

## Linked Objects:



Grain elevator incident spurs questions, probe

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Only in these times — while the State Ports Authority searches for a new chief executive and watches its biggest customer, Maersk Line, gradually ship out — could something as unexciting as an abandoned grain elevator become central to a political debate and a criminal investigation.

The back story begins rather mundanely: Months ago, an Indiana cooperative eyed resurrecting the elevator. Representatives from Co-Alliance LLC courted local business leaders who, in turn, reached out to lawmakers, pumping up the proposal as a potential boon for the state economy.

Then, in November, those representatives noticed pricey copper wire missing from the elevator, leading one Co-Alliance executive to suggest that SPA employees, at a minimum, discouraged the deal and, at most, sabotaged it.

The then-head of the SPA responded that the agency had been working in good faith with Co-Alliance and that it had moved immediately to get to the bottom of the theft by calling in the State Law Enforcement Division. The port also asked for the company's assistance in the missing-wire investigation.

Senate President Pro Tem Glenn McConnell said learning about the company's experience marked the moment when he "came to the conclusion (SPA officials) had lost their focus on their role to be an economic engine and to create jobs."

McConnell, R-Charleston, has since thrown his support behind a Senate bill that would restructure the agency's board.

McConnell and Sen. Larry Grooms, R-Bonneau, both said that maritime business leaders had contacted them months before the copper incident, worried the port would lose Co-Alliance. Grooms said he then spoke with the cooperative's representatives, who told him their impression was that SPA officials "really don't want our business."

The SPA had planned to demolish the grain elevator, which had not been used since the S.C. Farm Bureau pulled out in 2003. The agency had already ripped up nearby railroad tracks, installed refrigerated container slots and planned to use that space to expand its container-storage operations.

Co-Alliance promised to hire at least a dozen people to run the elevator, while creating jobs for maritime workers, such as truck drivers, stevedores and freight forwarders. It also

offered to schedule work at night to minimize conflicts with existing container operations, according to McConnell.

Grooms, who is sponsoring the SPA restructuring bill, said the cooperative would have brought the potential to buy much of the corn and wheat produced in the state.

"The lesson with Co- Alliance is that you had a customer wanting to use a port asset and, rightly or wrongly, they felt the SPA didn't want their business," Grooms said. "How many customers feel the same way?"

In a Dec. 8 letter to then-SPA Chief Executive Officer Bernard S. Groseclose Jr., Co-Alliance's grain division manager John Brammeier said his company first learned about the damage to the silo in late November. A port police incident report dates to August, when Co-Alliance toured the facility.

"Your people are calling it vandalism, but I have some reservation of whether it really is vandalism, or an orchestrated project to do enough damage to make it impossible for Co-Alliance to continue to do their due diligence," Brammeier wrote. "It would seem that it would be quite a coincidence that the elevator has been vacant for five to ten years and never had anything happen, and as soon as there is a party interested in bringing the asset back to life, things start to disappear."

The letter goes on to suggest that SPA employees made comments about a man who took the wiring and a supervisor who told them to keep mum. The letter also states that Co-Alliance initiated every meeting with the SPA and that representatives of the cooperative were told at each one why their proposal would not work.

Groseclose said in his response that the SPA worked cooperatively with Co-Alliance and that it continued to evaluate the potential effects, such as losing about 20 percent of the port's refrigerated container storage area, if the grain elevator was reactivated.

He also pointed out that port police determined the vandalism and theft occurred "some time ago" and that the SPA had requested an independent SLED investigation.

"If there has been any wrongdoing by Ports Authority employees, we want to know about it and we want to see justice," Groseclose wrote in his letter. "I ask for Co-Alliance's cooperation with the investigation, specifically with regard to the comments and actions that you attributed to 'port employees.' "

A SLED official said the probe remains open.

Grooms said he doubts any SPA connection to the wire theft, but added, "The strange thing is it happened behind a secure area."

Groseclose resigned during a performance evaluation at a January SPA board meeting, leaving former board member and maritime-industry leader John Hassell at the helm until the agency finds a permanent replacement.

Co-Alliance Chief Executive Officer Kevin Still said in a recent interview that the cooperative maintains interest in the North Charleston grain elevator under Hassell's leadership.

"We're excited about the opportunity," Still said. "We like the people we're dealing with now. But, obviously, the economy is playing a role."

Still did not reveal details of the discussions but said he hoped to have "something settled" by late summer.

Hassell said the deal could help South Carolina farmers expand the market for their goods and that the SPA supports in that direction.

"I think this is an attractive opportunity for the authority to use an asset that has been offline for many years," he said. "It makes sense for us to do everything we can to benefit the farming community of South Carolina, as well as the authority."

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