

Winter 2010

*20 year*  
anniversary  
1990-2010



## Associated Celebrating Twenty Years

**A**ssociated Terminals recently reached the milestone of 20 years in business. The company was founded in 1990 as a broker of stevedoring services for shippers on the Lower Mississippi River. After a few years in business, the company determined that it needed to own stevedoring assets in order to better serve its growing customer base, which led to the acquisition of its first floating crane. In the years following, Associated expanded its scope of services from midstream stevedoring to a complete terminal operations and logistics solutions provider.

Long before establishing the company's slogan, "The Ability and Attitude to Accomplish Anything," Associated Terminals was founded on the principles of respect, politeness and kindness. These principles have grown stronger as the company has expanded. By making employees the number one priority, employees have always responded by making customers their number one priority. This simple philosophy is what Associated can attribute much of its growth and success over the past two decades.

Associated Terminals has long recognized that people must be given the proper tools and training to succeed in their respective roles. This explains the company's significant investment in new equipment and its comprehensive training and safety programs. Employees can feel a sense of security and pride knowing that Associated Terminals' commitment to their industry is unmatched, as evidenced by the recent "New Build" program. Commencing in 2007 with the christening of the first new Gottwald crane dedicated as the "Glenn S", this program continues today with the construction of the company's fifth new Gottwald crane.



Associated Terminals will continue its long term thoughtful approach to best position the company and its employees for many more successful years to come. What started as a small operation with a handful of employees has grown into the premier stevedoring and terminal operating business on the Lower Mississippi River. There have been many challenges faced and successes enjoyed during the past 20 years. Associated Terminals is fortunate to have the right team in place, which stands ready to handle the challenges that the future will bring.

***Thank you to all customers, employees, vendors, friends and supporters who have made Associated Terminals a success.***

[See Company Timeline, page 4](#)



## Dockside Chat

By Todd Fuller  
Senior Vice President

At the beginning of the year, it was decided that 2010 would be "The Year of Action." Well, it certainly has been! We started the year with the construction of two new Gottwald floating cranes which were christened in March. This was followed by an extensive turnaround on the Myrtle Grove Midstream Terminal grain elevator, the commissioning of two new multipurpose warehouses and the addition of a bottom truck dump at our Baton Rouge Terminal. Additionally, we have continued our initiative, which began in 2009, of upgrading our entire fleet of rolling stock equipment. These are just a few of the recent projects that were accomplished in 2010.



We have witnessed new production records set on midstream bulk vessels as well as the MGMT. We have seen new cargoes handled at various facilities, new long term contracts, and record setting tonnage levels handled by our general cargo operations.

With all these exciting things occurring this year, the biggest "Action" of which I am the most proud is the standard of safety our team has demonstrated throughout this year. The cornerstone of our safety program is our proactive effort initiative. I am pleased to report a 20% increase in proactive efforts per man-hour by our team this year! Another impressive achievement this year is that 60% of our operations have gone at least one year without an OSHA recordable incident.

As we look to 2011 and beyond, we will continue to upgrade our equipment and our fleet of floating cranes. We will look for new business opportunities and creative ways to provide our clients a higher level of service. Most importantly, we will continue to stress the importance of safety and the recognition and elimination of safety hazards and risks.

I would like to wish all of our team and their families a Happy New Year and remember to keep safety as your number one goal!

# Associated Continues New Build Program

For the fifth time since 2007, Associated Terminals has ordered a new crane from Gottwald Port Technology. This will be the fourth Generation 5, Mobile Harbour Crane added to the fleet. Conrad Industries has again been selected to construct the new 250ft x 72ft x 12ft deck barge for the pedestal-mounted crane. This will be the third barge constructed by Conrad for Associated. This project is scheduled for completion in March of 2011.



*The new 250ft x 72ft x 12ft deck barge currently under construction at Conrad Industries.*

Commenting on the significant events, Kevin Tarleton, Chief Financial Officer of Associated Terminals stated, "This year has been another busy one for our company starting with the delivery of two floating cranes, the sale of several older floating cranes and most recently commencing construction of our fifth Gottwald. The fact that these projects have all occurred in a single year is a testament to the hard work and dedication of our team." This project is another step toward Associated's goal to operate the safest and most efficient equipment on the Lower Mississippi River.



*Barge construction well under way in Morgan City, Louisiana.*



# AGT Completes Turnaround on the MGMT



**A**ssociated Grain Terminals adheres to the following quality philosophy: The MGMT will meet customer and organizational requirements by employing quality people and training them to commit to continuous improvement, which will provide highly valued customer solutions. This is accomplished by having highly trained personnel who perform their tasks safely and efficiently.

These skills were evident during a recent turnaround, where maintenance and upgrades were completed within budget and ahead

of schedule. After months of planning, the AGT group went to work with the goal of completing the turnaround on the MGMT during a period of 21 days or less. After only 16 days, the MGMT was back in service loading cargo.

Some of the specific components upgraded include the Heyl Patterson barge unloader, which was upgraded with new buckets, chain, sprockets, bearings and boom hoist cables. There are 27 buckets, each of which can hold approximately one ton of cargo. This was a

major project that will greatly extend the service life of the barge unloader.

The belts on the MGMT were totally enclosed to eliminate cargo loss and protect the environment. All belts, rollers, enclosure panels, and reclaim conveyors were thoroughly inspected and problem parts were repaired or replaced. The transfer points from one belt to the next were relined and rebuilt.

The shiploader spout assembly was completely rebuilt with a new transfer point, cables and sheaves. The hydraulic system that moves the barges had major structural repairs completed as well as cylinders and sheave replacements. The cargo sampling systems were upgraded with new components and re-certified. The dust collection systems had all of the socks in the bag houses changed and any worn piping replaced.

The MGMT possesses some of the most sophisticated and specialized vessel loading and control software of any floating transfer facility in the US. Customer service is a hallmark of Associated Grain Terminals' commitment to continuous improvement in customer satisfaction. This turnaround project will enhance customers' operations by providing a grain elevator that is well maintained and ready to minimize load time.



*New buckets being installed on barge unloader.*



1990-2010

# Celebrating Twenty Years

*The ability & attitude to accomplish anything for our customers*



**Apr:** First floating crane, GONZO leased

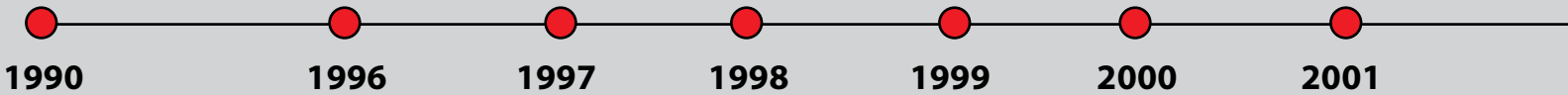
**Jun:** Leased Port of Greater Baton Rouge Buoy system - mile 229

**Jun:** Triangle Buoys leased - mile 136 and 137

**Aug:** KRISTEN J partnership established

**Apr:** RUSSELL KNIGHT christened

**Dec:** Joint venture with SSA established to operate Port of South Louisiana / Globalplex Terminal



1990

Company Founded

1996

1997

**Feb:** ANITA T and MARY ANN acquired

1998

1999

**Jan:** DANNY B christened

**Jul:** PADDY KAY christened

**Sep:** St. John Buoys leased - mile 140 and 141

**Oct:** Inland River Marine Terminal leased from Port of Greater Baton Rouge

2000

2001

**Jun:** Barite barge unloading operations commence in Amelia, Morgan City, Houma





**May:** Port of St. Bernard bulk operations commence with acquisition of Gulf Coast Dockside (GREGORY L, DOCKSIDER and DOCKSIDER TOO)



**Sep:** Associated leases Port of St. Bernard general cargo docks



**Mar:** ABILITY and ATTITUDE christened

**Oct:** Reserve Buoys leased – mile 138

**Jan:** Port Manchac operations commence

**Jan:** GLENN S christened

**Aug:** Fifth Gottwald ordered

2002

2003

2004

2005

2007

2009

2010

**Nov:** Ramsey Scarlett terminal in Baton Rouge acquired

**Dec:** DOCKSIDER III acquired

**Mar:** Associated becomes sole operator of Port of South Louisiana / Globalplex Terminal

**Oct:** MGMT Grain Elevator acquired

**Nov:** CRYSTAL GAYLE built

**Dec:** Myrtle Grove midstream operations commence - mile 56-58

**Jan:** T LANGE christened





## Cargo Focus: Coal

Ask any team member of Associated Terminals to give you their opinion of coal and you'll receive the same answer. "We love it!" It's durable, easy on equipment, moves fast and ships in large volumes. But there's one fact that many at Associated Terminals may not know: the roots of Associated Terminals have a strong tie to coal. Company President David Fennelly's first job in the maritime shipping industry was with a coal transportation company.

Coal is classified as a nonrenewable fossil fuel. It was formed from living material (mainly plants) that died 100 to 400 million years ago when much of the planet was covered with large swampy forests. This material was covered by new layers of soil and compressed over time locking in the stored energy of the plants. Heat and pressure caused physical and chemical changes

in the material forcing out oxygen and leaving behind energy rich hydrocarbon deposits now known as coal.

Coal accounts for 25% of global energy consumption, considerably less than oil (30%), but slightly more than natural gas (22%). America is one of the largest producers of coal, second only to China. Ninety percent of coal production is consumed in the country of origin, primarily for the generation of electricity. Although only about 10 percent of world coal production makes its way into export markets, international trade in coal has grown substantially in recent years. America is also the second largest exporter of coal behind Australia. As the world's second largest coal producer, consumer, and exporter, America depends on the power of coal for electricity, manufacturing and trade in foreign markets.





Coal is obtained through mining. Mining is done in two different ways, the first of which is called surface mining. This method is used when coal deposits are located within approximately 200 feet of the surface. Topsoil and rock are removed using heavy equipment and stored for redeposit on the site once coal has



been removed. Upon completion of mining, soil is replaced, fertilized and seeded for use as farmland, wildlife habitat, recreation or development. This is required by law. The second method of mining coal is known as underground or deep mining. This method is used when the coal is located several hundred feet below the surface. Miners descend into the earth using vertical shafts or slanted tunnels to reach coal deposits. This is a more costly and dangerous method of mining.

Coal is be classified depending on the level of sulfur in its composition. High sulfur coal is mostly obtained through deep mining; most high sulfur coal in the US is mined from the Illinois Basin. Low sulfur coal can be obtained through both surface and deep mining. Much of this coal is mined from the Appalachian mountain region. Further from composition and sulfur content, coal can also be described by its intended use. Most of the world's coal is Thermal coal which is burned for the production of energy. Thermal coal can be high or low sulfur; lignite, sub-bituminous, or bituminous coal. Metallurgical coal is used in the production of steel. This coal is suitable for blast furnaces used in steel production due to its low volatility levels. Metallurgical coal is high quality Bituminous coal, and is much more expensive and in higher demand due to limited availability.

Most American don't realize that coal is responsible for powering much of what makes modern life possible. New clean coal technologies will continue to keep coal burning more effectively and with a lesser burden on our environment. It is predicted that if America continues to mine coal at the current rate, there is enough coal reserve in the US alone to power our nation for another 500 years, outlasting crude oil and natural gas reserves.

As we move into the future, Associated Terminals is positioned to remain at the forefront of coal transloading and transportation.





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News & Updates from Associated Terminals

## “Digging for a Cure”



In honor of a fellow team member, Claire Scioneaux, and all employees, their family members and friends who have been affected by breast cancer, Associated Terminals organized a team to participate in the “Susan G. Komen Race for the Cure” run/walk event. This foundation is dedicated to education and research on causes, treatment, and the search for a cure for breast cancer. The run/walk event was held on Saturday, October 23rd at City Park in New Orleans, and featured a 1 mile run/walk, and a 5K run/walk. Associated would like to thank everyone for their support in making this a memorable event!