

The Propeller Club QUARTERLY

The Official Magazine for Propeller Club Members

European Perspective:

**Climate Change
Besets Logisticians**

**Green Transports
Wanted**

Saving with Green Juice



**Restoring Trust
to the Inland Waterways
Trust Fund**

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Restoring Trust to the Inland Waterways Trust Fund

by R. Barry Palmer, President and CEO, Waterways Council, Inc.

Congress established an Inland Waterways Trust Fund to help pay for the modernization of nationally vital locks and dams on America's inland navigation system. Landmark legislation passed in 1986 – the Water Resources Development Act – calls for towboat operators, shippers, and other commercial users to pay for their fair share of lock and dam construction and major rehabilitation.



More than 625 million tons of freight commodities valued at more than \$70 billion move on America's inland navigation system each year. This commercial traffic includes building block commodities such as grain for domestic and international markets, steam coal for electric power generation, steel to domestic and international locations, petroleum products to distributors, feedstocks to chemical plants, and aggregate materials for construction use.

Commercial inland navigation users have since the late 1970s contributed more than \$2 billion to the Inland Waterways Trust Fund, but have not seen all of the investment they were promised. Under the Water Resources Development Act (WRDA) of 1986 commercial users have been contributing about \$100 million annually. The funds in the Trust Fund are meant to pay for one-half of the cost of new construction and major reha-

bilitation of locks and dams. These contributions are generated by a 20-cent per-gallon diesel fuel tax which is deposited into the Trust Fund. The other half of the cost, reflecting the broad distribution of all those who benefit from the other uses of the waterways like national defense, water supply, flood control and recreation, is paid from general revenues.

The process worked well for about a decade. Early projects such as Gallipolis (Ohio River), Bonnev-



*R. Barry Palmer,
President and
CEO, Waterways
Council, Inc.*

RESTORING TRUST continued on page 6



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RESTORING TRUST continued from page 4

ille (Columbia River), Oliver Bacon (Black Warrior River), and the second lock chamber at Mel Price (Mississippi River) were completed on a timely basis on within budget. Ground-breakings and dedication ceremonies were conducted at the Robert C. Byrd Lock and Dam (Gallipolis) on the Ohio River, at Point Marion and Grays Landing (Monongahela River), Winfield (Kanawha River), and at the other projects authorized for construction in 1986.

New projects were authorized in subsequent WRDA bills: Olmsted and McAlpine on the Ohio River; Lower Monongahela River Locks and Dams 2, 3 & 4, Marmet Lock on the Kanawha; and Kentucky Lock on the Tennessee River. Chickamauga was authorized in 2003.

After projects were authorized in 1986 – and the initial projects were being built – construction authorizations of future projects moved through the legislative process in a relatively timely manner. Appropriations for the next wave of projects authorized after WRDA 1986 hit a major roadblock.

In the late 1980s and into the early 1990s investment in our inland waterway system occurred at a level that utilized all current revenues coming into the Trust Fund. In 1992 the surplus in the Inland Waterways Trust Fund was \$192 million. Over the next decade, however, the federal government failed to complete available nationally-important waterways improvements. By 2002 the surplus had ballooned to \$412 million.

So what? ... you might ask! The surplus in the Inland Waterways Trust – like a lot of other trust funds with large surpluses – was being used to mask the federal deficit. The user taxes were being scored for federal government budgetary purposes as all

federal money. Despite the fact user taxes for lock and dam modernization had been sold as a dedicated revenue source, they were not being used.

What happened next is construction schedules for important national waterway infrastructure projects slipped. Some project construction schedules slipped more than 10 years and even 15 or more years. Costs for all projects escalated – one more than \$1 billion. And the benefits of these projects, derived from transportation cost savings, were washed down the river.

For example, the Olmsted Lock and Dam project (on the Ohio River KY/IL), replacing locks and dams 52 and 53, was authorized for construction in 1988. Its fully authorized cost was \$775 million. This project is essential to the nation first and foremost because the current facilities in that stretch of the river are beyond repair. Secondly the project is essential because 100 million tons of commerce annually transit that site. The Olmsted Lock and Dam project should have been completed in 2007; but due to constrained funding, it may not be completed for another seven or more years. For Olmsted alone about \$5 billion in transportation benefits have washed away.

The US Congress' Transportation and Infrastructure Committee has correctly stated in a recent report that the Inland Waterways Trust Fund "represents a contract between the government and the user. This contract specifies that ... user fees would be levied on the users of ... inland waterways. In return the government pledged to use the receipts to build transportation infrastructure for the taxpayer's use." Revenues in the Trust Fund should be spent as Congress intended ... but on time and within budget.

For the second time, the Administration indicated plans to propose

a fee imposed on commercial barges using locks operated by the Corps. This fee would be phased in beginning October 1, 2008, with increases each year through December 31, 2012. This proposal would eliminate the current diesel fuel tax of 20-cents-per-gallon presently being levied on towboat operators who move commerce on America's inland navigation system. This plan for a barge lockage fee, according to budget documents, would be designed to double the taxes on the industry, generating approximately \$190 million annually by 2013.

Also problematic, the federal government wants the right to adjust fees/taxes in future years for all Inland Waterways Trust Fund-financed projects. At the same time we see costs skyrocketing because of continuing project delays. For example, Olmsted Lock and Dam – authorized for construction in 1988 at a cost of \$775 million – has seen its construction schedule slip 10 to 15 years. Its costs have escalated to nearly \$2 billion, while \$7 billion of transportation cost savings have washed down the river. This is simply untenable.

Until navigation lock replacement projects can be built more efficiently – on time and within budget – Waterways Council Inc., along with others, will continue to oppose these new taxes. Trust needs to be restored to the delivery of waterways infrastructure improvements first. It's the first step in restoring trust to the Trust Fund.

Modernizing our Nation's lock and dam infrastructure system strengthens our Nation's economy, bolsters exports, and keeps American citizens productively employed. Ours is a world-class water transportation system that richly deserves our Nation's support and commitment for today and the years to come.

www.waterwayscouncil.org ■

Climate Change Besets Logisticians

By Wilf Seifert.

Article(s) courtesy of the *International Transport Journal*.

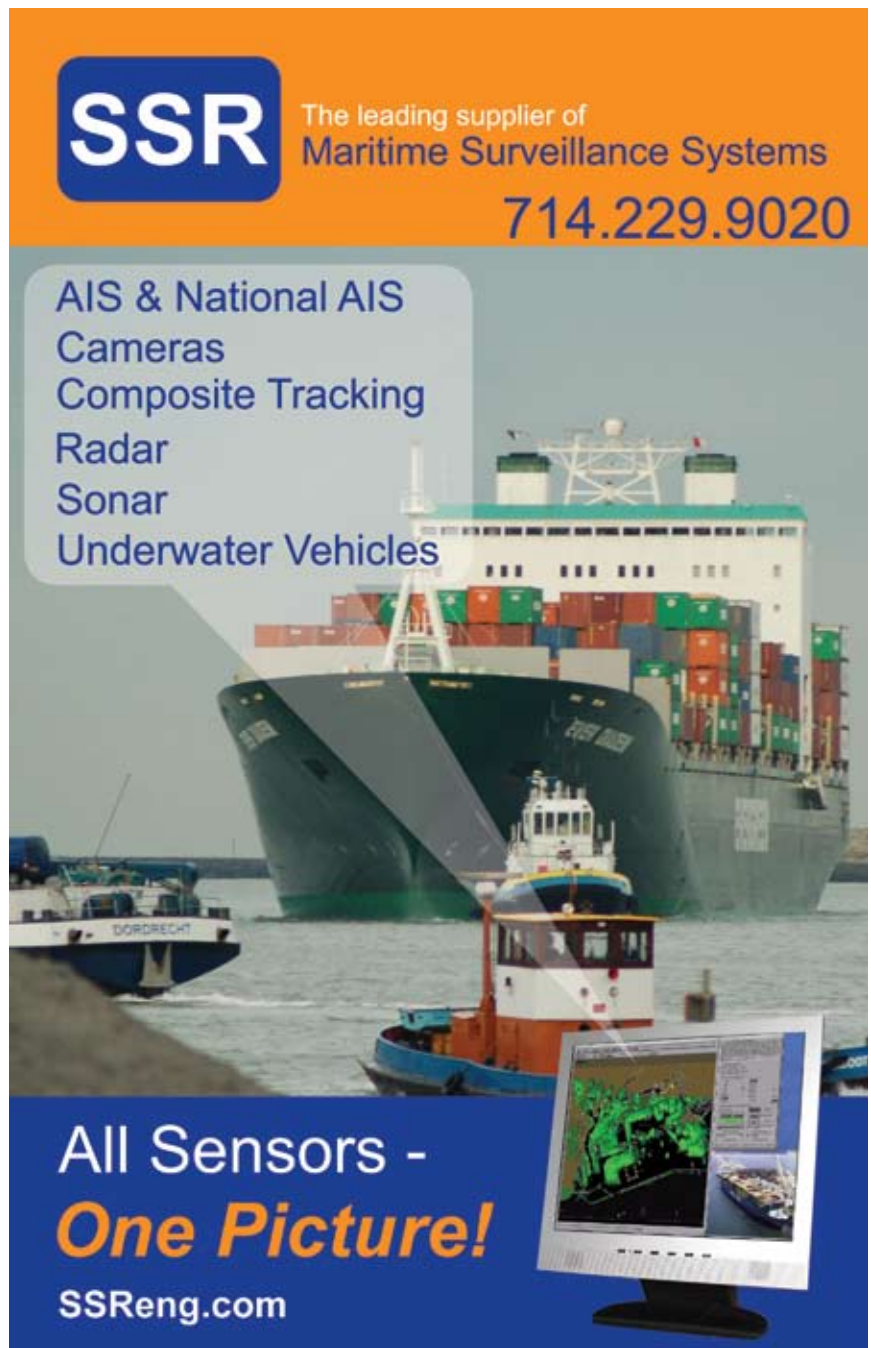
Climate change, globalization and the increasing realization that only a combination of ecological and economic measures will lead to lasting success in coping with today's problems is calling ever more experts to round table discussions. The picture for the future which emerged at an Environment and Logistics event organized by the Kuehne Foundation last year was ambivalent on the topic.

“Globalization must be pursued in an environmentally aware way.” This was how Klaus-Michael Kuehne, president of the board of the Kuehne Foundation, introduced the topic to representatives from trade, industry, services, the media and science who attended the logistics event organised by the Kuehne Foundation in the auditorium of Kuehne and Nagel's headquarters in Schindellegi (Switzerland) last year. The meeting was held under the motto, “Logistics and the environment – harmonizing efficiency and social responsibility in logistics.” 100 people from eleven countries participated.

Kuehne summed up the quintessence of five research projects on the topic of logistics and the environment which have been commissioned by the foundation and published in book form. He said that focusing on optimizing transport alone is not sufficient. Attention needs to be given to the interaction between logistics, the environment, and quality, both from a microcosmic and macrocosmic point of view.

Megatrends

Dr. Philippe Tufinkgi and Balkan Tufan Cetinkaya of Berlin's Technical University (Germany) presided over the logistics event. Tufinkgi, Director of the University's International Transfer Center for Logistics, thematised the megatrends which are affecting the industry in his introductory speech. He named the key elements affecting security, the environment, and governments: climate



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change, natural disasters, war, terrorism, limited resources, privatization, deregulation, the elimination of trade barriers, and new laws to promote sustainability and safety. He foresees that customers and markets will be influenced by population growth, ageing populations in industrial nations, migration, urbanization, individualism, the shift from a seller's to a buyer's market, sophisticated well-informed consumers, and growing buying power in emerging markets. He also predicted that technological change will be marked by faster, lower-cost computing and communications systems, increasing complexity of production, renewable energy, miniaturisation, sensor technology (such as RFID), intelligent agent technology and service-oriented architecture.

Consumers are sensitized

Cetinkaya, who reported on the results of his work on the EU's Best Practice Logistics project (BestLog), placed himself squarely in the camp of "scientists who assert that climate change began long ago." Alluding to the rapid increase in transport volumes, which are growing faster than the economy, he said that consumers and non-governmental organisations also exhibit ever more awareness of social and ecological questions. This increasingly affects the transport and logistics industry, in addition to the

textile, foodstuff, electronics and automobile sectors.

Economic aims are likely to dominate supply chain management. As a result, efficiency and ecological sustainability represent conflicting or complementary aims, depending on the company. At the same time, value-adding chains are becoming increasingly fragmented. Cetinkaya warned that we can expect the population to eventually protest against the growing glut of products, and thus also against the logistics sector.

Fantasy versus reality

Michael Haupt, in charge of Wolfsburg (Germany)-based Volkswagen's logistics strategy, put the vision and reality of the corporation into perspective. He used the word "fantasy" to describe the following ideal conditions: suppliers near manufacturing sites, no empty runs, vehicles filled to capacity, no packaging, no transport, an uninterrupted flow of materials, the availability of modes of transport, steady planned production, the predictability of need, the availability of resources, no delivery bottlenecks, a continuous positive rise in demand, and functioning systems.

His description of reality was sobering. Companies face international competition (which forces them to act economically and to choose locations which lead to higher logistics outlays), disturbances in production processes (which has a negative effect on logistics activities), external conditions (such as the unavailability of resources, which hinder logistics processes). After giving an overview of Volkswagen's logistics concept, Haupt summed up with an insight worthy of Solomon: "We do not want to shut our eyes to the reality of international logistics; but the challenge is to embrace an ecological approach which safeguards our environment, while pursuing an economical approach to safeguard our jobs." Bettina Mörth,

environmental manager at Frankfurt (Germany)-based Lufthansa Cargo, emphasized that 50% of the "enormous" growth of the Lufthansa corporation in the past fifteen years has been neutral in terms of its environmental impact. The airline transported more freight, but kept carbon dioxide, carbon monoxide and particulate matter at the same level as the previous year. Nitrogen emissions were actually the lowest in the history of the company. Lufthansa Cargo's measures to reduce the repercussions of its flights on the environment concentrated on technical progress (fleet planning and maintenance), more efficient infrastructure (better use of air space), and operational corrections (more precise assessment of fuel requirements, better calibration of propulsion units, and optimised approach procedures, loading methods and loading equipment). Mörth also explained how cargo handling facilities can be adapted to adhere to modern waste and energy management practises.

The Chep concept

Peter Wyss, marketing director of Switzerland-based Commonwealth Handling Equipment Pool (Chep), which specialises in pooling standardised pallets and containers among a number of companies, characterised the financial, operative and ecological advantages of such a scheme. Chep is the world's leading provider in the sector, boasting 7,700 employees, 280 million pallets and containers, 500 service stations and 300,000 customers. The company handles 2.6 million transactions daily. Wyss underscored the ecological sustainability of the system.

The Chep concept makes use of service centres which supply ready-to-use receptacles to companies. The customer loads them and then ships them to its own customers. At the end of the supply chain Chep collects the empty containers or pallets

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and delivers them to a nearby service centre. There they are inspected, repaired and fed back in to the cycle. Wyss pointed out how conducive this system is to reducing waste packaging. It is an efficient way to recycle reusable items.

Dr. Alexander Rochlitz, managing director of Herford (Germany)-based Sulo Umwelttechnik, which specialises in waste management and recycling, and provides services such as collection, sorting, utilization and marketing of recyclable materials, presented illuminating statistics on waste in Germany. The country's annual volume of waste consists of 7.89 million tons of paper and cardboard, 3.57 million tons of glass, 4.6 million tons of light packaging and synthetics, and almost 185 million tons of construction and demolition material. Rochlitz then proceeded to speak of the global picture. "Approximately 99% of the world's waste ends up in landfills. It is an ecological sin," he declared.

Rochlitz clarified that Sulo "does not work for the Salvation Army. We are a very profitable enterprise." China alone ensures this. The country "absorbs everything - paper, synthetics, metal..." he said. However, he also mentioned that secondary raw materials do not yet command high enough prices. As a result, the waste cycle is not yet as well-developed as it should be. "Sustainable waste logistics are an essential element of a modern, environment- friendly and holistic circular economy," he concluded.

Professor Volker Hoffmann, a member of the group for sustainability and technology at the Swiss Federal Institute of Technology, Zurich, and, as he averred, "no green naysayer", spoke about climate change as a challenge facing commercial enterprise. He predicted that sooner or later every post office van in regions with warm climates will be equipped with air conditioning. Indeed, he said the moment is approaching when we will have to decide whether to heat, pro-

duce or drive, "because we will only ever be able to do one of the three."

Balancing act

The efforts of the logistics industry to help reduce toxic emissions are thwarted by current trends such as globalization (longer supply chains), just-in-time requirements (more express transport), and con-

sumer preferences (shorter product life cycles and a high demand for exotic goods). Since "carbon flows through supply chains", suppliers and buyers are exerting more and more pressure on logistics service providers. The latter can approach the problem by increasing efficiency (optimising operating norms), improving building infrastructure (low or no-energy ware-



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houses), and deploying greener vehicles. Supply chains can be optimized by addressing the mode of transport (switching to more environment-friendly modes, such as from air to ship), the network (optimizing interaction with sub-contractors), and the business model (such as the provision of carbonneutral logistics services). Hoffmann allayed any doubts about the “overwhelming scientific proof of climate change”. He said that substantial reductions and adjustments will be required across all countries and sectors to come to grips with the problem. In the long term, logistics service providers will not be able to escape this necessity. “A climate change policy should be part of any company’s strategy right now,

so that it can gird itself to meet the risks and opportunities of the future,” he urged.

Doing one’s best

Dr. Florian Eck, Deputy Director of the German Transport Forum (Deutsches Verkehrsforum) in Berlin, confronted his listeners with two alternatives. “You can turn down contracts – then you will cause no emissions – or you can do your best.” He said that the aim must be to increase efficiency and sustainability. He touched on the following key points: raise acceptance for green products, improve well-to-wheel efficiency, increase the performance of the mode of transport, strengthen environmental awareness within

one’s own enterprise, enhance the transparency of processes, develop collaboration between companies, boost payloads, eliminate infrastructure bottlenecks, understand and promote logistics as a location factor, and support rail-based logistics capacities.

“Logistics has already become an important partner in the drive toward sustainable business practices through its intrinsic offer of efficiency,” Eck was proud to note. He warned against the danger of regulatory policies disrupting well-oiled logistics systems. Consumers are able to make independent choices. “Sustainability begins in the head. It has to be wanted and marketed.” ■

Environment-friendly carriers

Green Transport is Wanted

Rail has been regaining a growing share of the market in recent years. A number of factors have contributed to this, including the ecological advantages of transport by train.

Rail has long been the most promising form of transport in terms of environmental protection and climate change. Nevertheless, until recently it has been losing market share year by year, especially to road haulage, which is far more harmful to the ecosystem. Now a reversal of the trend appears to be in sight. Rail freight companies in Germany, for example, reported a 12.1% jump in traffic volumes (tkm) in 2006, compared with the year before (or +9.5% from January to September 2007). Trucking volumes in the same period rose by only 6.4%, and rail’s modal split in the country increased to 17.3%.

Ecology a factor

There are many reasons for this, but environmental concerns are an important factor in choosing rail transport, according to initial results from a survey conducted by Germany’s Association Materials Management, Purchasing and Logistics (AMMPL) last year. The poll was taken by Professor Paul Wittenbrink of the University of Cooperative Education Loerrach (Germany), who gathered the information on “CO₂ and the modal split” from 170 companies in trade and industry.* Some interesting figures emerged. He found that 67% of the compa-

nies surveyed cited ecological reasons for choosing rail in the long term. This came out distinctly ahead of the other reasons given, which were high performance capability (52%), more time to load and unload the wagons (33%), logistics advantages (23%), a good price-performance ratio (21%), and flexibility (17%). But there are also other reasons that are making rail increasingly attractive. A ready example is the introduction of road tolls in various countries like Germany, Switzerland and Austria. These have of course indirectly (although often deliberately) led to a shift to more environment-friendly options such as trains and ships.

Another change which has had a positive effect on rail transport is the liberalization of the European railway sector. This has led to more competition between rail freight companies (as in trans-Alpine services), which has resulted in considerable improvements to quality and price-performance ratios. It is also a consequence of the increasing internationalization of railways, which are responding better to the demands of freight flows (by offering lucrative hinterland connections, for example).

www.bme.de ■

*The (CO₂ and the modal split) survey will soon be available from AMMPL.

Alternative fuels in the transport sector

Saving with Green Juice

By Eckhard Boecker

Discussions about the advantages and disadvantages of alternative types of fuel have multiplied greatly in the transport industry, as they have elsewhere. Even though biofuels have developed into quite important economic factors in many countries, they are not necessarily always a good idea from an ecological point of view.

Biodiesel has been used increasingly in recent years as a propellant for trucks and commercial vehicles, especially in Europe. In Germany the fuel has been gaining ground since the early 1990s. Sales of biodiesel grew rapidly in that country, reaching a volume of about 3 million tons in 2007.

The high demand for biodiesel is primarily driven by economic factors, because the transport industry saves a lot of money with this type of fuel. However, the fuel has been losing its attractiveness in Germany since the end of 2006, when an additional tax of EUR 0.08/litre was imposed on pure biodiesel. Moreover, the rate will be raised to EUR 0.45/litre by 2012, placing it on a par with industrial diesel. In Austria, in contrast, state support for biofuels remains strong, and biodiesel is exempted from consumption taxes. Another reason why companies are motivated to rely on biofuels is the broad acceptance of their ecological balance sheet. In addition, scientists are busy researching better ways to derive biomass-to-liquid fuels (BTL), which transform wood, plant material and straw into fuel. Experts say that market-relevant volumes will be achieved in about ten years. This type of fuel could then reduce carbon dioxide emissions by as much as 90%.

Ecologically dubious biodiesel

But critics are quick to speak up when they hear talk of such scenarios. Many forms of bio power do more harm to the environment than

good if you take the total picture into account. For example, massive cultivation and expansion of alternative forms of energy creates considerable ecological problems. Climate experts at Stanford University in California (USA) have warned about this, as has the Swiss energy foundation SES and the Organization for Economic Cooperation and Development (OECD). Bio energy can even be harmful, as when virgin forests are cleared to make room for palm oil plantations. Enormous amounts of CO₂ are emitted during the drying process for peat, which is stored in layers many metres deep.

Palm oil production for biodiesel is a booming industry in Malaysia. Europe benefits from this, as it imports large quantities to satisfy its own requirements. But there is also strong domestic demand for biodiesel in Malaysia, as the country will soon ban the use of ordinary diesel, and will only allow biodiesel to power its vehicles in the future.

The USA is another country which produces and exports huge quantities of biodiesel. About 1 million tons of this product were sold to the European Union last year alone, of which 70% went to Germany.

The EU introduced a biofuel guideline in 2005. Its policy is to promote biodiesel or alternative renewable types of fuel on a large scale. This is covered by EU guideline 2003/30 EG, which stipulates that some 2% (energy content) of the fossil fuels sold should consist of biofuels, with this percentage increasing to 5.75% in 2010. Whether this is the right way forward from the point of view of climate change is doubtful, according to several empirical and scientific studies.

Natural gas could be considered as an alternative to biodiesel. This is partly because of its positive environmental impact in terms of CO₂, particulate matter and nitrous gases. It also has the advantage that it is not taxed as highly in many European countries. In Germany, for example, this type of fuel is tax-exempt until 2020. This enables the transport industry to achieve substantial savings, since one litre of gas is about 50% less expensive than industrial diesel. Parcel delivery companies in particular can benefit from this. It is also good for the in-house automobile fleets of forwarding and logistics companies. ■

Liquid gas as an alternative to kerosene

Airlines are concerned that kerosene could become scarce in the future because of Asia's increasingly high demand for fuel. That is why airlines and engine manufacturers have begun searching for alternatives ways of powering aircraft. A consortium in the emirate of Qatar is researching the possibility of flying aircraft with liquid natural gas. The oil company Shell, the European aircraft manufacturer Airbus, the engine manufacturer Rolls-Royce, and the airline Qatar Airways are conducting trials to see whether carbon dioxide emissions can be reduced and the operating efficiency of aircraft can be increased through the use of liquid natural gas in aviation. A positive result could lead to Qatar Airways mixing the gas with conventional aircraft fuel. South African Airlines, for example, has already been operating its aircraft with a blend of kerosene and liquid fuel derived from coal for some time without problem. The German carrier Lufthansa is another company which is looking into alternative fuel sources such as gas, coal and biomass. ■

110th Congress, First Session

By Yvette Wissmann, Darrell Conner, and Rolf Marshall

On February 4, 2008, the Bush Administration issued its final budget request. The Administration's Fiscal Year 2009 (FY09) budget calls on Congress to continue robust spending increases for defense, but proposes cuts, or minimal growth, for a number of domestic programs favored by Democrats. With the Democrats controlling Congress, Bush's \$3.1 trillion budget, which includes \$57 billion for the Department of Transportation (DOT) and \$9.3 billion for the Coast Guard, has little chance of being enacted intact.

Within DOT, the Maritime Administration (MARAD) is requesting \$313 million in FY09 to carry out its organizational mission. This figure includes \$174 million for the Maritime Security Program, which includes the increase in annual payments to \$2.9 million per vessel as authorized by the FY04 Defense Authorization bill. This will allow MARAD to retain a fleet of 60 vessels to help meet national defense and other security requirements. The budget request does not include funding for the Title XI program beyond \$3.5 million, which will be used to administer the program. Overall, the DOT's budget has been cut 10% from the FY08 request and a 3.1% decrease from the FY08 Omnibus Appropriations funding level.

Priorities in the FY09 Coast Guard budget include new vessels, helicopter upgrades and emergency maintenance for its inland fleet. The budget also includes the addition of hundreds of new positions for oper-

atives and acquisitions management. Of interest is a \$20 million request by the Coast Guard to fund 276 new field positions for watch-standers and inspectors in its sector commands, to keep pace with a projected spike in commercial shipping and passenger vessel traffic.

The Coast Guard's budget justification states that the initiative "will provide the necessary resources to expand the Coast Guard marine inspection program to meet growing demand for new safety and environmental protection standards and initiate new inspections on approximately 5,200 United States towing vessels as mandated by the FY04 Coast Guard Authorization Act." The Coast Guard's FY09 budget is a record request - and the first time the agency has asked for more than \$9 billion. The Coast Guard requested \$8.7 billion in FY08.

In other budget news, the Administration has requested \$210 million for port security grants in FY09. This request funds only half of what the President is authorized by Congress to spend on port security grants and is the same amount Bush recommended in his FY08 budget, even though both the Administration and Congress authorized \$400 million for the program in the 2006 SAFE Port Act. Further, the FY08 omnibus appropriations included a \$400 million appropriation for port security grants. The Administration's FY09 budget request calls for a 7.6% overall increase in the Department of Homeland Security's FY08 request.

On January 29 and February 5,

the House and Senate, respectively, ordered their versions of the FY08 Coast Guard Authorization bill to be reported to the floor. The Senate has issued its report (S.Rpt. 110-261), but the House has yet to release a consolidated Committee report.

The Senate report includes the original provisions from the introduced version of the bill, including Title VII regarding oil pollution prevention and vessel rebuild determinations (Sec. 506). The Senate bill includes several new provisions, including a section on maritime hazardous cargo security (Title VIII), a provision addressing facility security plans and leave for ship personnel (Sec. 921) and language regarding protection and fair treatment of seafarers (Sec. 916).

Ballast water provisions are not included in the Senate bill; however, they are rumored to be in the House Manager's Amendment package. Both chambers are expected to take up their bills on the floor within the next few weeks, paving the way for a conference in the Spring.

The FY08 omnibus appropriations bill included several maritime funding provisions including \$156 million for the current Maritime Security Program. The MARAD section of the bill also included \$10 million for a grant program for small shipyards. \$5 million was also made available for the Title XI program. The bill was signed by the President on December 26, 2007 (P.L. 110-161).

The President also signed the FY08 Defense Authorization bill (P.L. 110-181) on January 28, 2008. The

MARAD Authorization bill (S. 1778) was rolled into the defense bill and includes a \$156 million authorization for the Maritime Security Program and a \$25 million authorization for small shipyards assistance grants.

Other issues of interest, which could be addressed by Congress in the near future include:

Vessel Air Emissions

The Bulk Liquids and Gasses Subcommittee of the IMO, which is charged with developing new proposals for shipping emissions, met this week to discuss an emissions-trading scheme. The group's report will recommend combating ship-source air pollution through use of sulfur emission control areas (Secas) applied globally, regionally or locally. The following options are being considered:

- A global Seca with 1% sulfur limit by 2012, falling to 0.5% by 2016;
- An arbitrary global cap, but with 0.1% sulfur limit in defined coastal waters by 2012 (this is similar to the U.S. proposal); and
- A three-tier approach with a global cap of 3% in 2012, a local limit of 1.5% in Secas and a further sulfur cap of 0.2% or 0.1% by 2011 (this is BIMCO's proposal).

The dates and sulfur levels proposed are subject to confirmation and revision at the Marine Environmental Protection meeting in April. All of the options would likely permit the use of exhaust gas scrubbing, but the assumption is that increased use of distillate fuel will be the most practical means of compliance.

100% Container Scanning

Rep. Elijah Cummings (D-MD) recently vowed to ensure the enforcement of the 100% scanning provision. Cummings said the events of 9/11 taught the U.S. that it needed to exercise foresight in order to prevent two scenarios: intelligence reaching the

The FY08 omnibus appropriations bill included several maritime funding provisions including \$156 million for the current Maritime Security Program. The MARAD section of the bill also included \$10 million for a grant program for small shipyards. \$5 million was also made available for the Title XI program. The bill was signed by the President on December 26, 2007 (P.L. 110-161).

U.S. that a container already bound for the U.S. held weapons of mass destruction; or such devices being detonated either during transit or in the United States. He added that 100% inspection of containers is unavoidable and necessary.

Meanwhile, China echoed the concerns of the European Union regarding the 100% container scanning mandate. The EU and China argue that, instead of scanning all containers for radiation, customs authorities should use analysis of shipper data to target inspections, which is the current operating procedure. Last summer the EU consulted with other countries, including Japan, about how to react to the legislation. The

European Commission is also likely to examine the possibility of filing a trade complaint against the U.S. in the WTO.

Some lawmakers and DHS have talked about watering down the law, which will require compulsory scanning by 2012, but based on Cummings' recent remarks, it is unclear what the prospects are for implementation.

The second session of the 110th Congress looks to be busy for the maritime industry between the Coast Guard Authorization bill, FY09 appropriations and action on maritime-related environmental legislation, such as ballast water and vessel air emissions. ■



Rolf Marshall



Darrell Conner



Yvette Wissman

Rolf Marshall, Darrell Conner and Yvette Wissmann are with the Washington, DC law firm of Kirkpatrick & Lockhart Preston Gates Ellis LLP (formerly Preston Gates Ellis & Rouvelas Meeds, LLP). Mr. Marshall is a partner in the firm and chairs the firm's Maritime Industry Practice Group. Mr. Conner is a Government Affairs Counselor with the firm's Maritime Group, and Ms. Wissmann is a Government Affairs Analyst specializing in maritime legislative and policy matters.

The Port of Norfolk

National Maritime Day, first proclaimed by Congress on May 22, 1933, honors the sacrifices made by the American Merchant Marine. Civilian mariners that have defended the freedom of the United States since 1775 are in our hearts and minds on this day each year.

This year, the Norfolk Propeller Club along with the Hampton Roads Shipping Association, Nauticus, Maritime Institute - Old Dominion University, U.S. Maritime Administration, Virginia Maritime Association, Virginia Port Authority, and the Virginia Ship Repair Association are proud to announce our signature event celebrating National Maritime Day will be held at the Half Moone Cruise and Celebration Center on Friday, May 23, 2008, from 11:30 am - 1:30 pm. We are thrilled to have Sean T. Connaughton, Maritime Administrator, U.S. Department of Transportation, as the keynote speaker at our event. Connaughton will share his views on "MARAD Initiatives and their Impact on our Economy".



Sean T. Connaughton

MARAD has agreed to dock one of its Ready Reserve Force ships at the Cruise Terminal which is in the heart of downtown Norfolk. The vessel will be open throughout the day for luncheon attendees, local school groups, civic leaders and to the public for guided tours.

Capt. Ben Schill, Committee Chair and Board member



of the Propeller Club remarked, "We are excited to have such a dynamic speaker and with so many facets of our industry being represented. Our club anticipates in excess of three hundred attendees. We are certain that positive public awareness of the U.S. marine industry will come from this event".

We look forward to honoring and hosting those that have made our maritime industry what it is today in such a breathtaking venue. For further information or to purchase tickets please go to www.vamaritime.com. Look for "Events" under the "Navigation" heading to find the National Maritime Day Link. ■



2008 Propeller Club Calendar*

Mar 11	Tampa Annual Shrimperoo	Apr 16	Tacoma Scholarship Awards Dinner	May 23	Norfolk Maritime Day Celebration
Mar 18	Paris Conference & Lunch	Apr 23	LA/LB Secretary's Day Harbor Cruise	May 23	San Diego Maritime Day Luncheon
May 16	Tacoma Annual Chowdown	May 8	Seattle Maritime Festival	June 2	Baltimore Annual Golf Outing
Apr 9-11	Sarasota SE Regional Conference	May 16	Chicago Maritime Day Luncheon	June 6-7	Marseille European Maritime Day
Apr 10	Savannah Captain of the Port Review	May 16	Mobile Annual Gumbo Cook-Off	June 10	Norfolk Spring Golf Tourney
Apr 15	Tampa Annual Steak and Corn Feed	May 17	LA/LB Dinner Dance	June 21	LA/LB 21st Annual Seafood Feast
Apr 17	Norfolk Oyster Roast	May 21	LA/LB Maritime Day Luncheon	Aug 14	Baltimore Annual Crab Fest
Apr 23	Mobile Hartwell Ludlow Golf Tourney	May 22	Savannah 75th Anniversary	Aug 15	San Diego Annual Golf Tourney
Apr 29	Washington DC Salute to Congress Dinner	May 23	Basel Golf Tourney	Oct 7-10	Baltimore International Convention

*Only reported events. Please call HQ for details on any event.



Port Of
Baltimore

The Propeller Club of the United States

82nd Annual International Convention

*Partners of Industry and Guardians of the Sea:
A Collaborative Discussion of Maritime Issues*

October 7-10, 2008

Renaissance Harborplace Hotel
Baltimore, Maryland, USA

Alexander M. Giles
Semmes, Bowen & Semmes
Convention Chairman

Bart Goedhard
Chief Operating Officer
The Propeller Club of the United States

International President's Message

Greetings, fellow Propeller Club members. It has been a long winter already with no end in sight. I know there is an end; it just seems to me when I look out at all the rain, snow, wind and cold I wonder when will it all end?

We are currently preparing for the 2008 Salute to Congress. Please mark your calendar for this year's event to be held again at the Congressional Country Club on April 29. This year The Honorable Gene Taylor (D-MS) has been selected as the very deserving recipient of the Salute to Congress Award. He serves on two major committees, the House Armed Services Committee and the House Transportation and Infrastructure Committee. He is indeed a friend of the Propeller Club.

The cabotage laws remain strongly supported by the Congress and the Administration. But as with



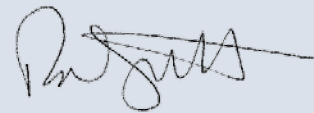
Rockney Nigretto

any election season, there is uncertainty in the air. Our membership is constantly monitoring developments, including as it relates to the enforcement of the Passenger Vessel Services Act, and is working to ensure continued support for the maritime cabotage laws and U.S.-flag shipping. It is only prudent that we remain vigilant and stay the course.

Many of you know we have had a problem with the status of our New York Club; it has gone inactive. I have been trying to contact the members that were reported on the roster sent to the Headquarters' office. I sent a letter to every name on the list, only to have nearly half of them returned by the Post Office. This to me is a shame. How hard is it to keep the names and addresses on your local membership roster current? We are proceeding with

our International Registry and it is becoming very important that every name and address submitted be correct and current. I want every President and Secretary to be certain their roster filed with the International Office is the very latest. Every Club can maintain their own roster. Before you take your summer break, I want each Club President to be certain they are 100% current. As I have stated many times before, communication is key; we cannot reach our members if their information is incorrect.

In this issue of the Quarterly, there is an advertisement for the 2008 International Convention to be held October 7-10. It will be in Baltimore, Maryland. Everyone please mark your calendars and plan to attend. ■



Port of Savannah's Propeller Club Celebrates 75th Anniversary

SAVANNAH, GA - The Port of Savannah's Propeller Club will celebrate its 75th Anniversary on National Maritime Day, May 22, 2008, with a River Street commemoration and a reception at the Desoto Hilton with International President Rockney Nigretto.

The Savannah Propeller Club conducts an annual commemoration for our maritime community in honor of National Maritime Day. Members gather at the *S.S. Savannah* Monument at the foot of the Barnard Street Ramp, read the names of those who have passed away and place a wreath in the Savannah River with the U. S. Coast Guard's assistance.

The Propeller Club's International President Rockney Nigretto will

speaking to the members at the reception following the commemoration at the Desoto Hilton and recognize the descendants and representatives of those who founded the Port of Savannah' Propeller Club 75 years ago. Savannah's Propeller Club is an active supporter of our maritime community with over 230 members. The Club provides scholarships, awards and meets regularly as a forum for the maritime community.

www.propellerclubsavannah.com ■



Port of Savannah's Dudley New tosses wreath during National Maritime Day ceremonies commemorating departed members who contributed to Savannah's maritime community. Photo by Lynn Wright.

Captain Manny Aschemeyer Retires

By Ronald D. White, Los Angeles Times Staff Writer

Call him Cap'n Manny. Everybody down on the waterfront does, even though Manny Aschemeyer was last at the helm of a ship in 1971. Officially, Aschemeyer is executive director of the Marine Exchange of Southern California, which tracks ship movements at the ports of Los Angeles and Long Beach. But he is much more: historian, statistician, booster and news service. Next month, he'll be pulling up the gangplank after nearly five decades on or near the sea. Aschemeyer's maritime years provide a window on the modern evolution of shipping.

Growing up in Baltimore, young Manny and his father, Fritz, could walk to any dock and usually get aboard a vessel for a tour. Fritz Aschemeyer had trained to be a seaman like his own dad, but wound up a painter and decorator of Lowes' movie theaters after his family emigrated to America from Germany in 1926. Still, Fritz wanted his son to go to sea. He would invite seamen home for dinner to "hear their exotic tales of faraway places," Manny Aschemeyer says. "My family says I was brainwashed, and I guess I was. But I was able to make captain before my father died, and I'm very proud of that." Aschemeyer eventually became a "Master Mariner", a status that meant he could command "any ship of any gross tons, upon any ocean." His Captain's license is still current and hangs in his office for all to see.

A typical cargo vessel in those days was 450 feet long and carried about 8,000 tons of freight, but not a single cargo container. The cargo was on pallets or as separate items that had to be loaded piece by piece. It could take days (or often a week or more) to load and unload a vessel. The size of a crew back then could be as many as 50 and included plumbers, deck engineers, and carpenters, "because we had to maintain the ship ourselves," Aschemeyer says. A transpacific crossing took about three weeks. Today, that voyage takes about nine days in a ship that is nearly three times

longer, twice as fast, and can carry 100,000 tons of cargo in more than 10,000 twenty-foot cargo containers. "To look at the difference now from where we have come, it is just phenomenal," Aschemeyer says.

His first stint as captain was aboard a ship owned by Calmar Steamship Corp., a subsidiary of Bethlehem Steel Corp., hauling steel from Baltimore and Philadelphia through the Panama Canal to West Coast ports. A watercolor painting of the vessel by his father hangs in Aschemeyer's office.

By 1969, Aschemeyer had married and begun three years as an instructor at his alma mater, the California Maritime Academy. That allowed him to go to sea three months a year on training cruises for the midshipmen. Aschemeyer moved into shore-side maritime management in 1971 during the last days of some of the most famous U.S. shipping lines. Dozens went bankrupt or were acquired by foreign lines, succumbing to cheaper "global competition"..... From about three dozen U.S.-flagged lines back then, only a handful remain today, and none is ranked among the top 10 in the world.

In 1993, Aschemeyer became executive director of the Marine Exchange, a nonprofit organization that helps clients around the globe keep track of their cargo. "I still get to play with ships all day, but I get to go home to my wife at night," he says. For years, the Marine Exchange mostly announced the arrivals and departures of ships from the busy ports of Los Angeles and Long Beach. In 2007, the Marine Exchange monitored and facilitated 27,000 vessel transits on their arrivals and departures from LA/LB Harbor - through its state-of-the-art Vessel Traffic Service (VTS), which it

operates in partnership with the U.S. Coast Guard (and which Aschemeyer helped to inaugurate in 1994).

"The Marine Exchange would not have the reputation it has in the maritime industry without him," says John Hanlin, managing director of Marsh Risk & Insurance Services, who is Chairman of the Marine Exchange's Board of Directors.

But Aschemeyer is probably best known for his "Manny-Grams," or daily e-mails to a worldwide audience that cover every aspect of the maritime industry. "People complain because he sends so many, but then something happens and we're trying to figure it out. We call Manny and he says something like, 'Oh yeah, we sent you an e-mail on that two days ago.' So you never delete those messages," says Art Wong, a spokesman for the Port of Long Beach.

Aschemeyer will retire next month to a ranch east of Mt. Palomar in San Diego County. Although it is far from the water, he won't be entirely done with the sea. He will continue to serve as president of the International Seafarers Center of Los Angeles and Long Beach Harbor, which provides a friendly atmosphere where merchant seamen can relax, recreate, and call home or send e-mails. A mini-van service picks them up at the piers and shuttles them to the International Seafarers Center, as well as to local shopping centers and to restaurants, movie theatres, etc. Aschemeyer volunteers as a van driver several nights each month. "Once you are a seafarer, all others are your shipmates," Aschemeyer says. "If we can arrange for them make a phone call home to their families, or drive them to a store, then we have helped them significantly during their limited time in port." ■



AMVER Awards Dinner Greek Shipping Community No. 1 in Number of AMVER Awards

Once more the Propeller Club of the United States, Port of Piraeus, in cooperation with the American Embassy and the U.S. Coast Guard, organized the AMVER Awards Dinner,



(Above left) The President of the Propeller Club Mr. N. Tsavlis addressing to the audience. (Above right) The Deputy Minister of Merchant Marine Mr. Panos Kammenos addressing to the audience.

which took place on November 15, 2007, at the Divani Apollon Palace.

It was again a wonderful event which brought together maritime community leaders. The President of the Propeller Club, Mr. Nikolaos Tsavlis extended special greetings to all representatives of shipping companies receiving awards, and referring to the importance of the AMVER program noted that in 2006 the AMVER program witnessed an unexpected growth around the world. 1,000 additional vessels joined the AMVER thus making a total of 17,000 vessels participating in this program. He also mentioned that in 2006, 213 ships, from 31 countries, were diverted to assist vessels in distress and that AMVER is responsible for saving 333 lives and assisting 63 more.

Ending this speech, Mr. Tsavlis pointed out that AMVER brings

together people, ships companies and governments in its common humanitarian goal, and addressing the representatives of the shipping companies, which participate in the

AMVER, noted that they should be proud as this program is dedicated to the safety of life at sea.

Following, Mr. Panos Kammenos, Deputy Minister of Merchant Marine, Aegean and Island's Policy addressed the participants stressing the importance of the AMVER program and urging the members of the shipping community to register their vessels to this program.

Mr. Alley, Commercial Counselor, representing the U.S. Embassy, addressing the attendees made favorable comments about the AMVER system and congratulated Greek shipping community for their numerous participation in this program with 775 vessels, which in fact made Greece No. 1 in number of awards and Japan No. 2 with 100 less awards.

The awards were presented by

the Deputy Minister, Mr. Panos Kammenos, Messrs, Ioannis Tzoannos and George Vlachos, both General Secretaries of the Ministry of Merchant Marine, Aegean and Island's Policy, by the Commercial Counselor of the American Embassy Mr. Alley.

President, Mr. Nikolaos Tsavlis presented three special awards to the representatives of ANANGEL Maritime Services Inc., Blue Waters Shipping Ltd. and to the Springfield Shipping Co. Panama S.A. for the efforts made by their crew to save lives of crew-members of vessels in distress.

Present were also Senator Mr. Spyrou, Mr. Nicky Pappadakis, 1st Vice President of the Propeller Club, Port of Piraeus and President of the HELMEMPA and his wife, Captain Yannis Karastamatis, Mr. Thanassis Maritnos, Mr. and Mrs. Christos Kanellakis, Mr. Antonis Mavrakakis, Mr. Antonis Vrodissis, Mr. Alexandros Karydopoulos, Mrs. Katerina Panagopoulou, Mrs. Dimitra Kambani, and Messrs. Kostas Koutsoubelis, Iakovos Peratinos, Mrs. Despina Forou-Tsirozidi – General Secretary, Apostolos Doucas – Regional Vice President for South Europe and Africa, Mr. Stamos Antonios Faraklas- Treasurer, Mr. Demetris Zorbalas, Mr. John Kalafatides and George Dikeos. ■

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Eastern Mediterranean Maritime Ltd.

Wounded Warriors to Serve at Merchant Marine Academy Secretary Peters Announces Plan to Benefit Veterans, Midshipmen

WASHINGTON, D.C. - U.S. Secretary of Transportation Mary E. Peters asked recently that U.S. Merchant Marine Academy at Kings Point (USMMA) will be opened to U.S. Navy and Marine Corps veterans recovering from combat injuries for assignment. The Academy, located on Long Island, New York, will provide an opportunity for wounded sailors and Marines to continue active duty as they recuperate from their injuries in a setting that is relatively close to their homes and families. Students at the Academy will benefit through interaction with veterans with recent combat experience, she added.

Maritime Administrator Sean T. Connaughton, along with Secretary of the Navy Donald C. Winter and Representative Gene Taylor (4th-MS), Chairman of the Subcommittee on Seapower and Expeditionary Forces, joined together to develop the new program. The participating veterans will be eligible for light duty assignments at Kings Point, such as classroom instruction and student mentoring, under the Navy's Safe Harbor Program and the Marine Corps' Wounded Warrior Regiment.

"Our wounded sailors and Marines can bring home the ideals of courage, service, and personal sacrifice and their experience will provide inspiration to the Academy's cadets," Secretary Peters said.

Administrator Connaughton agreed, adding, "We will be honored to welcome these heroes to Kings Point. It will provide them a safe haven for recovery, and provides the benefit of their knowledge and experience for the faculty and staff, as well as the midshipmen."

Chairman Taylor, who made the formal request to the Navy, said, "Our wounded veterans want very much to continue to contribute in a meaningful way. This gives them the oppor-

tunity to do so. Being surrounded by enthusiastic young people can only speed their recovery. I commend Secretary Winter for his continued dedication to ensure our wounded sailors and Marines are given the best chance at a full recovery."

The U.S. Merchant Marine

Academy at Kings Point, New York, is operated by the Department of Transportation's Maritime Administration. It trains men and women for service in the merchant marine, and all graduates are required to serve either in the U.S. maritime industry or in the U.S. Armed Forces. ■



The Propeller Club of the United States



82nd Annual International Conference and Convention Baltimore, MD • October 7-10, 2008

TUESDAY, OCTOBER 7, 2008

9:30 a.m. - 4:30 p.m.
Annual Fall Golf Outing - Mountain Branch Golf Club

6:00 p.m.
Water Transportation from Inner Harbor
7:00 p.m. - 10:00 p.m.
Crab Feast - Bo Brooks Restaurant

WEDNESDAY, OCTOBER 8, 2008

9:00 a.m. - 1:00 p.m. Tour of MITAGS
3:00 p.m. - 5:00 p.m.
Business Meeting - Baltimore Ballroom "A"
7:00 p.m. - 11:00 p.m.
President's Welcoming Reception - Baltimore Aquarium

FRIDAY, OCTOBER 10, 2008

7:30 a.m. - 9:00 a.m.
Continental Breakfast - 5th Floor Foyer
9:00 a.m. - 11:30 a.m.
Woman's Propeller Club,
Session 2 - Mt. Washington Room
9:00 a.m. - 10:30 a.m.
First Panel Discussion -
Baltimore Ballroom
10:30 a.m. - 10:45 a.m.
Coffee Break - 5th Floor Foyer
10:45 a.m. - 12:30 p.m.
Second Panel Discussion -
Baltimore Ballroom
12:30 p.m. - 2:30 p.m.
Cocktails/Keynote Luncheon
2:30 p.m. - 5:00 p.m.
Final Business Meeting -
Baltimore Ballroom
7:00 p.m. - 8:00 p.m.
Cocktail Reception - 5th Floor Foyer
8:00 p.m. - 12 midnight
Gala Dinner/Dance -
Maryland Ballroom

THURSDAY, OCTOBER 9, 2008

7:30 a.m. - 9:00 a.m.
Continental Breakfast - 5th Floor Foyer
8:30 a.m. - 9:00 a.m.
Opening Ceremonies - Baltimore Ballroom
9:00 a.m. - 11:30 a.m.
Woman's Propeller Club,
Session 1 - Mt. Washington Room
9:00 a.m. - 10:30 a.m.
First Panel Discussion - Baltimore Ballroom
10:30 a.m. - 10:45 a.m.
Coffee Break - 5th Floor Foyer
10:45 a.m. - 12:15 p.m.
Second Panel Discussion - Baltimore Ballroom
12:30 p.m. - 2:00 p.m. Cocktails/Luncheon
2:00 p.m. - 3:00 p.m.
Break out Session #1 - Baltimore Ballroom
3:00 p.m. - 4:00 p.m.
Break out Session #2 - Baltimore Ballroom
4:00 p.m. - 5:00 p.m.
Break out Session #3 - Baltimore Ballroom

** Please visit www.propellerclubofbaltimore.com for information regarding the Convention and hotel arrangements.

Maritime Festival Sails into Seattle Waterfront with a Container Ship Full of Family Fun

Thrill to the power of the world's biggest tugboat races! Enjoy the Waterfront Chowder Cook-Off. Don't miss free harbor tours, a boat building competition, vessel tours, sea-air rescue demonstration, kid's events, Stories of the Sea, survival suit races and a container ship full of family fun.

The Downtown Seattle Waterfront is the place to be for the annual Seattle Maritime Festival, sponsored by the Seattle Propeller Club with support from the Port of Seattle, from May 8-10.

"The festival is designed to celebrate and showcase our maritime industry and the important role it plays in the Puget Sound region's economy," commented Seattle Propeller

Club President Kimberly Lee, Kuehne + Nagel. "It's also proven to be an outstanding way to raise the visibility of the Seattle Club."

More than 25,000 people annually enjoy Festival activities, which are a unique blend of industry and public events. In addition, over 150 volunteers from the industry are actively involved in Festival. Finally, the Festival's entire approximate \$90,000 cash budget is provided by Puget Sound area maritime and fishing businesses.

Most of the public activities take place on the Family Fun Day on Saturday, May 12, from 11 a.m.

to 5 p.m. at Pier 66/Bell Harbor Marina and Pier 62/63 on the Downtown Seattle Waterfront.



Maritime Festival Schedule of Key Events (all events subject to change)

Friday, May 2

56th Annual Maritime Day Luncheon. During the luncheon, the Puget Sound Maritime Achievement Award and the Elected Official of the Year Award will be presented.

Sunday, May 4

Third Annual KETA Salmon Cook Off – Fishermen's Terminal
Fishermen's Memorial Service, Fishermen's Terminal

Monday, May 5

Celebrity Judging for the Seattle Waterfront Neighborhood's Waterfront Chowder Cook-Off, The Edgewater's Six Seven Restaurant

Wednesday, May 7

Puget Sound Maritime Historical Society Dinner

Thursday, May 8-Saturday, May 10

Twelfth Annual Seattle Waterfront Neighborhood Waterfront Chowder Cook-Off. Proceeds benefit maritime community and youth organizations.

National Fisherman's "Ninth Annual Stories of the Sea" Poetry Competition – Highliner Pub, Fishermen's Terminal

Saturday, May 10: Family Fun Day

COMPETITIONS

U.S. Oil Seattle Tugboat Race Championships
Seattle Fire Department Fireboat Display • 12:30 p.m.
Pacific Marine Expo WorkBoat Parade • 12:30 p.m.
Coast Guard Air-Sea Helicopter Rescue • 1:20 p.m.
Tugboat Demonstration • 1:45 p.m.
Class C Tugboat Race • 2 p.m.
Oil Spill Containment Demonstration • 2:15 p.m.
Presented by NRC Environmental and Marine Spill Response Corporation
Class B Tugboat Race • 2:40 p.m.
Fireboat Firefighting Demonstration • 3 p.m.
Class A Tugboat Race • 3:15 p.m.
Sherwin Williams and *Pacific Maritime Magazine* Quick & Dirty Boatbuilding Competition, presented with TOTE – Industry teams compete in building a boat from standard materials. Judging at 3 p.m., with racing in the Bell Harbor Marina scheduled for 4 p.m.
Fisheries Supply World Invitational Survival Suit Races

FAMILY FUN DAY EVENTS

Free Harbor Tours presented by the Port of Seattle, Vessel Tours, Remote Control Boat Demonstrations, Free Admission to Odyssey – The Maritime Discovery, Display Booths, Free Wooden Boat Building for Kids, Kid's Activities Center, Port of Seattle Police Department K-9 Team

Thursday, May 15

Labor/Management Luncheon, Catholic Seamen's Club
Presented by the Maritime Trades Department, AFL-CIO, this annual luncheon begins at 11:30 a.m. at the Club, 2330 First Avenue. Call 206-441-4773 for further information.

Friday, May 23

Home from the Sea Luncheon - In support of The Catholic Seamen's Club Seattle

Chart your course to the Seattle Maritime Festival. Call (206) 728-3163 or visit www.SeattlePropellerClub.org

Shell to Recruit U.S. Seafarers for International LNG Fleet for the First Time

Shell International Trading and Shipping Company Ltd. (SHELL) has announced it will begin recruiting U.S. seafarers for the company's growing portfolio of managed international liquefied natural gas (LNG) vessels.

One of the first major oil producers to actively recruit U.S. seafarers for LNG vessels, Shell is committed to securing the most qualified seafarers for its maritime fleet operations and the United States offers an exceptional skill pool, particularly for LNG vessels.

"The recruitment drive also provides an excellent opportunity for American mariners to enhance their careers through Shell's international businesses and domestic joint ventures, such as Broadwater Energy, LLC in Long Island Sound," said Bob Salmon, general manager of shipping for Shell Trading (US) Company.

The effort supports Shell's increasing vessel management portfolio, which was extended in November 2006 when Nakilat Shipping (Qatar) Ltd., a wholly owned subsidiary of Qatar Gas Transport Company Ltd. (Nakilat), formalized an agreement with Shell to provide shipping and maritime services to Nakilat's fleet of 25 new-build LNG carriers.

"The addition of U.S. mariners will positively enhance Shell's diverse seafarer skill pool and provide Shell and Nakilat with highly experienced personnel for their LNG fleets. We're excited to work with the U.S. Department of Transportation's Marine Administration (MARAD) and the U.S. maritime unions to encourage the use of U.S. officers in the LNG industry," said Salmon.

"We applaud Shell's announcement, which coincides perfectly with a universal training standards agreement facilitated recently by the Maritime Administration. That agreement standardized training and internationally accepted competencies for U.S. seafarers," said Maritime Administrator Sean T. Connaughton.

"The growing worldwide demand in the LNG industry, including domestic proposals like Broadwater, create a significant opportunity for U.S. mariners, the U.S. maritime industry and coastal communities throughout the country," said Connaughton.

Broadwater has proposed the construction of an LNG import terminal and connecting pipeline that would help the Northeast region of the United States meet its growing need for affordable and reliable natural gas supplies. The U.S. Federal Energy Regulatory Commission issued its Final Environment Impact Statement recently stating the terminal, with implementation of recommended mitigation methods, would result in fewer environmental impacts than any alternative energy sources considered.

Shell currently employs more than 500 highly qualified fleet marine officers with LNG experience around the world, and is looking to further expand its skills base, with U.S. mariners in the rapidly growing field of LNG shipping. Shell shares LNG shipping expertise and best practices with its global partners, such as Qatar, Brunei, Nigeria and Australia. In addition to its own staff, Shell trains approximately 150 officers from its global partner countries that currently work within the Shell-managed fleet. More than 200 cadets are also undergoing training to become future officers in Shell's fleets. ■

Administrative Corner

Hello everyone,

I would like to start with a "Thank you" to all of the Propeller Club members who have extended a warm welcome to me in my first few months as Executive Assistant. You have all been very kind and patient with me while I endeavor to learn my new duties and assignments.

I would like to address the problem of the *Quarterly* being sent back to our offices here in Virginia. So far I have received back approximately 200 issues. Shortly before Christmas I sent out a list of names to Propeller Club ports that had members with wrong addresses and most of the clubs were quick to make the corrections. I have since received back even more issues. Please remember that the management of the online member roster is solely the responsibility of the member's port, and therefore I urge all clubs to log on to the Propeller Club online roster and make any necessary edits. You can gain access to the website at www.propellerclubhq.com/manage/account/. If you need any assistance I can be contacted for help at Shannon@propellerclubhq.com or at 703-691-2777. As of June 1, 2008 any *Quarterly* that is returned to headquarters will result in the deletion of the name from the mailing list.

Now on to a more pleasant topic. It's that time of year again; our **2008 Salute to Congress** is set for Tuesday, April 29. This year we will be honoring Congressman Gene Taylor of Mississippi. The tickets are priced at \$220 a person or \$2,200 for a ten person table. The tickets are selling fast, so please let me know if you would like to attend and I will reserve your seat(s).

Regards,
Shannon ■

2008

National Sponsor Memberships

The International Propeller Club of the United States - Headquarters

PROPELLER CLUB INTERNATIONAL SPONSOR PROGRAM

PLATINUM SPONSOR

Those companies/individuals that desire to render direct support at the national level through annual subscription shall be at the \$5000.00 rate and shall include the following:

- Eight local Propeller Club memberships.
- Two reservations to the Presidents Reception at the annual Convention with keynote speaker (total of 10 to attend the reception).
- Four tickets to the Salute to Congress dinner.
- One ½ page house ad in *The Quarterly* magazine.
- Free website link from our site to your company site.
- Acknowledgement of sponsorship in *The Quarterly* magazine, Salute to Congress Dinner program, annual Convention program and on our web site.
- Plaque.

GOLD SPONSOR

Those companies/individuals that desire to direct support at the national level through annual subscription shall be at the \$2500.00 rate and shall include the following:

- Six local Propeller Club memberships.
- Acknowledgement in the "Sponsor Member" area of *The Propeller Club* website.
- Two tickets to the annual Salute to Congress dinner.
- One ¼ page house ad in *The Quarterly* magazine.
- Free website link from our site to your company site.
- Acknowledgement of sponsorship in the Quarterly magazine, Salute to Congress Dinner program, annual Convention program and on our web site.

SILVER SPONSOR

Those companies/individuals that desire to render direct support at the national level through annual subscription shall be at the \$1000.00 and shall include the following:

- Four local Propeller Club memberships.
- One ticket to the annual Salute to Congress dinner.
- Acknowledgement of sponsorship in *The Quarterly* magazine, Salute to Congress Dinner program, annual Convention program and on our web site.

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Those companies/individuals that desire to render direct support at the national level through annual subscription shall be at the \$500.00 rate shall include the following:

- One local Propeller Club Membership.
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Platinum - \$5000

Ingram Barge Company
 Horizon Lines, Inc.
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Gold - \$2500

Maersk Line, Limited
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Silver - \$1000

International Organization of Masters, Mates & Pilots
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Bronze - \$500

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 American Overseas Marine
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The Sabine, TX
St. Petersburg, FL
San Diego, CA
S.E. Bay Region, CA
Savannah, GA
Searsport-Bucksport, ME
Seattle, WA
S.W. Louisiana, LA
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Dakar, Senegal
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Fort de France, Martinique
Geneva, Switzerland
Istanbul, Turkey
Italy South, Italy
La Rochelle & St. Onge, France
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Limassol, Cyprus
London, England
L'Orient – Port Louis, France
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If you are interested in joining one of our Ports, kindly provide the following information and mail, fax or email it to Propeller Club Headquarters. The address is provided below. We will forward the application to the proper location and you will be contacted shortly.

I hereby apply for individual Membership in The Propeller Club of _____ .
(Indicate Member Port – see list above)

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Business or Profession and Title

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Firm name and Address Zip

Type of Business

Home Address

Zip Phone

E-mail Address

Notices to be sent to: Business Home

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