

Sunset Public Hearing Questions for  
**TENNESSEE-TOMBIGBEE WATERWAY DEVELOPMENT COMPACT**  
Created by Section 62-2-201, *Tennessee Code Annotated*  
(Sunset Termination June 2016)

1. Provide a brief introduction to the Tennessee-Tombigbee Waterway Development Compact, including information about its mission, purpose and duties.

**Response:** The mission of the Tennessee-Tombigbee Waterway Development Authority is to realize the economic development potential of the Tennessee-Tombigbee Waterway to its four-state impacted region and the nation. These benefits include industrial development, commerce and trade, recreation and tourism and small business development. The interstate compact serves as the regional nonfederal sponsor of the Tenn-Tom Waterway and its connecting waterway systems, including the Tennessee River. It works with the respective states, federal agencies, and the Congress to ensure these waterways remain a cost effective and reliable means of shipping commerce. As a member of the compact, Tennessee is represented by Governor Bill Haslam, his alternate, and five individuals appointed by the Governor. (See attached). They represent Tennessee's interest and involvement in the compact. The four states have equal representation and influence on matters related to the compact. Chairmanship of the Authority rotates among the governors of the four states. Governor Haslam is scheduled to serve as its chairman in 2016.

2. Have any party states withdrawn from the compact as authorized in Article VI of the compact?

**Response:** In 1990, Florida withdrew from the compact. Historically, the Tenn-Tom benefits were limited to the panhandle part of the State. Some key legislators from south Florida, at that time, were concerned that the state's involvement with the Tenn-Tom might imply similar support for the Cross Florida Barge Canal, a very controversial waterway project in that state. Although this claim was baseless, legislation was enacted to withdraw from the compact.

3. Provide a list of current members of the Tennessee-Tombigbee Waterway Authority. Who are the members appointed by the Governor of the State of Tennessee? Are there any vacancies on the authority? If so, what steps are being taken to fill those vacancies?

**See Exhibit A**

4. Does the authority's membership include public/citizen members? Female members? Members of racial minorities? Members who are 60 years of age or older?

**Response:** Both, public and private citizens, have and currently serve as members of the Authority, with most board members being appointed as private citizens/constituent members. The members usually have some knowledge of the inland waterway system, economic development, tourism and recreation, or transportation issues. Currently Tennessee has 3 female and 1 minority serving on the board. Most of the board members and staff are over the age of 60.

5. How many times did the authority meet in fiscal years 2013 and 2014 and to date in fiscal year 2015? How many members were present at each meeting?

**Response:** The Authority Board according to their enabling legislation meets quarterly. In 2014 the first quarterly meeting was attended by five of the six members; the second quarterly meeting was attended by two from Tennessee; the third quarterly meeting was attended by five and the fourth quarterly meeting was attended by four of its members.

6. What per diem or travel reimbursement do authority members receive? How much was paid to authority members during fiscal years 2013, 2014 and to date on fiscal year 2015?

**Response:** The Authority does not pay a per diem nor do the members receive any compensation. They are reimbursed for all out-of-pockets expenses incurred to attend meetings including mileage, meals and hotels with appropriate documentation.

The Authority's cost for all its members and their participation are shown below:

2013 - \$ 61,662.00  
2014 - \$ 73,193.00  
2015 – \$ 11,668.00 for first quarter 2015

7. What were the authority's revenues (by source) and expenditures (by object) for fiscal years 2013 and 2014 and to date for fiscal year 2015?

	2013	2014	2015
Alabama	\$100,000	\$ 100,000	\$ 88,500 (Proposed)
Kentucky	\$ 50,000	\$ 75,000	\$ 75,000 (Proposed)
Mississippi	\$200,000	\$ 200,000	\$ 200,000
Tennessee	\$ 40,000	\$ 50,000	\$ 50,000 (Proposed)

**Exhibit B**  
*(See copy of Audit attached)*

8. How does the authority ensure that its members and staff are operating in an impartial manner and that there are no conflicts of interest?

**Response:** The Authority and its board and staff are subject to all reporting requirements of the individual states. The members as well as all staff abide by the laws and regulations of the member states concerning ethical conduct and conflicts of interest. Statements of economic interest are required in Mississippi but not required in other states.

9. Does the authority have a website? Is so, please provide the web address. What kind of public information is provided on the website?

The website is: [www.tenntom.org](http://www.tenntom.org)

**Exhibit C**  
*I am attaching a copy of the website to show links and other info in website.*

10. What were the authority's major accomplishments during fiscal years 2013, 2014 and to date in fiscal year 2015?

**Response:**

- 1.) Working with the congressional delegation to secure adequate funding for the replacement of the Chickamauga Lock located near Chattanooga. Total cost for this project if fully funded is projected to be \$858 million. Currently only \$181 million or 21% is obligated. An assumed completion date is 2023. The Authority works with the U. S. Army Corps of Engineers, the Tennessee Department of Transportation, and the U. S. Congress to secure the necessary funding. TnDOT and the U. S. Army Corps of Engineers have funded a joint study documenting the impacts that can be expected in the event of long term closure of the smaller, antiquated lock at Chickamauga. The Authority is

undertaking similar efforts to construct a new, larger lock at Kentucky Dam near the mouth of the Tennessee River. It is the second most congested lock on the entire national waterway system. These delays cost shippers in Tennessee and in the region served by this lock millions in added costs each year.

- 2.) Works with the U. S. Army Corps of Engineers and the congressional delegations to secure approximately \$26 million annually for the operation and maintenance of the Tennessee-Tombigbee Waterway and over \$20 million each year for the Tennessee River to adequately maintain these important transportation routes...
  - 3.) The Authority has commissioned an economic impact analysis being conducted by the University of Tennessee and Mississippi State University. Its conclusions are expected to be available this summer.
  - 4.) The Authority conducts an aggressive marketing program to promote the waterway region's (including Tennessee) assets for attracting industrial and economic development as well as recreation and tourism. This program includes placement of ads and articles in regional and national trade publications.
  - 5.) Authority staff works closely with state agencies to address federal policies, regulations, and other matters that may inhibit the use of water transportation by four states. It also identifies potential opportunities that could benefit the Tenn-Tom and connecting Tennessee River as routes for commerce and trade.
  - 6.) It publishes a quarterly Newsletter that is widely disseminated to waterway interests.
11. What reports, if any, does the authority prepare concerning its activities, operations and accomplishments? Who receives copies of these reports?

**Response:** Each state has a variety of reporting requirements pertaining to their budgetary contributions. The Authority staff produces any needed reports to accommodate each state. For example, Mississippi and Alabama require annual updates of the Authority 5-year Strategic Plan. Alabama and Mississippi also requires quarterly budget reports. All reports are available to all members upon request. Quarterly staff activities reports and quarterly budget reports are distributed to all board members at each quarterly meeting. Annual audits are conducted and the reports are distributed to all board members. A copy of the annual audit is also provided to Department of Finance and Administration Division of Accounts, State of Tennessee.

12. What determines the amount each state pays to the authority? Detail Tennessee's contribution.

**Response:** Although the compact law suggests a formula based on population for determining each state's annual contribution, the amount has always been discretionary. Each state determines their respective annual contribution. Tennessee's annual contribution has been \$40,000 since 1986 but was increased to \$50,000 in 2014.

13. What control does each state have over how the money paid to the authority is spent? Do the states actually containing the waterway have the same voting rights as the contiguous states?

**Response:** Each state's governor as well as five state appointees is represented on the board and each state has equal input as to how the funding is spent. Pre-approval is gained from the board each year on the annual budget and quarterly reports of our budget are provided to all board members. All four states have equal voting rights, regardless of their annual contribution or their proximity to the waterway.

14. What types of products and in what tonnage have been transported on the waterway in last two years (beginning January 2013)? *Figures not available for 2014.*

**Response:** Tonnage on the Tennessee-Tombigbee Waterway continues to average approximately 6-million annually. Tonnage has declined in recent years because of decreasing use of coal by electric utilities. Those commodities experiencing growth include steel, chemicals and petroleum products. *See breakdown below.*

	<b>2013</b>
<b>Coal –</b>	<b>1.9</b>
<b>Petroleum –</b>	<b>.8</b>
<b>Chemicals –</b>	<b>1.3</b>
<b>Forest Products –</b>	<b>.2</b>
<b>Sand, Gravel, Stone, etc.-</b>	<b>.5</b>
<b>Iron &amp; Steel Products –</b>	<b>1.4</b>
<b>Dry Sulphur, Clay, Salt –etc</b>	<b>.1</b>
<b>Total</b>	<b>6.2</b>

15. How has the authority promoted the waterway over the last two years (beginning January 2013)? How have the activities benefitted Tennessee?

**Response:** The primary role of the Authority is to promote the economic and trade potential of the waterway and its regional impact. The Authority has spent significant time and funding on promoting the waterway region, including the State of Tennessee, through regional and national publications targeting industrial site selectors and their clients. None of these marketing and promotion efforts are state-specific and all promote the four-state regional equally. The Authority staff attends trade shows and meetings each year which highlight the four states and their marinas, ports, as well as their other recreation and tourism resources. The Authority serves as a resource agency and routinely responds and provides information to inquiries related to the waterway and the region it serves. Many of these inquiries are made through the Authority's website which also includes detailed information on waterfront industrial sites along the Tennessee River.

Significant efforts have been made for the purpose of promoting a new lock at Kentucky and Chickamauga Dams on the Tennessee. These efforts stress the importance of how these improvements will benefits commerce and trade along the Tennessee River and the Tenn-Tom. The Tennessee-Tombigbee and its connecting systems is important to shippers and producers in Tennessee by providing a more direct route to and from deep-water ports along the Eastern gulf, saving over 800 miles in distance traveled for some Tennessee shippers.

16. What types of studies or surveys have been conducted to determine the effects of existing business and future growth along the waterway?

**Response:** As a rule, the Authority does not conduct any studies or research that pertains to the waterway's impacts on an individual state. Since the waterway agency is a subdivision of states extreme care is exercised to avoid any conflicts or duplication of those programs and responsibilities of the agencies and departments of the member states. However, some studies and analyses have been conducted that have shown significant positive impacts on the waterway region, including specific information related to the member states, includes the State of Tennessee. As stated earlier, Mississippi State University and the University of Tennessee are conducting an updated analysis of the economic impact of the waterway to include specifics for each member states, including impacts on investments and employment caused by the waterway.

17. Has the authority developed and implemented quantitative performance measures for ensuring it is meeting its goals? (Please answer either yes or no). If the authority has developed and implemented

quantitative performance measures, answer questions 18 through 25. If the authority has not developed quantitative performance measures, proceed directly to question 26.

**Response:** *No*

18. What are your key performance measures for ensuring the authority is meeting its goals? Describe so that someone unfamiliar with the program can understand what you are trying to measure and why it is important to the operation of your program.
19. What aspect[s] of the program are you measuring?
20. Who collects relevant data and how is this data collected (e.g., what types information systems and/or software programs are used) and how often is the data collected? List the specific resources (e.g., report, other document, database, customer survey) of the raw data used for the performance measure.
21. How is the actual performance measure calculated? If a specific mathematical formula is used, provide it. If possible, provide the calculations and supporting documentation detailing your process for arriving at the actual performance measure.
22. Is the reported performance measure result a real number or an estimate? If an estimate, explain why it is necessary to use an estimate. If an estimate, is the performance measure result recalculated, revised, and formally reported once the data for an actual calculation is available?
23. Who reviews the performance measures and associated data/calculations? Describe any process to verify that the measure and calculations are appropriate and accurate.
24. Are there written procedures related to collecting the data or calculating and reviewing/verifying the performance measure? Provide copies of any procedures.
25. Describe any concerns about the commission's performance measures and any changes or improvements you think need to be made in the process.
26. Provide an explanation of any items related to the authority that may require legislative attention, including your proposed legislative changes.

**Response:** None other than the reauthorization of the Sunset provision.

27. Should the authority be continued? To what extent and in what ways would the absence of the authority affect the public health, safety, or welfare of the citizens of the State of Tennessee?

**Response:** Tennessee has an extensive network of inland waterways which should be promoted and marketed to the fullest extent possible. The Tennessee-Tombigbee Waterway provides the needed link between the Tennessee Waterways and the Gulf of Mexico. It is important that Tennessee continue its participating in the compact to ensure that the State's waterway-related benefits continue to be realized. With a relatively small portion of the financial commitment, the State should continue to be an equal influential partner in this one-of-a-kind regional organization. The loss of Tennessee would greatly diminish the effectiveness of the compact within the region and throughout the entire inland waterway system. Regionalism has become the new, standard organizational trend. Counties are now joining into one entity in order to pool their limited resources to pursue common interests and goals. The Authority offers its four states those same advantages.

28. Please list all commission programs or activities that receive federal financial assistance and, therefore are required to comply with Title VI of the Civil Rights Act of 1964. Include the amount of federal funding received by program/activity.

**Response:** The Authority does not receive any federal funding.

**If the authority does receive federal assistance, please answer questions 29 through 36. If the authority does not receive federal assistance, proceed directly to question 35.**

29. Does the authority prepare a Title VI plan? If yes, please provide a copy of the most recent plan.

**Response:** No

30. Does the authority have a Title VI coordinator? If yes, please provide the Title VI coordinator's name and phone number and a brief description of his/her duties. If not, provide the name and phone number of the person responsible for dealing with Title VI issues.

31. To which state or federal agency (if any) does the authority report concerning Title VI? Please describe the information the authority submits to the state or federal government and/or provide a copy of the most recent report submitted.

32. Describe the authority's actions to ensure that association staff and clients/program participants understand the requirements of Title VI.

33. Describe the authority's actions to ensure it is meeting Title VI requirements. Specifically, describe any authority monitoring or tracking activities related to Title VI, and how frequently these activities occur.

34. Please describe the authority's procedures for handling Title VI complaints. Has the authority received any Title VI-related complaints during the past two years? If yes, please describe each complaint, how each complaint was investigated, and how each complaint was resolved (or, if not yet resolved, the complaint's current status).

35. Please provide a breakdown of current authority staff by title, ethnicity, and gender.

**Response:**

Craig Stepan, contracted employee who serves as administrator. Caucasian, Male

Agnes G. Zaiontz, business manager, Caucasian, Female

36. Please list all authority contracts, detailing each contractor, the services provided, the amount of the contract, and the ethnicity of the contractor/business owner.

**Response:** J. Craig Stepan, Superior Shipping & Consulting Services, LLC, Fairhope, Alabama for administrative and transportation consulting services.

Amount: \$ 125,000 annually

White Male

***Exhibit D***

(See attached copy of contract)

*Exhibit A*

Attachment for Item 3 -

**ALABAMA**

Governor Robert Bentley, Governor  
Montgomery, AL

Alt: Mr. Ross Gunnells  
Montgomery, AL

Mr. Horace Horn  
Montgomery, AL

Honorable Alan Harper  
Northport, AL

Mr. James Lewis  
Demopolis, AL

Mrs. Anna Laurie McKibbens  
Tuscaloosa, AL

Mrs. Martha Stokes  
Carrollton, AL

**KENTUCKY**

Honorable Steven Beshear, Governor  
Frankfort, KY

Alt: Dr. Joe Ernest Ellis  
Benton, KY

Honorable Crit Luallen, Lt. Governor  
Frankfort, KY

Alt: Mr. Brian Roy  
Benton, KY

Mr. Donald Elias  
Murray, KY

Mr. Romey Holmes  
Mayfield, KY

Mr. Jerry Pace  
Barlow, KY

**MISSISSIPPI**

Honorable Phil Bryant, Governor  
Jackson, MS

Alt: Mr. Bobby Harper  
Columbus, MS

Mr. Nick Ardillo  
Columbus, MS

Mr. Bill Cleveland  
Tupelo, MS

Mr. Bud Phillips  
Columbus, MS

Mr. Dale Pierce  
Aberdeen, MS

Mrs. Martha Segars  
Iuka, MS

**TENNESSEE**

Honorable Bill Haslam  
Nashville, TN

Alt: Honorable Jason Rich  
Waynesboro, TN

Mr. John Bennett  
Chattanooga, TN

Mrs. Cathy Holland  
Nashville, TN

Mrs. Marty Marbry  
Memphis, TN

Commissioner Toks Omishakin  
Nashville, TN

Mrs. Paula Sedgwick  
Bartlett, TN

**STAFF**

Mr. Craig Stepan, Administrator  
Fairhope, AL

Mrs. Agnes Zaiontz, Business Manager  
Columbus, MS

## TENNESSEE-TOMBIGBEE WATERWAY DEVELOPMENT AUTHORITY

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS  
AND CHANGES IN FUND BALANCE

## ALL GOVERNMENTAL FUND TYPES

(Modified Cash Basis)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

See Independent Accountants' Review Report

	<u>Governmental Fund Type General 2013</u>	<u>Governmental Fund Type General 2012</u>
<b>REVENUES</b>		
Appropriations from:		
State of Alabama	\$ 100,000	\$ 63,673
Commonwealth of Kentucky	50,000	50,000
State of Mississippi	200,000	163,741
State of Tennessee	40,000	40,000
Interest income	147	2,317
Rent and other income	<u>18,075</u>	<u>18,050</u>
Total revenues	408,222	337,781
<b>EXPENDITURES</b>		
Authority meetings and expense	61,569	68,798
Salaries	29,333	24,000
Payroll taxes	2,296	2,604
Postage and freight	2,526	2,300
Telephone and fax	7,721	6,824
Publicity and promotion (net of reimbursements)	20,898	4,320
Travel - staff	11,064	12,413
Dues, subscriptions and publications	4,340	3,782
Insurance	3,407	1,785
Employee benefits	7,628	6,761
Employee retirement (Note F)	5,320	4,734
General office expense	17,152	18,278

( Continued )

The accompanying notes are an integral part of these statements.

**STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS  
AND CHANGES IN FUND BALANCE**

**ALL GOVERNMENTAL FUND TYPES**

(Modified Cash Basis)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

See Independent Accountants' Review Report

	<u>Governmental</u> <u>Fund Type</u> <u>General</u> <u>2013</u>	<u>Governmental</u> <u>Fund Type</u> <u>General</u> <u>2012</u>
<i>EXPENDITURES</i> (Continued)		
Rent (Sixteenth Section lease)	\$ 2,900	\$ 2,900
Consulting and professional fees	92,013	91,780
Repairs and maintenance	9,388	9,718
Building utilities	8,670	8,131
Interest	13,328	16,762
Depreciation (Note C)	<u>10,970</u>	<u>10,970</u>
Total expenditures	<u>310,523</u>	<u>296,860</u>
Excess of modified cash operating receipts over modified cash operating disbursements	97,699	40,921
Fund balance, beginning of the year	<u>367,437</u>	<u>326,516</u>
Fund balance, end of the year	<u>\$ 465,136</u>	<u>\$ 367,437</u>

The accompanying notes are an integral part of these statements.

## TENNESSEE-TOMBIGBEE WATERWAY DEVELOPMENT AUTHORITY

2

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS  
AND CHANGES IN FUND BALANCE

## ALL GOVERNMENTAL FUND TYPES

(Modified Cash Basis)

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

See Independent Accountants' Review Report

	Governmental Fund Type <u>General</u> <u>2014</u>	Governmental Fund Type <u>General</u> <u>2013</u>
<b>REVENUES</b>		
Appropriations from:		
State of Alabama	\$ 100,000	\$ 100,000
Commonwealth of Kentucky	75,000	50,000
State of Mississippi	200,000	200,000
State of Tennessee	50,000	40,000
Interest income	1,613	147
Rent and other income	19,326	18,075
Total revenues	445,939	408,222
<b>EXPENDITURES</b>		
Authority meetings and expense	69,738	61,569
Salaries	24,000	29,333
Payroll taxes	1,836	2,296
Postage and freight	1,055	2,526
Telephone and fax	7,191	7,721
Publicity and promotion (net of reimbursements)	58,205	20,898
Travel - staff	7,309	11,064
Dues, subscriptions and publications	4,775	4,340
Insurance	3,631	3,407
Employee benefits	7,761	7,628
Employee retirement (Note F)	3,780	5,320
General office expense	10,924	17,152

**WORKING DRAFT**  
**DISCUSSION PURPOSES ONLY**

( Continued )

The accompanying notes are an integral part of these statements.

## TENNESSEE-TOMBIGBEE WATERWAY DEVELOPMENT AUTHORITY

3

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS  
AND CHANGES IN FUND BALANCE

## ALL GOVERNMENTAL FUND TYPES

(Modified Cash Basis)

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

See Independent Accountants' Review Report

	Governmental Fund Type <u>General</u> <u>2014</u>	Governmental Fund Type <u>General</u> <u>2013</u>
<i>EXPENDITURES</i> (Continued)		
Rent (Sixteenth Section lease)	\$ 2,900	\$ 2,900
Consulting and professional fees	92,085	92,013
Repairs and maintenance	11,032	9,388
Building utilities	9,652	8,670
Interest	12,689	13,328
Depreciation (Note C)	<u>11,621</u>	<u>10,970</u>
Total expenditures	<u>340,184</u>	<u>310,523</u>
Excess of modified cash operating receipts over modified cash operating disbursements	105,755	97,699
Fund balance, beginning of the year	<u>465,136</u>	<u>367,437</u>
Fund balance, end of the year	<u>\$ 570,891</u>	<u>\$ 465,136</u>

WORKING DRAFT  
DISCUSSION PURPOSES ONLY

The accompanying notes are an integral part of these statements.

**Exhibit C**[JOBS](#) | [NEWS & EVENTS](#) | [NEWSLETTER](#) | [RESOURCES](#) | [PHOTOS](#) 

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- [Home](#)
- [For Business & Industry](#)
- [History of the Tenn-Tom](#)
- [Organizations](#)
- [Recreation on the Tenn-Tom](#)
- [Request Info](#)
- [Transportation Museum](#)

[Home](#) >> [Site Map](#)

## Site Map

### Tennessee-Tombigbee Waterway

- [News & Events](#)
- [Newsletter](#)
- [Resources](#)
- [Photos](#)
- [Contact Us](#)
- [El Canal De Tennessee-Tombigbee](#)
- [For Business & Industry](#)
  - [Why Use the Waterway](#)
    - [Shipping Comparisons](#)
  - [Using the Tenn-Tom](#)
    - [Ports](#)
      - [Yellow Creek State Inland Port Authority](#)
      - [Port of Itawamba](#)
    - [Locks and Dams](#)
      - [Tennessee River Locks](#)
      - [Black Warrior Tombigbee Waterway Locks](#)
      - [Tennessee-Tombigbee Waterway Locks](#)
      - [Tom Soya Grain Company – Amory](#)
      - [Amory Port](#)

- [Aberdeen Port](#)
- [Clay County Port](#)
- [Tom Soya Grain Company – West Point](#)
- [Lowndes County Port](#)
- [Pickens County Port](#)
- [Aliceville River Terminal](#)
- [Bevill-Hook Port](#)
- [Crossroads of America Port](#)
- [Port of Epes](#)
- [Paducah/McCracken County Riverport](#)
- [Bailey River Port, Inc.](#)
- [Herbert Sangravl, Co., Inc.](#)
- [Hunter Marine Transportation Inc.](#)
- [Hailey's Harbor River Transportation Terminal](#)
- [Cherokee Marine Terminal](#)
- [Hardin County Port Authority](#)
- [Yellow Creek State Inland Port Authority](#)
- [Port of Florence](#)
- [Mallard-Fox Creek River Port](#)
- [Decatur/Morgan County Port Authority](#)
- [Port of Guntersville \(ACBL\) Bulk Handling Terminal](#)
- [North Alabama Shipping and Mining Company](#)
- [Alabama State Docks Department](#)
- [Port of Nickajack](#)
- [Mid-South Terminals](#)
- [JIT Chemical Corporation](#)
- [Tellico Public Use Terminal](#)
- [Burkhart Enterprises](#)
- [Lyon County Port](#)
- [Divide Cut](#)
- [Bridges](#)
- [Barge and Tow Companies](#)
- [Fueling Stations](#)
- [Navigation](#)
- [Marine Highway Status](#)
- [Land Transport](#)
- [Economic Development Agencies](#)
  - [Alabama Economic Development Agencies](#)
  - [Kentucky Economic Development Agencies](#)
  - [Mississippi Economic Development Agencies](#)
  - [Tennessee Economic Development Agencies](#)
- [Maps](#)
- [Available Property](#)
  - [Alabama Available Sites and Buildings](#)
    - [Baldwin County, Alabama](#)
    - [Choctaw County, Alabama](#)

- [Clarke County, Alabama](#)
  - [Fayette County, Alabama](#)
  - [Franklin County, Alabama](#)
  - [Greene County, Alabama](#)
  - [Lamar County, Alabama](#)
  - [Marengo County, Alabama](#)
  - [Marion County, Alabama](#)
  - [Mobile County, Alabama](#)
  - [Pickens County, Alabama](#)
  - [Sumter County, Alabama](#)
  - [Washington County, Alabama](#)
  - [Kentucky Available Sites and Buildings](#)
  - [Mississippi Available Sites and Buildings](#)
  - [Tennessee Available Sites and Buildings](#)
- [Economic Impact](#)
  - [Industry Along the Waterway](#)
- [History of the Tenn-Tom](#)
  - [Construction](#)
  - [Special Economic Programs](#)
  - [Wildlife Mitigation](#)
- [Organizations](#)
  - [TTW Development Council](#)
    - [Board](#)
    - [Join](#)
  - [TTW Development Authority](#)
    - [Members](#)
  - [Tourism Association](#)
    - [Board](#)
    - [Join](#)
    - [Alabama Tourism Organizations](#)
    - [Kentucky Tourism Organizations](#)
    - [Mississippi Tourism Organizations](#)
    - [Tennessee Tourism Organizations](#)
  - [Presentations](#)
  - [Awards & Recognition](#)
- [Recreation on the Tenn-Tom](#)
  - [Marinas](#)
- [Transportation Museum](#)
  - [Board](#)
  - [History of the Museum](#)
  - [Exhibits](#)
  - [Newsletter](#)
  - [Donate](#)
  - [Donors](#)

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- [FOR BUSINESS & INDUSTRY](#)
- [HISTORY OF THE TENN-TOM](#)
- [ORGANIZATIONS](#)
- [RECREATION ON THE TENN-TOM](#)
- [TRANSPORTATION MUSEUM](#)

• **NEWS & ANNOUNCEMENTS**

- [2015 Tenn-Tom Waterway Development Opportunities Conference](#)
- [2015 Alabama-Mississippi Rural Tourism Conference – October 19-21](#)
- [Job Opportunities](#)
- [2014 Tenn-Tom Waterway Development Opportunities Conference Presentations](#)

• **LOCK CLOSURES**

Fulton Lock Closure (August 6 - 20, 2015)

Tennessee-Tombigbee Waterway | PO Drawer 671, Columbus MS 39703 | Phone: 888-836-6866 | FAX: 662-328-0363

[Economic Development Along the Tennessee-Tombigbee Waterway](#) | [Ports Along the Waterway](#) | [Barge and Tow Companies for Mississippi, Kentucky, Alabama, Tennessee](#) | [Rail Lines](#) | [Land Transportation](#) | [Kentucky Available Land and Buildings](#) | [Mississippi Available Sites and Buildings](#) | [Alabama Available Sites and Buildings](#) | [Tennessee Available Land and Sites](#) | [Tennessee-Tombigbee Waterway Navigation](#) | [Tenn-Tom Maps](#) | [Economic Impact of the Waterway](#)

[Website design and development by Kathy Jacobs Design & Marketing, LLC](#)

[Site Map](#)



## SERVICES AGREEMENT

**THIS SERVICES AGREEMENT** (the "Agreement") is made and entered into by and between the Tennessee Tombigbee Waterway Development Authority of 318 7<sup>th</sup> Street North Columbus, Mississippi (the "TTWDA") and Superior Shipping & Consulting Services, LLC of 307 Cumberland Road Fairhope, Alabama (the "SSCS") and is effective as of February 23, 2015.

### WITNESSETH

SSCS provides rail, marine and truck transportation consulting services. TTWDA desires to engage SSCS to perform services as further described herein for TTWDA, and SSCS desires to provide such services to TTWDA, on the terms and conditions hereinafter set forth.

For good and other valuable consideration, the receipt of which is hereby acknowledged, the undersigned hereby agree that the terms of the Agreement which are hereby stated in its entirety to provide as follows:

1. **Services.** SSCS agrees to provide to TTWDA the following services, including but not limited to the following: formulating and implementing the policies, programs and other related activities of TTWDA; managing all aspects of the TTWDA office in Columbus Mississippi (the "Office"), including but not limited to recruiting, hiring, supervising and terminating all TTWDA employees; maintaining a daily presence in the Office during normal business hours when not travelling on TTWDA business; traveling for TTWDA business; attending waterway-related conferences and waterway-related meetings; planning and attending the TTWDA Annual Developmental Opportunities Conference and all TTWDA quarterly meetings; and submitting monthly activity reports for the Administrator and the TTWDA staff to the TTWDA Executive Committee (the "Services"). SSCS will exercise its independent business judgment and initiative when providing the Services.

SSCS will furnish J. Craig Stepan to deliver the Services. For purposes of interacting with the public Mr. Stepan will be referred to as the Administrator of TTWDA. He will also serve as Secretary of the TTWDA and President of the Tennessee Tombigbee Waterway Development Council (the "Council"). Unless travelling on TTWDA business, Mr. Stepan will be in the Office during normal business hours.

2. **Term.** The initial term of this Agreement will be for three (3) years.
3. **Termination of Agreement.** Either party may terminate this Agreement at any time with written notice.

  
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4. **Review.** TTWDA and SSCS will meet at least annually to review SSCS' performance of Services, to add new projects to the Services, and/or to modify existing Services.
5. **Exclusivity.** During the term of this Agreement SSCS will provide its Services exclusively to TTWDA on a full-time, non-assignable basis. SSCS, Mr. Stepan and SSCS employees, if any, have completed any and all current services for clients and will not actively seek new business.
6. **Conflict of Interest.** SSCS shall not accept any payment or other benefit in money or in kind from any source as an inducement or reward for any act or forbearance relating to any matter or business transaction by or on behalf of the TTWDA.
7. **Invoices and Fees.**
  - a.) **Fees.** With respect to Services, TTWDA will pay SSCS a monthly fee of \$10,442.00.
  - b.) **Invoices.** SSCS will issue monthly invoices to TTWDA. Payment is due and payable on the last business day of the month. TTWDA is responsible for paying any and all sales, use and other taxes or governmental fees on or with respect to the Services.
8. **Expenses.** TTWDA shall reimburse all approved expenses incurred in the performance of Services. SSCS will submit expenses to the TTWDA Office manager and TTWDA Treasurer for review and subsequent reimbursement. Such expenses will conform to the TTWDA Policies and Guidelines which is attached as Exhibit A.
9. **Work Product.** All information developed and work product will be the sole property of TTWDA and/or the Council.
10. **Transportation.** The Council shall provide SSCS with a suitable vehicle for transportation. The Council will provide all reasonable costs and expenses associated with the operation of said vehicle for the full time use of SSCS. It is further understood and agreed that SSCS will be solely responsible for any tax liability generated by the personal use of said vehicle, including but not limited to Mr. Stepan's commute from his residence to the Office.
11. **Paid Time Off.** SSCS and Mr. Stepan acknowledge and understand that maintaining a presence in the Office is a critical aspect of the Services. Thus SSCS shall receive paid time off ("PTO") for twenty-six (26) days annually for Mr. Stepan. SSCS and Mr. Stepan acknowledge and understand that Mr. Stepan may not use more than ten days of PTO consecutively without previous notification to TTWDA or, in the case of illness, notification as soon as feasible.

JCS  
B.R.

The Office observes all Federal holidays by closing the office; therefore, Services will not be expected on such holidays. PTO will not accumulate year over year. In the event SSCS is unable to provide services for any reason after twenty-six (26) days of PTO, TTWDA may cease paying SSCS until SSCS resumes providing Services and/or terminate the Agreement without liability.

12. **Limited Warranty and Disclaimer of All Other Warranties.** SSCS WARRANTS THAT THE SERVICES WILL BE PERFORMED IN A PROFESSIONAL MANNER. THE FOREGOING WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES, ORAL OR WRITTEN, EXPRESS, IMPLIED OR STATUTORY, CONCERNING THE SERVICES.
13. **Non-Solicitation.** TTWDA and any of its affiliates will not, directly or indirectly, interfere with any of SSCS's contractual or employment relationships, including, but not limited to, hiring any of SSCS's employees or any of its affiliates employees or inducing them to terminate employment with SSCS or such affiliate or to violate his or her employment, covenant not to compete or other agreement, if any, with SSCS or SSCS affiliate.
14. **Independent Contractor; Taxes.** Nothing contained in this Agreement shall be deemed to create a partnership, joint venture or similar relationship between TTWDA and SSCS. The TTWDA and SSCS's relationship shall be that of independent parties contracting for services. Moreover, pursuant to Title 71 of the Code of Mississippi of 1972, Mr. Stepan is independent contractor who continue to be free from control and direction over the performance of Services both under this Agreement and in fact. Any and all withholding taxes, pension eligibility, workers compensation coverage unemployment tax liability and state wage and hour requirements, insurance or other benefits will be the sole responsibility of SSCS and Craig Stepan.
15. **Notices.** Any notice, approval or other communication which may be required or permitted to be given or delivered hereunder shall be in writing and shall be deemed to have been given, delivered and received if mailed or delivered to the party at the address set for the below (i) as of the date when the notice is personally delivered (to the general partner, if the addressee is a partnership or to any officer (if none is designated) if the addressee is a corporation) and/or (ii) if mailed, in the United States Mail, certified, return receipt requested, as of the date which is three (3) days after the date of the postmark on such notice and/or (iii) if delivered by courier or express mail service, where the carrier provides or retains evidence of the date of delivery, as of the date of such delivery.

To TTWDA: Tennessee Tombigbee Waterway Development Authority  
ATTENTION: VICE CHAIRMAN  
318 7<sup>th</sup> Street North  
Columbus, Mississippi 39701

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3.12.

To SSCS: Superior Shipping & Consulting Services, LLC  
ATTENTION: J. CRAIG STEPAN  
307 Cumberland Road  
Fairhope, Alabama 36532

16. **Confidentiality.** The terms and conditions of this Agreement shall be held in the strictest confidentiality except as required by law or as necessary to secure approval.
17. **Force Majeure.** Each party shall be excused from delays in performing or from failing to perform its obligations under this Agreement to the extent the delays or failures result from causes beyond the reasonable control of such party, including, but not limited to, sabotage, accidents, acts of God, acts of terrorism or war, U.S. or foreign governmental actions, labor shortages or strikes, communications or utility interruption or failure, fire, flood or epidemic.
18. **Assignability.** Neither Party shall be permitted to assign any of its rights or obligations under this Agreement to any third party, whether by operation of law or otherwise, without the prior written consent of the other Party.
19. **Facsimile or E-mail Execution.** For purposes of this Agreement, a document (or signature page thereto) signed and transmitted by facsimile machine or electronic mail is to be treated as an original document. The signature of any party on such document, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the request of any party, any facsimile or electronically transmitted document shall be re-executed in original form by the parties who executed the facsimile or electronically transmitted document. No party may raise the use of a facsimile machine or electronic mail or the fact that any signature was transmitted through the use of a facsimile machine or electronic mail as a defense to the enforcement of this Agreement or any amendment or other document executed in compliance with this Article.
20. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Mississippi, United States of America, without regard to its conflicts of law principles. If any provision herein is declared invalid, illegal, void or otherwise unenforceable, such provision shall be deemed to have been severed and all remaining provisions of this Agreement shall remain in full force or effect.
21. **Entire Agreement.** This Agreement contains the entire agreement of the parties and there are, and were, no verbal representations, understandings, stipulations, statements, agreements or promises pertaining to this Agreement not contained herein shall be binding upon the parties unless endorsed in writing. No

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modification, amendment or waiver will be effective unless in writing and signed by both parties.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

**TENNESSEE TOMBIGBEE WATERWAY DEVELOPMENT AUTHORITY**

By: Brian S. Roy  
Brian Roy  
Its: Vice Chairman

**SUPERIOR SHIPPING & CONSULTING SERVICES, LLC**

By: J. Craig Stepan  
J. Craig Stepan  
Its: Manager