

SPOTLIGHT

Winter 2010

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The M/V NED MERRICK pushes deck barge CBC-1267 carrying refinery equipment through St. Louis.

Canal Barge Company's diverse operations have allowed us to succeed in this challenging economic environment. We are growing across all lines of business, from liquid and dry cargo transportation to project cargo movements, terminalling, and shipyard services. Our people cross our many lines of business and work together to leverage each other's strengths and capabilities. As illustrated in the picture above, we can move highly valuable oversized equipment in support of our customers' plant expansions. In this particular case, because of our deep customer relationships, our customer trusted us to manage the logistics requirements of this project involving 27 CBC barges and more than 80 shipments over 18 months. This project utilized our specialized deck barge fleet, towing vessels, and CBC's team of logisticians, risk managers, and operational experts to accomplish this complex mission without personal injury, navigational incident, or damage to cargo. The unique and valuable skills and abilities of our people to coordinate across functions and think innovatively about customer service is the key to our success.



Move with confidence



(l to r) M/V ELIZABETH LANE deck crew members Tyson Hall and Chad Bales and CBC Dispatcher Aimee Falgout walk along coal barges in Cumberland City, TN.

As we always say, “People Make the Difference.” The rest of this article outlines some of the impacts that our people made in CBC’s business this year.

DECK AND PROJECT CARGO SERVICES

Our deck barge operations are a unique part of our business. CBC has been a critical player in multiple major refinery upgrades throughout the U.S. over the past three years. Also, the expertise of our people and uniqueness of our fleet means we are one of the few companies, and the only of our size, that can operate in both blue and brown water. For example, we recently moved refinery equipment from Tampico, Mexico along the East Coast and through the St. Lawrence Seaway and the Great Lakes to Detroit. We’ve also moved refinery equipment from Texas to St. Louis. These special projects require creativity in strategizing to fulfill each customer’s distinct needs, our ability to draw on the strengths of all of the company’s capabilities, and dedication to execute a project while solving problems along the way. They truly illustrate how the success of Canal Barge Company comes from our people.

LIQUID CARGO SERVICES

CBC’s liquid cargo transportation is the cornerstone of our business, and at the foundation is our experienced and highly skilled employees that deliver award-winning service.

Our partnership on the Ohio River among CBC, Marathon Oil Company, and Campbell Transportation Company enables us all to provide efficient services up the Ohio River and into the Pittsburgh market. A common vision, matched to the flexibility and professionalism of our employees and those at Marathon and Campbell, allows for the success of this type of strategic partnership.

Our people have also been key to our success in transitioning the Gulf Unit personnel and equipment into the CBC family over the past three years, especially the teamwork and cooperation between our legacy CBC mariners and the mariners in the Gulf Units operation. Our people-oriented culture and the dedication and expertise of all of our mariners have made the Gulf Units operation a success and a reliable part of our liquid cargo business.

DRY CARGO SERVICES

CBC’s dry cargo operation continues to be a steady part of our business as our hopper barges move coal to Tennessee Valley Authority power plants, limestone from Kentucky to New Orleans, and other key commodities along the inland river system. The vessel personnel in our dry cargo trades, working in conjunction with Dispatch, Barge Maintenance, and other shoreside staff, have made this trade an important part of our operations.

Now that Illinois Marine Towing (IMT) is part of the CBC family, we’ve been working together to leverage IMT’s strong relationships with customers in the Chicago area to build a comprehensive, first-class dry cargo operation from New Orleans all the way into Chicago. The flexibility of our people has made the integration of CBC’s and IMT’s operations seamless and beneficial to our customers.

CBC NORTH

CBC North is the designation for all of our operations in the northern stretches of the inland river system. In September 2008, IMT became a part of the CBC family, which has allowed us to grow our towing capabilities and expand into harbor and fleeting services throughout the Upper Illinois River system. This year, we’ve focused on using CBC’s and IMT’s complementary operations to maximize the services we provide to our customers. For example, the M/V LEMONT TRADER, an IMT towboat, filled in for a CBC boat in support of our tank barge operation on the Illinois River.

IMT is also busy reopening the Lemont, IL Shipyard, which will provide barge and towboat repairs and is about to take on its first major repair project. Our people will ensure that vessels get top-notch shipyard care.

Canal Terminal Company (CTC), also a part of CBC North, is a division of CBC. Our highly skilled terminal team manages liquid shipments to and from the terminal by barge, truck, and rail car. The team coordinates the complicated intermodal logistics at the terminal and ensures that these sensitive cargos are handled and documented in compliance with the law and with our world-class operational, safety, and environmental standards. The professionals at CTC are just another example of how our people are the foundation of the excellent service we provide to our customers.

SPOTLIGHT ON CBC

A Letter from Merritt Lane



Is it just me, or does it seem like we have been living in a more tumultuous age, with more dramatic events than in recent memory? In the last decade, we've experienced historical events like the 9/11 attacks, Hurricanes Katrina and Rita, the Great Economic Recession, and the Deepwater Horizon spill. All of these events have shaped our economic and political futures, our sensibilities as American citizens, and our families' lives. Needless to say, all of these events impacted Canal Barge Company.

Gratefully, we have survived each of them, found opportunity in some of them and have learned from all of them. Speaking personally, I have gained confidence by watching how well our organization has dealt with adversity and unforeseen events. We are stronger by virtually every measure as a result of our response to these threats. While good luck might have played a part, I am convinced that good professional people, great teamwork, deep customer relationships, and a strong culture are what have made the difference. I especially believe that these experiences prove that our propensity to "never fail to plan or else you plan to fail" coupled with empowered, capable people have been the root cause of all of our success.

Speaking of success, I would be remiss if I failed to draw some inspiration from my *favorite* sports team. While I am sure that many of you would be surprised to learn that I am *that* old, I was in the stands with my father in 1967 for the Saints' first home game when John Gilliam ran back the opening kickoff for a touchdown. I was also there with my brother for Tom Dempsey's NFL record 63-yard field goal in 1970. Unfortunately, those were the only notable successes the Saints had during their first 25 years in the league. That entire era was a great case study in how *not* to run an organization.

Blessedly, since Katrina, those of us on the Gulf Coast have been witness to a remarkable transformation. The Saints now have strong, passionate leadership from its coaching staff and sound decisionmaking from its executives. The players truly constitute a "team" in that almost everyone on the 53-man roster made meaningful contributions last year and serve as positive role models. The team is the *Super Bowl Champion* because it performed "as one" — ownership, management, players, and even the fans. This is the ultimate "business plan" for success and a great one from which to learn.

Canal Barge Company is a "world class" organization by many measures just as surely as the Saints are World Champions. We've both enjoyed unprecedented success and now both have the management challenge of not letting success lead to complacency. I am confident that none of us will let that happen. Two Dat and, as always, be safe.

Merritt



CBC crew on the M/V MARY LUCY LANE.



Canal Terminal Company employees (l to r) Shawn Dames, Superintendent, and Carl Ruggeri, Chemical Operator.

2011 VESSEL OFFICER WORKSHOPS AND ADVANCED WHEELHOUSE MANAGEMENT TRAINING

- February 21-25: New Orleans, LA
- March 28-April 1: Houston, TX
- May 2-6: Paducah, KY



SPOTLIGHT ON PEOPLE

A Look at the CBC Family



Bill Bethell



Chuck Boyles



Henry Clair



Warren Clay



Lewis Eaves



Marlan Fruge



Alan Hawkins



Patrick Hood

2010 SERVICE ANNIVERSARIES

40 YEARS

Carol Juneau-Orr Fleet Coordinator
Jim Ray Thorpe Chief Engineer

35 YEARS

Chuck Boyles Chief Engineer
Lynn Holmes Chief Engineer
Johnnie Moon Barge Maintenance

30 YEARS

Henry Clair Captain
Warren Clay Asst. Port Engineer
Clay Hill Chief Engineer
Clyde Hunt Pilot
Cheryl Hurley Help Desk Operator
Alan Waskey Lead Deckhand

25 YEARS

Arnold Anthony Captain
Lewis Eaves Area Sales Manager
Al Lyons Captain
Wayne Thompson Captain
Harvey Wright Lawson Manager

20 YEARS

James Davis Maintenance Tech
Alan Hawkins TSG Manager
John Hintson Captain
Darrell Land Shore Tankerman
Jay Williamson Engineer

15 YEARS

Katherine Chaplin Captain
David Claiborne Mate
Marlan Fruge Asst. TSG Manager
Rene Fuselier Controller-Gulfside
Lou Hall Cook
Kirven Larkins Dispatcher
Randy Martin Captain
Harry Nilsen VP-Barge Maintenance
Jim Richardt Transportation Services
Maria Santana Facilities
Karey Sharp Captain
Robert Sykes Mate

10 YEARS

Derek Adams Tankerman Superintendent
Bill Bethell Captain
Johnny Connor Pilot
Ronald Warren Mate

5 YEARS

Jamie Axthelm Captain
John Belcher Pilot
Jimmy Berry Lead Deckhand
Billy Biggers Shore Tankerman
Mike Coley Pilot
Jay Devall Barge Maintenance
Richard Hock Shore Tankerman
Patrick Hood Pilot
Adrian Johnson Lead Deckhand
Jerry Knight Pilot
Hope Lennix Purchasing
Marcus Miller Tankerman
Chris Rockett Lead Deckhand
Justin Snyder Tankerman
John Theiss Terminal Operator
Gerry Thompson TRAK Manager
Joe Thompson Shore Tankerman
Paul Victorian Pilot
Randy Williams Captain
Joe Willis Pilot

2010 RETIREMENTS

Donna Easter Cook
Patsy Graves Cook
Simpson Kemp Captain

2010 MARRIAGES

Lauren and Ben Bourgeois (Tankerman)
Chelsea and Andrew Glasscock (Tankerman)
Melanie and Brett Johnson (Project Engineer)
Jessica and Justin Reynolds (Training Engineer)

2010 BIRTHS

Whitney born to Daniel Sisson (Lead Deckhand)
Addison born to William Horton (Training Engineer)
Braeden born to Justin Brummel (Mate)
Rylee born to Robert Sykes (Mate)
Gavin born to Donald Ivy (Deckhand)
Kendra born to Adam Nettles (Tankerman)

The *Spotlight* is a publication of Canal Barge Company, Inc.
Your comments, suggestions, questions, or letters are always welcome.

Please send comments to:

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Capt. Simpson Kemp and his wife Patsy Kemp.

CAPT. SIMPSON KEMP RETIRES AFTER 38 YEARS WITH CBC

Earlier this year, Capt. Simpson Kemp, who recently celebrated his 38th anniversary with Canal Barge Company, retired. Simpson is a 54-year veteran of the waterways, beginning his career at age 15 on dredge boats, moving to Chotin Transportation at age 18, and eventually landing at CBC in 1972. Even though he retired from Canal Barge Company in January 2010, Simpson will always be a member of the CBC family. Check out an article featuring Capt. Kemp in the August 9, 2010 edition of the *Waterways Journal* (page 8).

CHIEF LYNN HOLMES CELEBRATES 35 YEARS WITH CBC

This year, CBC celebrates Chief Engineer Lynn Holmes' 35th anniversary with the company. Lynn has been a member of the CBC family for his entire career, beginning as a laborer at the Natchez Boat Store in 1975. He has been a part of many aspects of CBC's diverse operations, having worked in the Seminole and Freeport operations, overseeing major towboat shipyard projects, and most recently supporting our Gulf Unit operations. CBC celebrated Lynn's dedication over the past 35 years at an event in Winnsboro, LA, on July 24.



Chief Engineer Lynn Holmes and granddaughters Brianna and Taylor celebrate Lynn's 35 years with CBC at an anniversary party in Winnsboro, LA.



Cheryl Hurley



Darrell Land



Hope Lennix



Randy Martin



Carol Juneau-Orr



Justin Snyder



Paul Victorian



Harvey Wright

2010 NEW ADDITIONS

Jared Black	Help Desk Technician	Justin Ivey	Deckhand	J.R. Rabalais	Asst. Port Engineer
Brad Brown	Deckhand	Charles Jackson	Deckhand	Clyde Reeves	Deckhand
Matthew Chambers	Deckhand	Derrick James	Deckhand	Matthew Renshaw	Deckhand
Ervin Dailey	Pilot	Kee Jones	Deckhand	John Spann	Deckhand
David Denning	Pilot	Sharon Kroppe	Traffic Coordinator	Paul Steward	Deckhand
Taylor DuChaine	Human Resources	Marc LaFleur	Programmer	Kenneth Stewart	Pilot
Richard Ford	Deckhand	Brandon Lemaire	Barge Maintenance	Reginald Tezeno	Tankerman
Carl Fravel	Knowledge Management	Bruce Mathes	Farm Asst.	Jonathan Walker	Deckhand
Perry Gordon	Deckhand	Mary McCarthy	HR Coordinator	Joseph Weldon	Facility Asst.
Kent Hamby	Pilot	Brian Miller	Tankerman	Torey Young	Deckhand
Matthew Heinen	Facility Asst.	Bart Miller	Deckhand	Theodore Zaleski	Deckhand
Zachary Holifield	Deckhand	Joshua Parker	Deckhand		
Brandon Holmes	Asst. Port Engineer	Walter Penton	Pilot		



CBC North employees (l to r) Mike Broome and Juan Guevara celebrate their beanbag toss win at a company picnic in Channahon, IL.



CBC employees and their families showcase their commitment to environmental protection at the 2010 Audubon Nature Institute Earth Fest in New Orleans. (l to r) Herb Shubert, Tessa Seitzinger, and Michael Nilsen.



Illinois Marine Towing celebrates the christening of the M/V LEMONT TRADER with (l to r) Illinois Congresswoman Judy Biggert, IMT President Leo Cattoni, CBC President & CEO Merritt Lane, Ingram Barge Company President & CEO Craig Philip, and Vice President of CBC North Operations and Business Development Del Wilkins.

SUPPORT GULF COAST RESTORATION BY SIGNING THE "BE THE ONE" PETITION

The BP oil spill devastated the Gulf Coast, and the area's environment and economy must be restored. Women of the Storm, a South Louisiana-based nonprofit, has launched an online petition called "Be the One" that states, "I demand that a plan to restore American's Gulf be fully funded and implemented for me and future generations." Sign the petition at www.restorethegulf.com.

READY TO QUIT SMOKING? CBC STARTS TOBACCO CESSATION PROGRAM

Kicking the tobacco habit is a challenge, so Canal Barge Company has partnered with UMR Care Management to provide a comprehensive tobacco cessation program to help our employees quit tobacco. The tobacco cessation program is one example of our commitment to provide quality benefits and wellness programs. To self-enroll in the tobacco cessation program, call UMR Care Management at 1-800-207-7680.

OPEN ENROLLMENT IS COMING

It's that time of year again: open enrollment is coming. During the end of November, you will be able to update your benefits selections under CBC's health care plan. Watch your mailbox for further information.

CANAL BARGE COMPANY ANNOUNCEMENTS

Check the announcements page on CBC's website www.canalbarge.com for recent news about the company.

SPOTLIGHT ON SAFETY

A Focus on Health, Safety & Environment (HSSE)



CBC SAFETY MINUTE

By Joe Tyson

At CBC, our highest priority is the safety of our crews, vessels, and the protection of the environment. Our common goal of zero incidents and injuries is achievable through our employees' dedication to the continued use of our safety tools (JSAs, Policy and Procedures, near-

miss reporting, safety meetings, and drills) to monitor and promote behaviors that produce positive safety results.

During the 2010 Vessel Officer Workshops (VOWs), we discussed the benefits of using near-miss reporting as a tool for identifying "at-risk behavior." By having employees share their experiences, our awareness is heightened throughout the fleet. Additionally, near misses may be used to identify a work process where current procedures do not provide sufficient controls to mitigate the hazards associated with it.

Through August, we have received 165 near-miss reports from vessel personnel. I am happy to report that since our VOW discussions in February, March, and April, our entire fleet worked incident-free through the month of September. Our people have really taken to the program, and we must continue to build this momentum. Although our intention was to target near-miss reporting for eliminating personal injuries, several of our pilot house personnel have taken the initiative to expand their reporting by including reports on navigation and equipment – a great idea.

As we receive the near-miss reports, the Operations Team Safety Committee reviews each and uses a risk matrix based on probability and consequence to assign them a score. Based on the score, the Committee determines the appropriate actions for following up. When an activity receives a high score, the committee reviews the activity to ensure that effective safeguards are in place to protect our crews. If the activity is determined to be of unacceptable risk, then it will be avoided entirely.

Now that vessel employees have sent so many high-quality reports and those reports have been scored, the Operations Team Safety Committee is identifying emerging trends and developing specific actions to improve our Safety Management System and reduce operational risk for our vessel personnel. The next step will be to provide you with feedback on those trends. In the meantime, stay safe and keep those reports coming!

SAFETY STATISTICS

RECORDABLE INCIDENTS 2010

A Recordable Incident (RI) is a work-related injury that requires medical attention beyond first aid. The numbers below reflect both Canal Barge Company's and Illinois Marine Towing's numbers. As always, we constantly work toward a goal of zero incidents and injuries.

2010: 6 (through September 30)

2009: 13

2008: 10

RECORDABLE INCIDENT FREQUENCY RATES

Recordable Incident (RI) frequency rates measure the amount of RI's based on the number of injuries in hours worked for both Canal Barge Company and Illinois Marine Towing.

2010: 0.94 (through September 30)

2009: 1.46

2008: 1.33



CBC Captain Katherine Chaplin (center) receives a Ship Safety Award from Michael Bohlman, Chairman of the Board of the Chamber of Shipping, and RADM Mary Landry, Commander of the Eighth Coast Guard District. Courtesy of Barry Champagne Photography, Inc.

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SPOTLIGHT ON HISTORY

CBC Looks Back

M/V IBERVILLE 14 & M/V BIENVILLE 15

The 480 horsepower M/V IBERVILLE 14 and M/V BIENVILLE 15 were two identical self-propelled barge units built at Maxon Construction Company in Tell City, IN in 1955. Both units surveyed oil wells along the Gulf Intracoastal Waterway. The boats were named for Pierre Le Moyne, Sieur de Iberville (1661-1706) and his younger brother Jean Baptiste Le Moyne, Sieur de Bienville (1680-1768). Iberville and Bienville were French-Canadians who have been credited for founding cities such as New Orleans, Baton Rouge, Mobile, Natchez, Biloxi, and Bay St. Louis. The BIENVILLE was used as a fleet boat at the Natchez Boat Store in the 1960s. Operators of the BIENVILLE included longtime CBC employees Marc Law, Capt. Earl

Daily, Bobby Harmon, and Elven Dykes. Elven operated the BIENVILLE and barge CBC-1 for the filming of the United Artists' 1974 movie "Huckleberry Finn," part of which was filmed in and around Natchez, MS.



(l to r) The M/V BIENVILLE and the M/V IBERVILLE.

CREWBOATS LYDIA C & JOLIET

The Crewboat LYDIA C was built by Sewart Craft in Morgan City, LA in 1954, and the JOLIET was built by Equitable Equipment Company. They both supported oil rigs along the south Louisiana coast. After Hurricane Audry devastated Cameron, LA in 1957, the JOLIET and the LYDIA C worked in the Leesville, LA area. Both boats were sold in the 1960s.

The LYDIA C was named for longtime CBC employee Lydia Campbell and the JOLIET was named for Louis Joliet (1645-1700), a French explorer and fur trader. Along with Father Jacques Marquette, they are credited with being the first Europeans to explore the northern reaches of the Mississippi River.



The Crewboat LYDIA C.