of business development, said, "Our current facilities at the Inland Rivers Marine Terminal are growing, and the addition of land will allow us to expand services where necessary and bring in more services." Currently Osprey Lines, LLC operates container-on-barge service from the IRMT, and Katoen Natie Louisiana, LLC operates a warehousing, packaging and trans-loading service for polymers there.

Plans are underway for development of the property. Richard continued, "Baton Rouge is a great place to do business and to bring business. That's our goal at the port. Each new or expanded service that we offer means more business for our region. This property acquisition is an important facet in our continued growth, and it will enhance our standing as a key transportation hub in the Gulf Coast region."

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Press Release
Baton Rouge, LA—June 21, 2004

Mission: Support competitiveness of HIP-region business, industry and labor in world markets through improved intermodal transportation.

Conference Highlights Progress in Barging Containers

If a recent conference in Columbus, Mississippi is any indicator, inland movement of containers via river barge is drawing growing attention from port operators, shippers and receivers.

About 100 waterway interests, including port and terminal operators, shippers, consultants, academics, state and federal transportation officials and others, attended the Intermodal Transport Symposium in Columbus, June 10-11.

The message they heard was clear: as international trade funnels increasing numbers of cargo containers through U.S. ports, the burden of moving those "boxes" to and from inland receivers and shippers will create ever-greater congestion on the nation's rail and highway grids.

Moving at least some of those containers by barge could not only ease some of the chokehold on traditional routes, particularly highways, but could also save money for U.S. businesses, speakers told the conference audience.

Not only can barges frequently offer shippers a more competitive rate than rail or trucking for moving their containers, barges also allow movement of heavier containers than those moving by highway. Thus a shipper or receiver may require fewer containers for moving given cargoes, thereby achieving even greater economies, said Charles Duet of New Orleans, regional manager by Opsrey Lines LLC of Houston, Texas.

Osprey Line has been a forerunner in providing container on barge (COB) service to inland ports. The firm's recently established regular, scheduled COB service to the Port of Memphis has proven quite successful, exceeding expectations in its first month of operation, Rick Couch, Osprey Line president, told *The Waterways Journal*.

Fred Scaff, Coated Groundwood strategic business manager for Weyerhaeuser Company's Columbus operations, relies on intermodal transport of his firm's containerized products every day but takes a "show me" approach to moving containers by barge.

"We believe in intermodal transportation... We've got to find every opportunity to save every dollar we can... We need dependable, scheduled service on our waterway to make folks like Weyerhaeuser get serious about using it..."

Donald G. Waldon, administrator of the Tennessee-Tombigbee Waterway Development Authority and its companion organization, the Tennessee-Tombigbee Waterway Development Council, co-sponsored the confer-

("Conference" continued on page 4)