

SPOTLIGHT

Summer 2012

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Mate Kevin Atterberg receives a ship's bell to commemorate his 35th anniversary with CBC from Capt. Paul Barnes, while Tom Rigell and David Lane look on.

HEALTHY LIVING WITH CONFIDENCE

CBC has launched a new health and wellness program to provide all CBC and IMT employees with the tools to make healthier choices and live a healthier lifestyle. The first step is to complete the confidential Clinical Health Risk Assessment (CHRA) and Biometric Screening by August 31. After completing both, employees will be eligible to receive a \$10 reduction in their 2013 health contribution. The CHRA and Biometric Screening can be accessed at <http://fhs.umar.com>, and instructions on how to complete them was mailed to all employees. For more information, please contact Debby Nuzzolillo, Benefits Administrator, at (504) 581-2424 or dnuzzolillo@canalbarge.com.

As Canal Barge Company passes the halfway point in 2012, it's a good time to sit back and reflect on where we're going and how we got here. Above all, we know that our extremely experienced and dedicated mariners and the shoreside staff that support them are to thank for the success we've had so far.

Looking back to 2011, we overcame several challenges to be able to continue serving our diverse base of customers. The biggest obstacle in 2011 was the 44-day high water event in the spring that tested our mariners' expertise and patience. Unsurprisingly, our team passed the test; we had no navigation incidents during this high-risk time. In addition, all Americans were tested by the prolonged slow economy, and CBC was no exception. However, our winning strategy of diversifying and relying on our expert and flexible professionals to provide world-class customer service continued to help us meet these challenges.

Looking forward to 2012, we will continue this focus on diversification and engagement of our people by enhancing the breadth and depth of our organizational capacity. As we always say, "People make the difference," and in that spirit, we're ramping up our vessel employee training, building on the strong foundation we already have in that area. We're also strategically hiring shoreside employees to ensure we provide our vessel crews and customers with the support they need. Finally, we're launching a new Health and Wellness Program to help all of our people stay healthy and happy, both for their families and for their teammates here at CBC.

2011 was the biggest new construction year in the company's 79-year history; we invested almost \$100 million in tank, hopper, and deck barges. We also completed major refurbishments of the M/V ELLY LANE and the M/V JOSEPH MERRICK JONES. We're excited to be continuing our investment trend into 2012 with the addition of the first two new-build towboats (and resulting new jobs) to our fleet in 30 years, which are due



Move with confidence

SPOTLIGHT ON BUSINESS

Moving with Confidence

for delivery in late 2012. They will be named the M/V EUGENIE J. HUGER and the M/V SUSAN J. GUNDLACH. We also acquired a 6,000 hp towboat from American Commercial Lines, now named the M/V LAINEY JONES, which will bring our total vessel fleet, including both CBC and Illinois Marine Towing, up to 35.

We also carried another 2011 trend into this year: exciting international deck moves. In 2011, our deck barges travelled to Ecuador, Colombia, Mexico, and Canada. This year, our largest deck barge OCEANUS made a trip to South Korea to load cranes destined for North Carolina, which marks the first time CBC equipment has travelled to the continent of Asia (we've already crossed South America, Europe, and Africa off the list). Only Australia and Antarctica are left!

None of these major developments would have been possible without the dedication and hard work of our expert professionals. Two fine examples are Kevin Atterberg, Mate, and Jim Ray Thorpe, retired Chief Engineer. Kevin Atterberg started with CBC 35 years ago as a Deckhand, and worked his way up to Mate by putting time in virtually all the various trades CBC has been involved in, and on almost all of our vessels. Kevin's role as a hands-on instructor on deck has played a key role in the development and advancement of many CBC vessel officers. Jim Ray Thorpe began as a Deckhand 42 years ago, became a Tankerman and, beginning in 1973, served on shore as a key member of the CBC Engine Overhaul Team for 18 years. Jim Ray later chose to apply his vessel repair experience to line boats, serving as Chief Engineer on many CBC vessels, most recently on the LYDIA E. CAMPBELL. The flexibility, dedication, and dependability of Kevin and Jim Ray exemplify the strong core culture of Canal Barge Company. We're proud to have them in our family.

Here on shore, a number of employees received awards at the end of 2011 for exemplifying the leadership, teamwork, and professionalism that represents CBC. Perhaps no one deserved this award more than Christi Daniels and Becky Savage, our Crew Dispatchers. As Capt. Paul Barnes said as they received their award, "I know the crew dispatchers in a lot of other companies, and Christi and Becky are the best." Two other award winners were recognized for the crucial role they play in providing a physical link between our vessel crews and our shoreside staff: Ed Chandler, HSSE Manager, and Daryl Wheeler, Assistant Port Captain, who both travel to all of our boats multiple times a year.



IMT Lemont Shipyard and Barge Cleaner Salvador Ramirez (right) relaxes at the 2011 CBC North company picnic with his son Enrique.



CBC's new deck barge OCEANUS comes into Hawaii from South Korea carrying cranes.



TOWING VESSEL INSPECTION IS COMING

By Joe Tyson

The towing vessel industry is preparing to comply with one of the biggest regulations it has ever faced, the inspection of towing vessels. Also known as Subchapter M, it was proposed by the Coast Guard in the summer of 2011. The industry has been working cooperatively with the Coast Guard on the rule for the past nine years, and fortunately, the rule got a lot right. The most important part of Subchapter M is its foundation of Towing Safety Management Systems (TSMS) like the Responsible Carrier Program that we have implemented. TSMS's are the most effective way to reduce incidents. However, there are a few sections of the rule that need to be changed, most of all the allowance for companies to opt out of using a TSMS. In December, we submitted comments to the Coast Guard on this topic, and some others. While we're waiting for the final rule to come out, we're building on the great foundation we already have to prepare to comply with the rule when it's finalized, and we'll need all of our people's help to do so.

SPOTLIGHT ON CBC

A Letter from Merritt Lane

As I review Canal Barge Company's successes in 2011 and the first part of 2012, I continue to take pride in our strong results despite the ups and downs of the economy, the operating environment, and government policy. This is a testament to the foundation of stability and sustainability that we enjoy thanks to our financial strength, diverse capabilities, and successful employee and customer relationships. Our greatest asset is the energy and effort of our people and their consistent ability to be innovative and entrepreneurial. The versatility and teamwork of our people is a hallmark of CBC and creates significant value for our customers and our company.

For example, the remarkable partnership between our commercial, transportation, and vessel operations teams ashore and afloat in allocating our boats to CBC business creates safe and efficient operations and provides work for our boats and crews. Despite the changing marketplace we have not had to tie up a boat for lack of work in years! When we do need to take a boat out of service for maintenance or repairs, our boat and barge maintenance professionals work with our vessel operations and commercial teams to plan the scope and timing of shipyard periods to minimize both the impact on our customers' schedules and on our company finances. We are problem-solvers and service providers, and our people are empowered to use their experience and expertise to add value both to CBC and our customers' businesses.

We are also in the midst of an important organizational transition. Leo Cattoni has been a friend to CBC for decades. He has been a quintessential entrepreneur, growing his business, Illinois Marine Towing, into the leading harbor services provider on the Illinois River. When Leo decided that it was time to sell his business, he had many options. I am grateful that he worked out a transaction with Canal Barge Company. Now, three years later, Leo has decided to step away from daily operations at IMT, although he remains a member of the IMT Board of Directors. He has ably steered us through a transition and some very successful years since the acquisition. He continues to be a valuable resource.

On June 6, the IMT Board of Directors appointed Del Wilkins as President of IMT, a position he holds while continuing to serve as CBC's Vice President of Business Development and Terminal Operations. Under Del's able leadership we are building upon IMT's strong foundation to grow our capabilities and to increase the integration and consistency across our lines of business. Some of our most exciting new developments are up at CBC North, where we have started our direct rail transfer business at Canal Terminal Company (allowing us to transfer rail cargos directly to trucks), added a new sulfuric acid tank, and ramped up repairs at the IMT Shipyard, both to IMT and CBC boats and barges as well as third-party vessels. We have a strong team in place and we see a bright future for our entire CBC North enterprise.

Our deck barge business has recently achieved another first for CBC. We've enhanced the services we provide to customers with the acquisition of the 400 x 105 x 25 foot oceangoing deck barge OCEANUS (the largest vessel we have ever owned). It recently sailed from the

Oregon shipyard where it was built to Korea to pick up cranes that we delivered to Sunny Point, NC. This is CBC's first ever voyage to Asia, and thanks to the hustle of our team in securing this business, this job will also result in us avoiding a seven-figure expense to position the barge in the Gulf of Mexico where it will be based. We expect the OCEANUS to engage in deep water oil and gas support services and international projects.

While we are proud of our strategic initiatives, the most fundamental thing we can all focus on is to work on those things we can control and improve, such as safety, efficiency, and flawless execution. However, we continue to watch the upcoming national elections, which are particularly important this year (especially the presidential race). We are faced with some very important decisions about the role of government in this country. I urge all of us to exercise our right to vote. For our onboard personnel, we will provide you with information to arrange for absentee voting if your work schedule conflicts with voting day (Tuesday, November 6).

Stay safe!

Merritt



In May 2012, we welcomed Chad Pregracke (center), founder and president of Living Lands & Waters, to the CBC New Orleans office. LL&W started as a river cleanup organization but has grown to focus on protection, preservation, and restoration of our nation's rivers. CBC shares Chad's dedication to preserving the environment and my brother David (left, CBC's Senior VP – Marketing) and I felt grateful for the opportunity to host him.

Follow Canal Barge Company on Facebook and Twitter!





SPOTLIGHT ON PEOPLE

A Look at the CBC Family



John Ballard



Billy Contos



Lloyd Dantagnan



Rhett Dickman



Mary Erhardt



Clyde Hunt



Jerry Lyons



Tommy Merrick

2012 SERVICE ANNIVERSARIES

40 YEARS

Randy Scarborough Captain

35 YEARS

Kevin Atterberg Mate
Lloyd Dantagnan Asst. VP, Info Systems
Clyde Hunt Pilot
Tommy Merrick Trans. Services
Jeffery Scarborough Captain
Dave Sullins Captain

30 YEARS

John Ballard Tankerman

25 YEARS

Billy Contos Shipyard Mgr.
Rhett Dickman Barge Maintenance Mgr.
Terry Hall Captain
Jerry Lyons Captain
Clyde Moore Captain
Kevin Roy Captain
Janet Trauth Boat Maintenance Asst.

20 YEARS

Ray Brown Captain
Tom Dowie VP, Deck Marketing
Joe Engelman Shore Tankerman
Al Guillot GM, Tech. Svcs.
Michael Smith Chief Engineer
Shelly Threeton Payroll
Barbara Wilson Cook

15 YEARS

Carlos Bland Captain
Vickie Coulon Operations Asst.
Henry Gerrets Deck Marketing
Kerry Godbold Asst. Network Administrator

Darin Hawkins Pilot
Treaa Knight Trans. Services
Claire Moorman Risk Management
Debby Nuzzolillo Benefits
Elvin Simien Barge Maintenance
Carlos Slaydon Tankerman
Chad Smith Pilot
Hazel Welch Cook

10 YEARS

Joseph Clark Pilot
Robert Cobb Mate
Bret Ferguson Shore Tankerman
Slaten Finger Purchasing Mgr.
Steven Green Engineer
Chris Hard Shore Tankerman
Charlene Joyner Cook
Joseph LaFleur Tankerman
Shaun McDonald Asst. Port Engineer
Robert Moore Captain

5 YEARS

Anne Batesel Cook
Ada Bouchard GM, Financial Accounting
Bobby Brooks Mate
Rita Brown Cook
Justin Brummel Steersman
Chad Bullock Mate
Lisa Carlin Cook
Bud Clarke Deckhand
Christi Daniels Crew Dispatcher
John Duncan Chief Engineer
Mary Erhardt Accountant
Patrick Erickson Deckhand
Andrew Glasscock Tankerman
Steven Gray Steersman

Timothy Griest Procurement Coordinator
Jake Hodnett Tankerman
Chris Hyde Dispatcher
Lance Ivy Tankerman
Delray Kaut Tankerman
Julia Kelly Cook
Bruce Mackowiak Manager
Justin McClurg Mate
Cloy McDaniel Fleet Superintendent
Mark Neeley Pilot
Logan Norris Mate
James Parrish Pilot
David Perez, Jr. Deckhand
Tyler Plowman Tankerman
Carl Reese Mate
David Rhoden Deckhand
Joseph Rogers Port Engineer
Becky Savage Crew Dispatcher
David Simonsen Shore Tankerman
Daniel Sisson Mate
Rusty Smith Mate
Teresa Stormiolo Purchasing
Davondric Tezeno Tankerman
Loucious Thomas Deckhand
Derrick Thompson Deckhand
Maria Torres Dispatcher
Ricky Turner Deckhand
David Viers Chief Engineer
Colleen Walker Cook
Kyle Waller Mate
Adam Wheelis Mate
Del Wilkins President, IMT
Graham Wogan Dispatcher

2012 NEW HIRES

James Adams	Deckhand	Artie Dial	Night Ops	Nathan Kile	Deckhand	Steven Shirley	Shore Tankerman
Peter Aleman	Deckhand	Daniel Dixon	Pilot	Thomas Kish	Deckhand	Hunter Smith	Deckhand
Jared Alfred	Deckhand	Glen Dotson	Deckhand	Robert Kulas	Deckhand	Tennyson Spiceland	Engineer
William Anderson	Deckhand	Samuel Doucet	Pilot	Jason Lejeune	Shore Tankerman	Daniel Starks	Deckhand
Ronald Barnard	Deckhand	Tony Douglas	Pilot	Michael MacLaren	Deckhand	Chasity Steel-Williams	Accountant
Adam Barnett	Deckhand	Vasyl Drobotenko	Deckhand	Tony Magee	Deckhand	Nicholas Steichen	Pilot
Jeffrey Bell	Deckhand	Lucas Duncan	Deckhand	Bobby McCord	Deckhand	Cletice Templeman	Deckhand
Gene Bishop	Deckhand	Vincent Early	Deckhand	Shelby McGuffee	Deckhand	Tommy Terrell	Pilot
Jason Blair	Deckhand	Phillip Embree	Deckhand	Jeffrey Merkel	Crew Dispatcher	Allen Travelbee	Pilot
Chad Brand	Facility Asst.	Anton Giacometti	Term. Opt.	Logan Nicholson	Deckhand	Dillon Vanausdale	Deckhand
Dexter Bruno	Deckhand	Jarred Graves	Deckhand	Joseph Noska	Tankerman	Shante White	Accounting Clerk
Robert Cervantes	Pilot	John Grieves	Deckhand	Toby Orchard	Deckhand	Dalton White	Deckhand
Jake Christian	Deckhand	Ernesto Guzman-Pantoja	Welder	Daniel Poisson	Deckhand	Joey Wilkes	Deckhand
Kentrell Clark	Deckhand	Dustin Hodges	Deckhand	Michael Provost	Deckhand	Mike Williams	Deckhand
Jason Colgan	Deckhand	James Hodgson	Deckhand	Zachary Rector	Deckhand	Christopher Williams	Deckhand
Bryce Crew	Deckhand	Greg Huggins	Deckhand	Matthew Rhodes	Deckhand	Herbert Wilson	Deckhand
Samuel Cumbest	Deckhand	Akeem Jefferson	Deckhand	Alyssa Roberts	Accounting Clerk	Carla Wingfield	Cook
Jeffrey Daniels	Deckhand	Regina Johnson	Cook	Kaylon Robertson	Deckhand	Toronto Woods	Deckhand
Sean Denison	Deckhand	Alex Kempf	Deckhand	Vickie Robinson	Cook		



During the March session of the 2012 Vessel Officer Workshop in New Orleans, the attendees' spouses prepare to travel to a jazz brunch on the Steamboat Natchez.



(l to r) Bo McDonald, Chief Engineer on the M/V LAINEY JONES, and James Jones, Warehouse Assistant, at the 2012 Vessel Officer Workshop dinner in New Orleans.



Chief Engineer Chuck Boyles at the 2012 Vessel Officer Workshop dinner in New Orleans.



The crew of the M/V NED MERRICK.



Clyde Moore



Jeff Scarborough



Randy Scarborough



Elvin Simien



Carlos Slaydon



Dave Sullins



Janet Trauth



Del Wilkins

2012 RETIREMENTS

Eric Brummel	Engineer
Unice Sehlinger	A/P Clerk
Jim Ray Thorpe	Engineer

2012 IN MEMORIAM

Larry Lee Bryant	Engineer
Louis Joseph Evans	Pilot



The spouses of our mariners who attended the April session of the 2012 Vessel Officer Workshop pose in front of the Steamer Natchez in New Orleans.



The CBC New Orleans office shows its support for the Hornets.

CBC IN THE NEWS

Here at CBC, we believe in the critical importance of our industry to the national economy, and we've made it our mission to strategically engage the press to bring that message to government officials and the public. Here are a few articles highlighting the industry, the first three featuring commentary from Merritt Lane. For the full articles, check out the Announcements page on our website, www.canalbarge.com.

- "The Untamable River Trade – Barge Operators Wage a Continual, Chaotic, Slow-Motion Battle of Logistics"**
Fortune Magazine, December 2011
Features Capt. Arnold Anthony and Engineer Eric Brummel on the M/V ELIZABETH LANE and Capt. Randy Williams on the M/V WALTER HAGESTAD.
- "Barge Companies Follow Trains and Toot Their Horn"**
National Public Radio, December 2011
Highlights the need to keep the barge industry viable through lock and dam infrastructure funding.
- "President of Canal Barge Says He Values His Workforce"**
The Times-Picayune, December 2011
Emphasizes the importance of CBC employees to company's success.
- "America's Locks & Dams: A Ticking Time Bomb for Agriculture?"**
Texas Transportation Institute, December 2011
Study finding that the inland barge industry's critical support of agriculture is impaired by deteriorating locks and dams.
- "Towboat Rider Program Off to Good Start"**
Workboat Magazine, May 2012
Highlights CBC's hosting of Coast Guard cadets as part of the Coast Guard Academy Towing Vessel Rider Program.



2011 Tankerman Services Group training in Sulphur, LA.



Ed Chandler (center) escorted a crew from CNN to the M/V MERRICK JONES when they broadcast from the vessel during the 2011 high water event.

SPOTLIGHT ON SAFETY

A Focus on Health, Safety & Environment (HSSE)



CBC SAFETY MINUTE

By Capt. Pat Riley

Canal Barge Company's commitment to the safety and health of all employees represents a core value of the highest priority. Achieving safe accident-free environments for all employees, regardless of whether they are at work or enjoying time off with family and friends, is the direct result of each employee's awareness

and level of participation in our safety culture. Safety is not a destination but a journey that must be practiced daily and should remain on our minds and be thoughtfully reflected in our efforts. I'd like to highlight three CBC initiatives to help us all on our safety journey.

Near-Miss Reporting

Any unsafe behavior or condition is an opportunity for improvement. Information about "near misses" are collected and categorized so that we can look for trends that become leading indicators of a potential future incident. We can then implement controls that prevent our most valuable asset, our people, from being injured. This year at our Vessel Officer Workshops (VOWs), the Operations Team Safety Committee introduced an improved Near Miss Reporting format that we believe will help facilitate this process and increase participation by providing an interactive experience for all vessel crew members.

Vessel-Specific Safety Plans

Another new weapon in our safety arsenal was introduced at the 2012 VOWs. Vessel Specific Safety Plans are risk assessments focused on special circumstances and procedures that may be inherent to a particular class of vessel while working in a specific trade. These plans are written by vessel crew members and will be shared with other like vessels to ensure that practices become common knowledge. These Vessel Specific Safety Plans will be particularly useful to proactively educate new crew members on potential risks and safety concerns when they board the vessel or when vessels are changing trade.

S.A.F.E. Campaign

The Operations Team Safety Committee is introducing a new campaign to increase safety awareness and participation. The **S.A.F.E.** campaign is focused on thoughtful execution of job responsibilities while maintaining a high level of situational awareness. It is an acronym for:

- Stop** - Don't get in a hurry
- Assess** - Identify all hazards
- Focus** - Avoid distractions
- Execute** - Think before acting

Currently, we are working on designing a poster for each vessel to serve as a daily reminder that a safe working environment is the result of each employee's safety participation and the awareness that, as we work, our safety is the very highest priority.

MID-YEAR SAFETY PERFORMANCE

The numbers below represent a mid-year snapshot of our safety statistics between January 1 and June 30, 2012. A Recordable Incident (RI) is a work-related injury that requires medical attention beyond first aid. Recordable Incident (RI) frequency is a measure of the number of RIs experienced in relation to the number of hours worked by our vessel employees. As always, we constantly strive toward a goal of zero accidents and injuries.

	RIs	RI Frequency Rate
CBC	2	.55
CBC and IMT	6	1.30

CBC HOSTS COAST GUARD ACADEMY CADETS



In May 2012, CBC hosted two Coast Guard cadets as part of the Cadet Towing Vessel Rider Program. (l to r) Capt. Pat Riley; Cadet Joshua Villafane; Cadet Collin Gruin; LTJG Daniel Parker, Eighth District; Ed Chandler; Tom Smith.

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SPOTLIGHT ON HISTORY

CBC Looks Back



The M/V LEONIDAS POLK

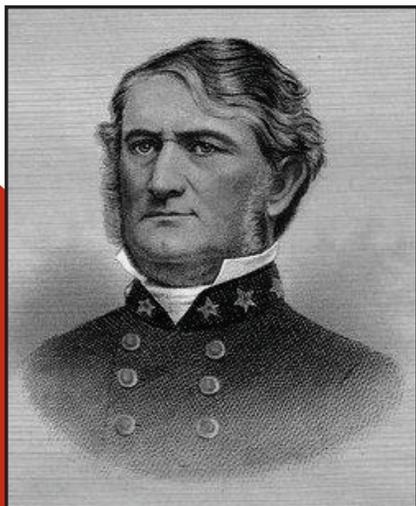
M/V LEONIDAS POLK

The 4100 horsepower M/V LEONIDAS POLK was built by Southern Shipbuilding in Slidell, LA in 1961. The LEONIDAS POLK had a retractable wheelhouse, was designed to transport petrochemicals, and was a sister boat to the M/V NED MERRICK. The LEONIDAS was the first CBC boat to be powered with turbocharged engines. CBC sold the LEONIDAS POLK in September 1991. Joseph Merrick Jones, Sr. named the boat for his great-grandfather, an Episcopal priest and Civil War general.

Philemon Leonidas Polk was born on April 10, 1806, in Raleigh, NC. In 1827, he graduated from the United States Military Academy at West Point. He gave up his commission in the Army to pursue a religious career and joined the Virginia Theological Seminary in 1828. In 1830, he was ordained a Deacon in the Episcopal Church and also married his childhood sweetheart, Frances Devereux. He was later consecrated Bishop in 1838. Because the Republic of Texas was included in his jurisdiction, Polk became the first foreign missionary Bishop of the Episcopal Church. He became Bishop of Louisiana in 1841.

Polk led the effort to found the University of the South at Sewanee, Tennessee, and helped lay the cornerstone for the first building in 1860. His goal was that the Episcopal school would be "a home for all the arts and sciences and of literary culture in the Southern states."

After the South seceded from the Union, Jefferson Davis persuaded Polk to join the Confederate Army and named him a Major General. Polk was killed in a battle at Pine Mountain, GA on June 14, 1864. The Polk Monument was erected in his memory on the piece of land in Georgia where he passed away. Leonidas Polk was buried in Augusta, GA in 1864. In 1944, he and his wife's bodies were re-interred in New Orleans, LA at Christ Church Cathedral.



Leonidas Polk