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CBP mandates electronic in-bond filing

CBP would like to do away with in-bond entries altogether. The trade community derives great benefit from the ability to move goods across the U.S. under bond and has pushed back on any suggestion the program could be scrapped.

So carriers have been anticipating what the new in-bond process might look like for five years, after Customs and Border Protection proposed a new rule in February of 2012. CBP issued the changes in a final rule on September 28, 2017 which will, among other things, mandate electronic filing for in-bond shipments.

When importers bring cargo to the U.S., they can make entry at the port of arrival — that is, enter the cargo into commerce and pay the appropriate duties — or they can transport the cargo under bond to another U.S. destination without formal entry. Once the cargo arrives at the final U.S. destination, the importer can enter the goods or export them to another country.

"The new requirements are effective November 27, 2017, only 60 days after the final rule was published," said Exchange IT Director Michael Fink, who is responsible for ensuring necessary changes are made to the TRACS cargo manifesting system. "However, CBP has included 'flexible enforcement' language in the rule, which allows for a 90-day informed compliance period after the effective date." Carriers may be considered for flexible enforcement as long as they are showing progress toward compliance and making good-faith efforts.

"The publication of the in-bond final rule represents almost 10 years of collaborative effort between CBP and the trade community — including carriers, facility operators, importers, software providers and customhouse brokers to achieve the goals of more transparency, better accountability and utilization of automated and modernized processes for in-bond shipments," said a CBP spokesperson. "While this rule will become effective on November 27, 2017, the full implementation of this rule will be phased in over at least 90 days. CBP will implement this rule in ways that will create the least disruption and allow for as much flexibility as can be accommodated going forward."

Electronic Filing

At its core, the rule automates the in-bond process. Carriers must electronically submit in-bond requests, and once the cargo arrives at the in-bond destination, they must electronically transmit arrival data. New to the process is that filers must report the destination using a FIRMS — Facility Information Resource

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Fair winds, dear friend



It is with the most profound sadness that the Maritime Exchange board and staff say goodbye to friend and colleague H. Hickman Rowland, Jr., who passed away on November 12. A member of the Maritime Exchange board and its Executive Committee, Hick lent his wisdom and expertise on matters of importance to the membership since 1991. His unfailing good cheer, consummate graciousness, and sweeping generosity endeared him to all who had the good fortune to work with him and get to know him.

Our condolences go out to the Rowland family and the entire Delaware River maritime community.

Exchange launches new awards program

"Unsung Hero" award to recognize workaday achievements

To paraphrase Jane Austen, it is a truth universally acknowledged that individuals look to their trade associations for opportunities to participate in recognition programs.

In the Delaware River region, it is equally acknowledged that the various networking and charitable organizations do an outstanding job of honoring maritime industry movers and shakers. The Chilean & American Chamber, the seafarer welfare groups, and the maritime societies are just a few of the organizations that bestow awards upon deserving members of our port community each year.

So why not the Maritime Exchange for the Delaware River and Bay?

"Historically, the Maritime Exchange has purposely refrained from two activities: sponsoring a regular luncheon or dinner program and giving awards," said President Dennis Rochford. "Primarily, we've kept out of this mix because we never wanted to compete with the other organizations in this arena. It also never seemed particularly necessary, given the other award programs and banquet events out there. Exchange members have always had numerous opportunities to interact with each other without our adding yet another event to the calendar."

Even so, the Exchange staff continually looks for ways to provide additional services to members and to keep them engaged with the organization. A member recognition program is one of a number of ideas that has recently surfaced to help the Exchange meet its goals.

So how does a trade association start a new award program without adding another banquet event or competing with existing organizations' programs?

Enter the newly created "Unsung Hero" award program, which the Exchange will launch in 2018.

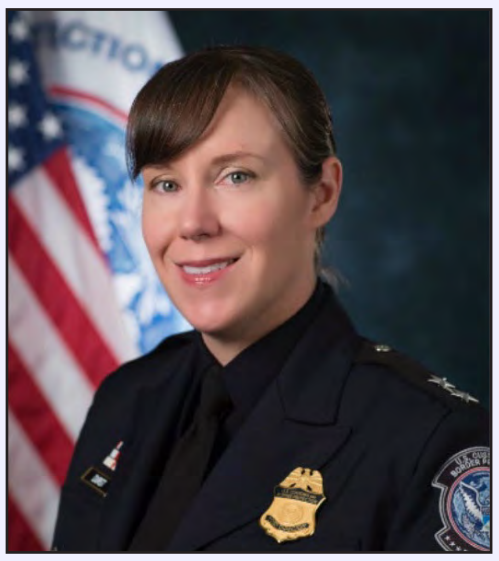
"This is unique among awards programs in our community. Instead of honoring port business leaders or customers, the 'Unsung Hero' awards will recognize those individuals who toil on the front lines every day to make our port more competitive, safer, more secure, and more environmentally healthy," said Exchange Chairman John Reynolds. "It will give members who are not actively involved in the issues we address a way to participate with the Exchange, and — equally importantly — the new program will serve as a vehicle through which members can gain recognition among their peers and their customers."

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Interview with

Casey Durst

Director, Baltimore Field Office
U.S. Customs & Border Protection



As Director of the Baltimore Field Office, Casey O. Durst is responsible for CBP operations in Delaware, Pennsylvania, and southern New Jersey as well as Maryland and northern Virginia. In her area of responsibility are 23 ports of entry processing more than $101 billion in goods each year. While Director Durst took on her new role earlier this year, she formally assumed command of the Baltimore Field office at a ceremony on August 17. She recently took time to respond to questions the Exchange gathered from Delaware River seaport stakeholders.

Q: For many years, the primary concern on everyone's mind — including the Congress, CBP, and trade community members — is the persistent lack of adequate CBP staffing at our nation's ports of entry. Can you provide a brief update on the current status of hiring initiatives generally and specifically at Delaware River ports?

A: Customs and Border Protection is in the midst of a hiring effort to meet Congressional mandates and the President's enforcement priorities. CBP is experiencing staffing gaps across the nation and particularly along the Southwest border. Closer to home, the Baltimore Field Office is also experiencing staffing gaps, a challenge that I have aggressively pursued since assuming command in January. We have started to see some positive results. Over the last few months, we have added positions to the Port of Wilmington, which as one of our nation's top produce ports is a vital economic driver for the Delaware Valley and for our nation. I will continue to address staffing at Wilmington and at each of our other ports of entry, including Pittsburgh, Harrisburg, Philadelphia, Baltimore, and Washington Dulles.

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Future IT investment will grow exponentially

The landscape through which the Maritime Exchange must chart a path forward to serve members and the overall port community is shifting. The single most dynamic and far-reaching transformation falls within the realm of information technology.

While the changes — advances, really — are primarily reflected in the Maritime On-Line® suite of services we provide to port stakeholders, they are also embodied in so many of the other communications and publications disseminated to advance the mission and goals of the Maritime Exchange. This situation is not unique to us . . . it is commonplace throughout our economy and society.

Over the years, the Maritime Exchange has bulked up on IT infrastructure. It began in the mid-1980s when we created the first ship reporting database, and investment in computers and networking took off in 1988 as we began to develop the TRACS cargo manifesting system.

This trajectory continued into the early 2000s when we launched the Notice of Arrival/Departure On-Line and the Automatic Identification System modules of Maritime On-Line. We added stow plan functionality to TRACS in 2009 when CBP made that mandatory as well. And in between all that, the Exchange worked with NOAA and the Delaware River Port Authority to install and operate the Delaware River Physical Oceanographic Real-Time System, generally known as PORTS®.

Throughout this period and up until the present, the Exchange has continually upgraded Maritime On-Line to accommodate new regulatory requirements and the ever-changing and improved IT capabilities — and an increasingly sophisticated system participant base. This was all about responding to government mandates and staying on top of new technologies.

And of course, we have modernized the infrastructure to meet evolving software and communication demands of Maritime On-Line and our members. What was once a bank of 2400 baud modems and dumb terminals that served as the access point to TRACS in the 1980s is now a complex network of redundant high-speed internet circuits at multiple facilities that service a multi-platform web application.

Gone are the days when a simple antivirus program on a PC was sufficient to guard against hackers. Today, the Exchange invests heavily in multiple layers of system and data backups, antivirus and antispam tools, intrusion detection and prevention technologies, security policies and procedures, and ongoing cybersecurity awareness training for everyone on the staff.

Our team is, and has always been, active in committees and working groups, both local and national, to make sure we are informed and have a voice in shaping emerging federal automation and operational mandates. From the Exchange's TWIC Credentialing Workgroup and Maritime Operations Committee, to the Customs Electronic Systems Action Committee and National Maritime Security Advisory Committee, to meeting with members of Congress on key issues, we remain as committed to representing members on the legislative as on the technological front.

The Exchange continually reevaluates emerging technologies and trends to make sure we are keeping our systems modernized, compliant, and secure so that we can continue to contribute to the competitiveness of the region. Our success is certainly due in large part to the commitment of the members of the Exchange board of directors, who have consistently supported our efforts to develop, upgrade, and maintain a successful community-based system for nearly 30 years.

It is also due to the three states, which have provided funding for some of our development and acquisition costs in true partnership fashion.

As we look ahead, it is clear the type and speed of technological advancement we will undertake in the next two to five years will greatly exceed what we have put in place over the past 15 to 20 years.





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Section 232 steel restrictions adversely affect ports, agriculture, and manufacturing

A study by the American Institute for International Steel captured the economic benefits of steel imports and the likely negative consequences that would accompany the imposition of the Trump Administration's planned trade restrictions on imported steel products.

President Trump signed an executive order last April requiring U.S. Secretary of Commerce Wilbur Ross to investigate steel imports under Section 232 of the Trade Expansion Act of 1962. Specifically, Trump called for a review of how purchasing steel from other nations threatens U.S. national security.

The September 1 AIIS study, titled "The 2016 National Economic Impact of Imported Iron and Steel Products on the U.S. Marine Transportation System and the U.S. Economy," was prepared by consulting firm Martin Associates and released by AIIS on September 12.

The study found that in 2016, U.S. importers brought 34.4 million tons of iron and steel products valued at $35.4 billion through the nation's seaports. These cargoes were responsible for 1.3 million jobs and nearly $240 billion of total economic activity, or 1.3 percent of the total U.S. GDP. Iron and steel imports also generated $62.7 billion in personal income and local consumption and $19.4 billion in federal, state, and local taxes.

"The effect of 232 restrictions on Delaware River ports would be dramatic," said Maritime Exchange President Dennis Rochford. "Shipments of steel are now the fourth largest commodity arriving at Delaware River ports based on number of vessel calls. An estimated one-third or more labor hours in this region are directly related to processing steel ships. Ship agents, brokers, pilots, tug operators, warehouses, truckers and many others, not only here but at other U.S. ports as well, would lose substantial business if restrictions on steel were to be put in place."

Such restrictions would affect both the availability and price of raw steel to downstream manufacturing industries, which in any number of cases could force U.S. companies to manufacture their products offshore.

In addition to the adverse impact on manufacturing, imposition of Section 232 tariffs and quotas would endanger the nation's agricultural exports. Trade retaliation against U.S. farm exports would be swift and certain with U.S. trading partners throughout the world. This would affect farm interests in every state.

Despite the initial call for fast action, events in Washington have overtaken the 232 review. "September brought a bit of good news for steel importers," said Richard Chriss, AIIS President & International Trade Counsel. "Commerce Secretary Wilbur Ross indicated that targeting steel imports with protectionist policies is not, at least for now, an immediate top priority for the Trump administration."

"This review is a mistake," Rochford said. "The potential ramifications go far beyond the maritime industry . . . they will cost jobs in the U.S. agricultural sector and position the U.S. as a target for retaliation from affected trading partners."

Channel deepening in the spotlight



Boise Butler (*left*), President of the International Longshoreman's Association Local 1291, joined U.S. Senator Bob Casey (D-PA), Leo Holt, President of Holt Logistics, Congressman Bob Brady (D-PA), Patrick Eiding, President of the Philadelphia Council AFL-CIO, and PhilaPort Chairman Jerry Sweeney at press conference at the Packer Avenue Marine Terminal to recognize the progress made to date to deepen the Delaware River channel from 40 to 45 feet. Members of the regional business community came out in full force, and the event generated a good deal of media buzz for the port. The last three contracts to complete this project have been awarded. By March of 2018, the New Jersey side of the channel should be deepened to 45 feet, and the remaining work on the Pennsylvania side will be finalized by October of 2018.



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PhilaPort breaks monthly cargo records

Port achieves its highest monthly cargo throughput for total tonnage, containers, and forest products

PhilaPort announced in late September that it had handled 667,069 metric tons of cargo in August, achieving its highest ever monthly total. The port of Philadelphia also broke new records for monthly container throughput, moving 54,185 twenty-foot equivalent units, and forest products, which reached 109,604 metric tons that month.

CEO Jeff Theobald credited the port's highly productive labor force, the marine terminal operators, and an improved perception of the port for the increased tonnage. "As we continue to upgrade our infrastructure and improve our systems, the word is getting out. That's why shippers are choosing PhilaPort as their preferred port," he said.

In the important container cargo segment, the prior record was 50,152 TEUs, reached in January 2017. The total tonnage of the cargo inside PhilaPort's August containers was 376,517 metric tons, which also constituted a new record.

Another new monthly volume record was broken in forest products. Several PhilaPort facilities handle this renewable resource, including the Philadelphia Forest Products Center, operated by Penn Warehousing & Distribution, the Tioga Marine Terminal, which is operated by Delaware River Stevedores, and the Packer Avenue Marine Terminal, operated by Greenwich Terminals. Leading categories include paper, pulp, and lumber. The former record for forest products was set back in September of 2016, when 108,980 metric tons crossed the docks.

"We are proud that we can increase cargo volumes while working on our Port Development Plan. Our goal is to minimize disruptions to customers while we construct the infrastructure necessary to improve the port, and so far, we are achieving the goal," said Greg Iannarelli, PhilaPort Senior Director of Business Development.

This year, PhilaPort has been a leader in growth rates among U.S. Northeast ports. Supply chain professionals list a number of factors to account for Philadelphia's impressive growth: the rising awareness of the port, shipper frustration with congestion and delays at competing ports, the growing number of large distribution centers in the region, and completed terminal improvements already increasing productivity.

PhilaPort Director of Marketing Sean Mahoney said, "In order to reach Governor Wolf's targets for the port, we need to keep growing volumes. August's numbers show we are heading in the right direction."

Senseny receives Lifetime Achievement Award from POWMS



At its annual dinner on November 7, the Port of Wilmington Maritime Society bestowed its first and only Lifetime Achievement award to Robert "Bobby" Senseny of the Diamond State Port Corporation.

Senseny joined the Port of Wilmington 1944 and has played a key role in the port's operations and growth ever since. In his role as Harbor Master, Senseny has safely docked and undocked thousands of ships — he was frequently the first person arriving ship captains met and the last one they saw before leaving the Port. He has been involved directly or indirectly in many aspects of the port's operation during his 73-year tenure there.

In 1999, the Diamond State Port Corporation recognized Senseny's hard work, dedication, unequalled knowledge of port operations by naming the port administration building after him. To say that Robert Senseny is an industry icon is an understatement.

Shown with Senseny *(center)* are Jeffrey Bullock *(left)*, Delaware Secretary of State and DSPC Board Chair and Eugene Bailey, the port's Executive Director.

Cybersecurity awareness training – lessons learned

It has been a year since Maritime Exchange staff began a formal cybersecurity training program. And while this training is only one piece of the organization's overall security program, it is absolutely one of the most important components.

Cybersecurity experts agree that among the greatest security risks to a company's network and systems is its own employees. Whether intentional or not, human action contributes more toward network breaches than any other attack vector. According to the IBM X-Force Threat Intelligence Index 2017, "spam email remains a primary tool in the attacker's toolkit, reinforcing the pervasiveness of malware and the potential for inadvertent insider attacks."

So what did the Exchange learn after a year of formal training?

First, our staff members are to be commended for their interest, participation, and performance in the web-based training modules, which must be completed in addition to their other tasks. Each session focuses on a specific topic, takes approximately 15 minutes to complete, and includes interactive tests to reinforce the training material.

To complement the training exercises, the Exchange conducts phishing exercises meant to simulate actual attacks. These include such emails as fake delivery requests and tracking numbers, order confirmations, online account verification requests, and sensational news stories. Each test uses various tactics to entice recipients to click on a link or open an attachment.

The Exchange staff did exceedingly well in avoiding these simulated attacks — as per the training, staff deleted the messages without clicking links or opening attachments. When in doubt, staff correctly forwarded the potential phish to the IT department for review.

However, the Exchange found that even the best training must be supplemented with more traditional measures, such as current backups, properly configured firewalls, intrusion detection and prevention systems, and anti-virus.

Case in point — a phishing exercise was conducted that included a vacation rental property confirmation and embedded hyperlink. Coincidentally, one staff member had recently booked a vacation property. Per training and company policy, the employee called the rental company by phone to verify the email's validity. The rental company said that yes, this was indeed a legitimate email.

Unfortunately, it was not. Though the employee did everything right, had this been a real attack rather than an exercise, the network could have been compromised.

This certainly does not undermine the need for training. Rather, it underscores the need for layered security of which training must be a key part.

The Exchange also believes the type of training is important. Annual cybersecurity awareness training that consists of a single, several-hour session can be effective, but it can also soon be forgotten by a majority of participants. In contrast, the Exchange promotes repetition and reinforcement via short, targeted sessions. And so far, it is paying off.

Maritime Exchange members are entitled to discounted cybersecurity awareness training. Contact us for more information.





High schoolers march off to "Boot Camp"

Each year, about 20 students from the Maritime Academy Charter High School form ranks, head to the Coast Guard Training Center in Cape May, N.J., and take part in a truly rigorous boot camp experience. The brainchild of Chief David Hentnick, a former Coast Guardsman who has taught at the school — and led the program — since he retired six years ago, the boot camp is among the most sought after of the many Maritime Academy programs. "While a very challenging experience for our cadets, interest in this program is huge. Each year, we have 70 to 80 kids signing up for the boot camp," Hentnick said. "Ultimately, only about 20 cadets are chosen according to our strict criteria for selection."

Senior Nichole G. is one of the many students who signed up this year. "I am interested in the boot camp experience because I like the challenge. I love taking on tasks head on. I hope to get a newly found confidence," she said.

Hentnick credits the popularity of the boot camp experience to both the nature of the program and its sheer uniqueness. "Cadets see the videos of previous boot campers, listen to other kids talk about it, and they want to get on board. Part of the pull is also the fact that it offers them an experience they simply would otherwise never get to have."

With his background as Coast Guard drill instructor, Hentnick is committed to making the experience intense and rigorous. He prepares cadets, meeting at least three times before they leave to give them some basics, such as how to form up. "We want them pushed, but not too taxed. We just give them a good taste," Hentnick said.

During the two-day camp, cadets interact regularly with Coast Guard recruits and company commanders, and they participate in activities such as fire-fighting simulation, swimming, life jacket and life raft training, and team-building activities. They also operate some of the equipment used in the maritime industry and act as crewmembers and supervisors during exercises while working towards achieving attainable goals.

"I enjoyed doing physical training every morning, learning new things, and getting taught how to tread water," said Brianna L. "It's a great experience . . . you learn new things and meet the people of the Coast Guard there. You learn how they treat each other and work as a team." Christian K. found the firefighting class most interesting. "I would recommend this because it's a good experience to have under your belt," he said.

Among the primary goals is to provide experience in seamanship and leadership and to build a genuine *esprit de corps*. Hentnick believes the overarching value of the boot camp experience lies in the self-confidence and courage it builds in participants. "Most of the kids have never been away from their homes or families, and they're far outside their comfort zones. After coming through it, they have a real sense of accomplishment. They know what it feels like to fight a fire while wearing pounds of heavy gear. They get a sense of the dedication it takes to serve their country in the Coast Guard. They come back and say 'Look what I did,' and they're no longer afraid to try something new," he said.

Despite its demands, cadets generally do not complain about the physical training. The biggest challenge for most is being away from home for the first time. For others, the real problem is the separation from their cell phones. "We only give them an hour a day to use their devices," Hentnick said. "That can be a real hardship for today's kids." But in the six years the program has been in existence, not one student has ever quit.

Former MACHS trustee and current Maritime Exchange director, Barbara Hunter believes the "Boot Camp experience is an exciting part of the overall formula for success. The students, or cadets as they are called, are being exposed to a variety of specialized courses. They are being encouraged by a group of dedicated teachers who are committed to their success. Kids are being transformed at MACHS."



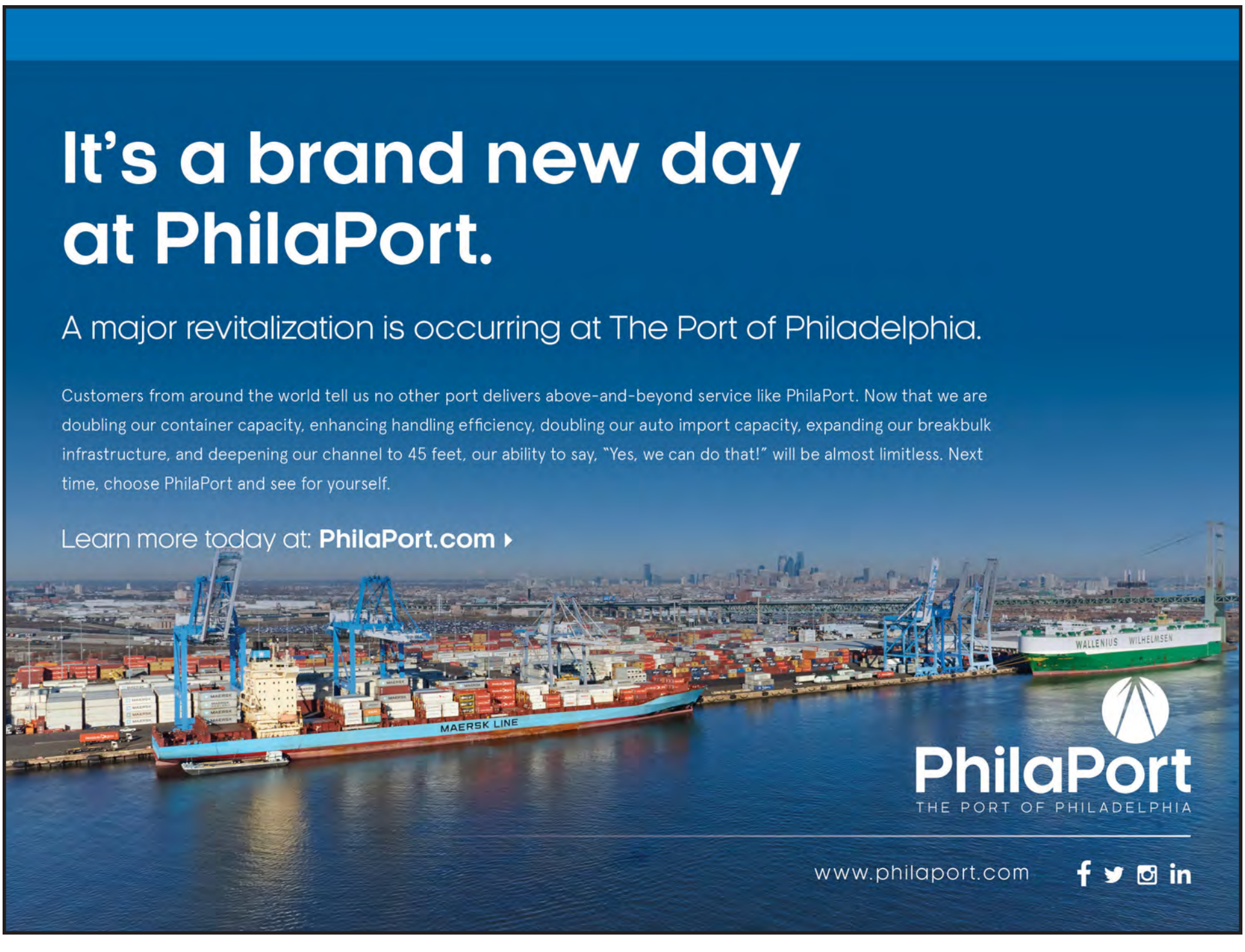
MACHS cadets hauling around on a mooring line of a vessel.

"In addition to the boot camp, the school has many tools in its toolbox to help our cadets prepare for maritime careers," said MACHS Board Chairman Eugene Mattioni. "Programs such as Sea Perch–Underwater Robotics, Sea Cadets, the Sailing Club, summer programs at SUNY Maritime — and many others — all help instill an appreciation of our nation's maritime heritage and an understanding of international maritime commerce, especially in and around Delaware River and Bay ports."

How to help

Hentnick first learned about the school while still on active Coast Guard duty when he was invited to speak to cadets. The school sponsors a monthly speaker series, inviting members of the maritime community to present information about their operations to the older students.

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Two months after Hurricane Maria, Delaware River ports continue to supply Puerto Rico



Eddystone Borough President Bill Stewart helps load relief supplies onto the first Crowley barge to depart from Penn Terminals bound for Puerto Rico.

The rash of natural disasters that has plagued the U.S. this fall has driven Americans of all stripes — and the companies that employee them — to want to lend a helping hand.

So it is with Exchange members Crowley Maritime Corp. and Penn Terminals, which have so far loaded and transported many thousands of tons of cargo to aid in Puerto Rico's recovery from Hurricane Maria, which made landfall there on September 20. Nationally, Crowley had hauled more than 9,500 shipments to the still-struggling island as of mid- October.

Crowley added six U.S.-flagged flat-deck barges to its fleet, a 40 percent increase in capacity, since the hurricane struck the island. "Given all that the island needs, we view all cargo — government and commercial — as vital to our recovery," said Jose "Pache" Ayala, Vice President, Puerto Rico services. "We are encouraged to see commercial customers slowly beginning to get back up and running."

Federal Emergency Management Agency shipments remain strong, and commercial cargo is increasing to more normal levels as retailers, manufacturers, and others slowly start to resume operations.

Michael Bresnahan is FEMA's Senior Director of Accountable Property and Support Services and served on the ground supervising operations at Penn Terminals until late October. "Most shipments have consisted of food and water," he said. "We've loaded four barges from the Delaware

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Local CBP announces new staff assignments

CBP recently announced new personnel assignments within the Area Port of Philadelphia. We thought it helpful to publish the changes and new CBP contact information for our readers.

Bruce Albright – relocated to airport
Philadelphia International Airport
Terminal A-West
Philadelphia, PA 19153
Office: 215-594-4117
bruce.j.albright@cbp.dhs.gov

Antonio Blackwell – new Chief of Tactical
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Donald J. Josey – new Port Director, Wilmington
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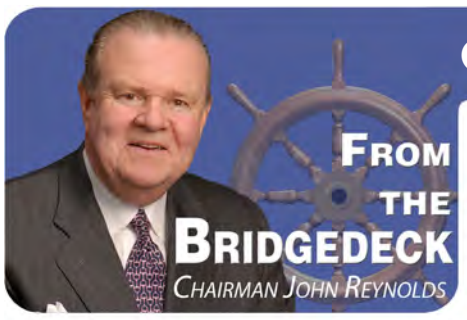
Kathleen M. Killian Schafer – new Trade Supervisor/CDSO
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Paul Mulhern – new Chief of Trade
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Paul Nardella – temporarily on personal leave
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paul.j.nardella@cbp.dhs.gov

Richard Powell – Assistant Port Director for Tactical in Paul Nardella's absence
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Cell: 215-581-8138
richard.p.powell@cbp.dhs.gov



Commodore John Barry – the other father of the U.S. Navy

The maritime history of Philadelphia has a lot of heroes, and one of the greatest is buried right here at the Old Saint Mary's Church at 252 South Fourth Street. How fitting that his first ship was the "USS Delaware," and his last command was the "USS United States" on March 6, 1801.

John Barry was born in 1745 at Ballysampson on Our Lady's Island in County Wexford, Ireland. The son of a poor tenant farmer evicted by his British landlord, Barry went to sea at an early age as a cabin boy on his uncle's fishing boat. At 17, Barry immigrated to Philadelphia where he sailed as mate on merchant ships. At 21, he was given his first command, the schooner "Barbados," sailing in the West Indies trade.

John Barry received his first Captain's commission in the Continental Navy on March 14, 1776, signed by John Hancock, President of the Continental Congress. Along with this commission went the command of Barry's first warship, the brig "Lexington." His war contributions are unmatched:

- He was the first to capture a British war ship on the high seas;
- He captured two British ships after being severely wounded in a violent sea battle;
- He overcame three attempted mutinies;
- He fought on land at the battles of Trenton and Princeton;
- He captured over twenty ships, including an armed British schooner in the lower Delaware River;
- He wrote a signal book that established a set of signals used for communication between ships; and
- He fought in the last battle of the American Revolution aboard the frigate "Alliance" in 1783.

On February 22, 1797, President George Washington called Barry to the President's Mansion at 190 Market Street in Philadelphia to receive Commission Number One in the U.S. Navy — this was backdated to June 4, 1794, the date of his original selection. The formal ceremony took place on Washington's birthday. Barry's title was thereafter Commodore, and he is recognized as not only the first American commissioned naval officer but also its first flag officer.

His last day of active duty was on March 6, 1801, when he brought the "USS United States" into Philadelphia, but he remained head of the Navy until his death on September 12, 1803.

There were four U.S. Navy ships named the "USS Barry." During World War II, a Liberty Ship was named the "SS John Barry." The Commodore Barry Bridge crosses the Delaware from Chester, Pa. to Bridgeport, N.J. A large statue of Barry stands in front of the formal entrance to Independence Hall. His grave is located in Society Hill. The list of commemorations of this humble Irishman goes on and on.

The Delaware River community can be very proud of all the contributions of this great hero.



CBP mandates electronic in-bonds

continued from page 1

Management System — code. Historically only assigned to bonded facilities, FIRMS codes will now be assigned to non-bonded facilities for purposes of in-bond arrivals. As of press time, CBP had not published a formal procedure to request a non-bonded FIRMS code.

Transit Time

With some exceptions, CBP is establishing a maximum of 30 days to transport in-bond cargo. Extension requests may be granted by the port director at the destination or export port.

"When merchandise is subject to examination, the time the cargo is held will not count against the transit time. The transit-time clock will begin on vessel arrival or CBP movement authorization, whichever is later," Fink said. "Filers should be aware that in-bond cargo diversions or filing new in-bond applications will not extend or reset the time clock."

Merchandise moving in-bond via barge carries a 60-day transit time limit, and pipeline cargo is exempt.

Cargo Description and Quantity

Filers must now use the Harmonized Tariff Schedule of the U.S., or HTSUS, to classify in-bond cargo. They must report the quantity as the "smallest external packaging unit" and describe the cargo with sufficient accuracy to enable CBP and other federal agencies to determine the contents of the shipment.

Transfers and Diversions

When in-bond merchandise is taken over by another carrier, the original filer must first transmit arrival data to close the in-bond, then the subsequent carrier must submit a new in-bond application. However, if a carrier maintains liability and simply transfers the cargo to another conveyance during transit, the carrier does not need to notify CBP.

Carriers must electronically request and receive approval from CBP prior to diverting in-bond cargo. If the diversion request is denied, the cargo must be transported to the original destination or port of exportation.

Seals and Mixed Merchandise

CBP is allowing the transportation of in-bond and non-bonded merchandise in a container or compartment that is not sealed as long as the in-bond cargo itself is properly corded and sealed or labeled as in-bond.

In addition, CBP is allowing shippers to remove and replace seals without CBP permission when transferring in-bond cargo to another conveyance, compartment, or container, or to gain access for other good reasons. An example is a request by local law enforcement to open a container during a traffic stop. In any case, filers must electronically transmit the updated seal numbers to CBP.

General Order

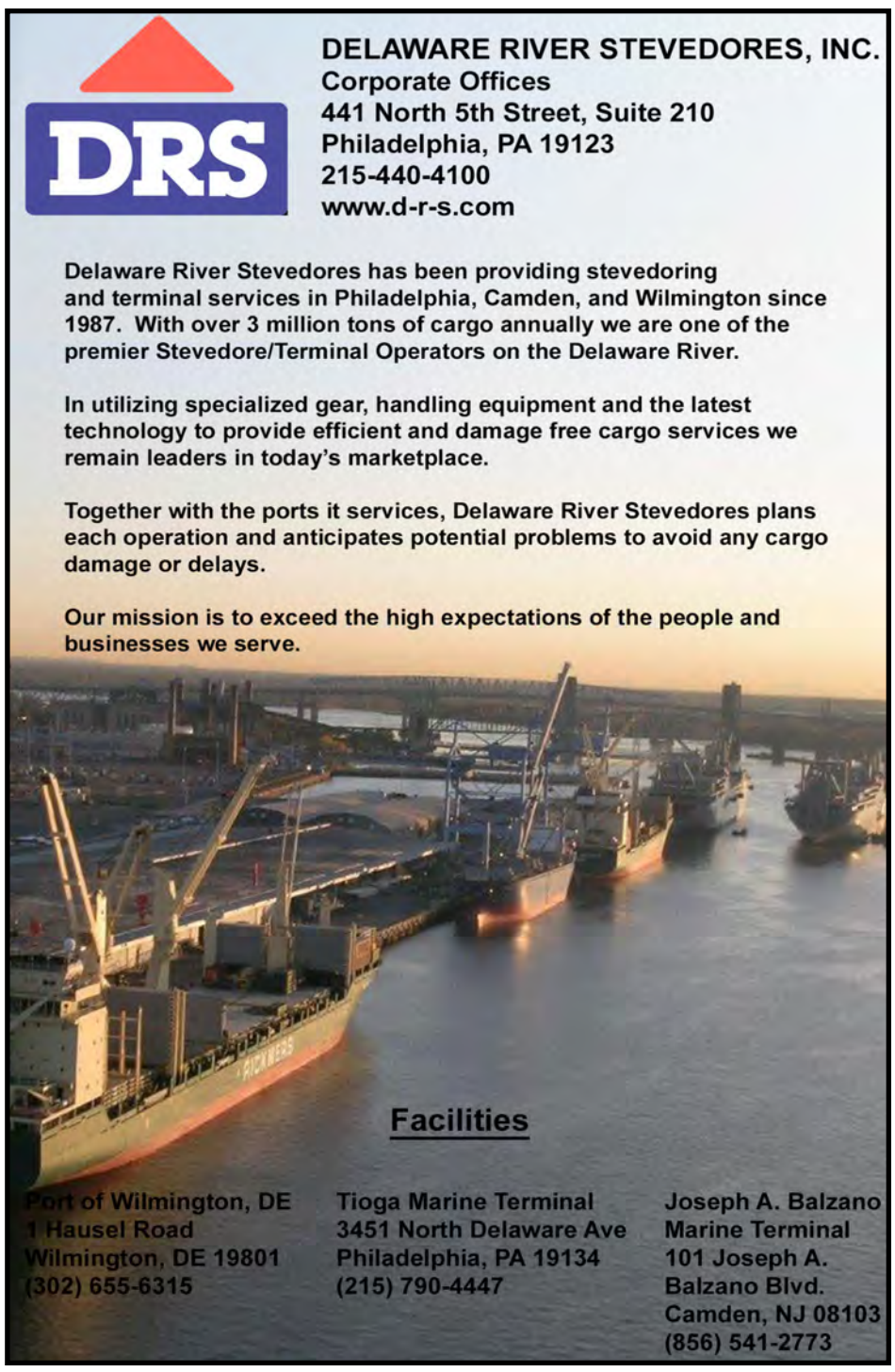
In-bond cargo that has arrived at the in-bond destination must be entered, exported, or admitted to a foreign trade zone within 15 days, or it will be sent to General Order, a status given to imports not cleared through CBP in a timely manner. Merchandise under G.O. can eventually be put up for auction or confiscated by the government. The "G.O. clock" begins on the date of arrival of the entire in-bond shipment.

Some of the requirements may represent significant changes for some carriers, and only time will tell if the flexible enforcement period will be long enough for them to make the necessary changes to their systems and processes. As it did with other major deployments, such as the 10+2 security filing implementation, CBP could decide to extend the informed compliance period for this rule.

"The Exchange reviewed TRACS for any necessary changes. On the surface, it appears that any programming changes will be minor in scope, and the primary effect will be operational," Fink said.

The final rule is available on the Exchange website at www.maritime-delriv.com/gov-affairs?tab=CBP.





Preparedness, not just for people

Hazards come in all shapes and sizes, both natural and manmade. After a brutal series of storms, hurricane season is finally winding down, flooding has affected multiple areas in the central part of the country, and wildfires burned out of control in the west.

Many people know it is important to have disaster plans to protect their homes and families. What most do not realize is that it is just as important for businesses to have plans.

According to the U.S. Department of Homeland Security's website www.ready.gov, 40 percent of businesses affected by a natural or manmade disaster never reopen. Further, businesses that close for an extended period due to a disaster lose revenue and potentially lose their customers, who must seek products and services from other sources, permanently.

"In addition to challenges of lost revenue, the emergency management community relies on businesses of all sizes as an important part of disaster response and recovery," said Michael Sharon, Federal Preparedness Coordinator for the Federal Emergency Management Agency.

Ready.gov provides details for getting prepared. It separates the process into phases, including program management, planning, implementation, testing and exercises, and program improvement to help businesses stay resilient. "Private businesses own much of the nation's critical infrastructure, providing key resources during recovery and helping to provide stability to a community by being open for business and helping survivors and communities regain some sense of normality," Sharon said.

Program management includes securing leadership and management support and identifying any applicable regulations that may apply to a specific business or service. Leadership support is crucial to ensure any necessary resources are available during the process.

During the planning phase, a business should analyze the impacts of a disaster, secure information about hazards, and seek ways to reduce existing risks. This phase should take an all-hazards approach and focus not just on natural disasters such as earthquakes, hurricanes, and tornadoes, but human-caused accidents and disasters such as sabotage and violence.

Exchange Vice President Lisa Himber said the Exchange focused on an all-hazards approach several years ago when it created its business continuity plan. "We identified the risks we could mitigate on the front end and used an impact analysis for each department within the Exchange to help develop the plan," she said.

The implementation phase includes identifying resources, writing plans, and determining the best way to train employees. Including vendors and suppliers is important during this phase to ensure that any external resources needed to operate continue to be available.

Drills and exercises test that plans created provide the expected results. These steps identify missing parts and allow planners to evaluate the effectiveness of their programs as a whole.

Finally, program improvement involves reviewing the exercise or a real-world response situation and making updates. "We review and test the plan regularly," Himber said. "Continually making improvements helps ensure the Exchange can best meet the needs of our customers through a variety of disasters."

Contact Paul Myhre at pmyhre@maritimedelriv.com for more information about how the Exchange can help you start your preparedness program.

WTA honors ASOEX



At its 86th annual meeting on October 4, the World Trade Association of Philadelphia honored the Chilean Exporters Association, known as ASOEX, as the 2017 "Company of the Year." Accepting the award was ASOEX President Ronald Bown *(center)*. Among many other activities designed to promote trade between Chile and Delaware River ports, ASOEX continues to support the Delaware River Cold Storage Facility Task Force, administered by the Maritime Exchange and designed to improve worker safety.

Shown with Bown are WTA board members *(from left)* Ed Henderson of PhilaPort, Exchange President Dennis Rochford, outgoing WTA President Miriam Borja-Fisher of Western Fumigation, incoming WTA President John Mallough of GEODIS, and Linda Gillis of H&M Transportation, incoming 1st Vice President.





Meet Amanda Rutherford, MARAD Mid-Atlantic Gateway Director



Amanda Rutherford brings 20 years of experience as a planner to her job as Director for the U.S. Maritime Administration's Mid-Atlantic Gateway office. She has focused on intermodal and multimodal transportation and has a strong background in environmental and land development issues.

Prior to working for MARAD, Rutherford worked for the Federal Highway Administration in the Offices of Infrastructure, Planning, Environment and Realty, and Operations. She also worked for the National Oceanic and Atmospheric Administration and the National Park Service preparing long-range transportation plans for various regions and parks. Her experience at state and local agencies complements her federal background and makes her ideally suited to assist port and related business, agencies, and organizations with the full range of services provided by MARAD gateway offices.

She earned a Bachelor of Arts Degree in Environmental Policy from Rollins College in Winter Park, Fl. and her Masters in Urban and Regional Planning from the University of Colorado.

Included among Rutherford's many activities is facilitating cooperation among headquarters staff, state and local authorities, congressional representatives at the local and district levels, and port, shipper, and carrier stakeholders. She and her counterparts at other gateway offices also help stakeholders identify federal and state funding for maritime projects, identify ways to improve freight movement and eliminate bottlenecks, work toward meeting challenges facing the maritime transportation system with a particular focus on planning and environmental issues — and a whole lot more.

The Exchange has already taken advantage of the opportunities afforded by the Mid-Atlantic Gateway office, and we encourage members to reach out to Amanda for assistance whenever needed. She and other MARAD staff are standing by to assist us.

Contact her at 202-366-1332 or amanda.rutherford@dot.gov.

Unsung heros recognized

continued from page 1

Twice a year, the Exchange will solicit nominations from members, who can propose individuals from their own companies or any other Exchange member organizations. A review committee will select winners, who will receive, among other rewards, a full-length profile article in *The Beacon*. Among the selection criteria is that the nominee may not have previously received a port community award.

"We really want to recognize individuals who work hard every day to make their organizations, this port, a better place to do business," said Exchange Director Barbara Hunter, who will chair the review community. "We're also looking for those 'up and comers' who have put their fresh and innovative ideas to work on behalf of our port. It's extremely exciting, and we're eagerly awaiting the program launch next year."

Exchange membership contacts will receive an email in January with information on how to submit nominations.

Contact Beverly Ford for more information on this or any of the many programs available at the Maritime Exchange.

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Q&A with Durst

continued from page 1

Q: During the time CBP has been working to try to fill its ranks — and realizing that even a full complement will not be sufficient — a long line of CBP officials has strived to determine how to meet the multiples missions of protection against terrorism, trade facilitation, and compliance enforcement. The unfortunate reality is that many ports are still seeing delays in inspecting and releasing merchandise. What ideas do you have for solving this problem in our region — and how can industry help?

A: Ports along the Delaware River play an important role in the economy of the region as well as the U.S., and CBP is committed to identifying new ways to facilitate legitimate trade and travel. The demands on CBP resources have increased with mission complexities, increases in passenger and cargo volumes, and requests for increased services by stakeholders. To address these challenges, we have implemented business transformation initiatives, identified staffing needs through a workload staffing model, and engaged stakeholders with alternative sources of funding — such as updated user fees, Reimbursable Services Agreements, and Agriculture Reimbursable Overtime.

Nationally, CBP continues to incorporate new technology and software including automation at airports, enhancements in ACE, the Automated Commercial Environment, and utilization of mobile tablets in day-to-day operations. In addition, expansion of Trusted Traveler and Trusted Trade programs allows for greater optimization of existing resources by focusing on higher risk people and cargo.

There are opportunities for industry to help CBP meet the demands of continued growth in international trade and travel. CBP encourages public-private partnerships in the form of the Reimbursable Services Program and the Donations Acceptance Program, as authorized under Sections 481 and 482 of the Homeland Security Act, 2002, and as amended by the Cross-Border Trade Enhancement Act, 2016. The RSP enables partnerships between CBP and private sector stakeholders or government entities and allows us to provide additional inspection services, such as customs, immigration, and agricultural processing, or border security support, upon the request of stakeholders.

Locally, we are very proud of our CBP-USDA Agriculture Working Group in the Delaware Valley. CBP Area Port of Philadelphia, including the Port of Wilmington, have partnered with the Maritime Exchange to develop a process to listen to the concerns of our trade stakeholders. From these discussions, we collectively develop solutions that expedite the release of lower-risk cargoes while allowing CBP to meet its enforcement and homeland security missions.

We have already implemented several working group recommendations. For example, with industry input, we've refined our risk-based targeting approach, we've implemented cargo manipulations to quickly release compliant commodities, and we've developed a standard operating procedure for quickly mitigating federal noxious weed seeds in cargo. In addition, we continue to examine best practices from other CBP agriculture ports, with a particular focus on implementing inspection consistencies to level the competitive playing field with those other ports. I am excited to see how we can continue these improvement efforts and expand this type of improvement into other areas.

Q: You are certainly aware of the importance that automation and technologies play in facilitating cargo movement through our seaports. What is your sense of how Delaware River ports compare to other ports for implementing new processes and technologies to streamline cargo inspection and release? What plans do you have for further improvements?

A: CBP's core trade mission, reducing supply chain barriers to facilitate lawful trade while remaining ever vigilant in securing our nation's borders, is profoundly affected by technology. We remain committed to evaluating emerging technology, and we have already experienced some successes.

For example, CBP is in the home stretch to fully deploying ACE, which is the primary system through which the trade community reports imports and exports and the government determines admissibility. Through ACE as the single window, manual processes are streamlined and automated, paper is eliminated, and the trade community is able to more easily and efficiently comply with U.S. laws and regulations. With our latest capability deployment, we will have achieved core trade processing in ACE — specifically, 100 percent of import manifest, cargo release processing, entry summary processing, and export processing functionality. ACE is the poster child for collaborative effort; it is the result of tireless work by countless individuals in multiple offices across CBP, the trade community, and partner government agencies for the better part of 15 years.

Another example is the Enforcement Link Mobile Operations, known as ELMO — mobile tablets — which enables CBP Officers to release cargo on-site once the inspection is complete rather than after returning to the office — sometimes hours later.

Additionally, through the deployment of e-Allegations, CBP has helped to even the playing field between compliant business and those who are suspected of violating U.S. Customs law or conducting illicit trade activities, such as trade in goods that violate intellectual property rights and anti-dumping laws.

Q: Finally, looking ahead, what do you see as the future challenges and the greatest opportunities for our regional port stakeholders?

A: Certainly, staffing will remain a complex challenge for us locally, and for CBP nationally, and I promise to continually evaluate our service demands and our staffing levels to en-

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Cybersecurity management: A maturity model approach for the private sector

By: Michael Edgerton, CPP
HudsonTrident, Inc.

Cybersecurity is rapidly becoming a major issue for senior executives in shipping and ports-related industries. Due to the constantly evolving nature of the cyber threats and risks, as well as movement in both government and insurance circles to address those risks, the private sector is struggling to chart a course that balances enterprise risk management in a cost-effective and operationally sound way.

A management approach to this conundrum that has been successfully used in other industries is that of the maturity model approach. This approach allows organizations to tackle complex issues in manageable increments that flow in a logical manner and involves establishing a foundation and progressive steps that build on previous activities in an effective and organized manner.

The private sector's approach to cybersecurity is influenced by a number of external and internal factors. These include organizational challenges, a lack of threat awareness, and unclear guidance and governance.

Central to organizational challenges is the "stove-piping" of cybersecurity responsibilities, most often within the information technology department. This often means that cybersecurity issues that have enterprise-wide implications don't get to top management, unlike other enterprise risk elements such as health and safety, legal and regulatory compliance, and financial considerations.

Senior executives often lack an understanding of the threats posed as well as the parts of the organization that are most vulnerable. This is often the result of the fact that top management are not "digital natives" and may not have a full or mature understanding of cyber issues and their implications to their organizations and bottom lines. As a result, these managers may defer cyber-related issues to more knowledgeable persons in the organization who, in turn, may not have an executive-level understanding of risks related to cyber.

Companies, particularly those that operate internationally, are potentially subject to competing and sometimes contradictory guidance. Unlike the International Ship and Port Security Code, a universally accepted code for international shipping and ports to follow, there is no common code or standard for cybersecurity. A number of private, government, and international organizations have released guidance or standards, but no universally accepted approach currently exists.

The most common approach is that put forth by the U.S. National Institute for Science and Technology, the principles of which have been incorporated to some degree in most other guidance. The only other piece of guidance so far that will have any universal application is the International Maritime Organization's decision to roll cybersecurity assessments and planning into the International Safety Management Code, with implementation required by the beginning of 2021. Other initiatives include country-specific (Coast Guard guidance as laid out in a recent circular), client-specific (guidance promulgated by classification societies or P&I Clubs), or region-specific (EU's GDPR) requirements.

Because the vast majority of the U.S. and global shipping infrastructure is in private or parastatal hands, it is imperative that these organizations have a useful approach to enhancing cybersecurity. This approach has to reflect the additional realities of the private sector: security is a cost-center and, therefore, funds must be carefully marshaled and used for maximum effect, and commercial operations cannot be significantly impacted by cybersecurity initiatives and improvements. Enhancing cybersecurity in a commercial operation can be likened to "changing the tires on a car while it's still in motion."

The maturity model approach to cybersecurity offers enterprise managers many benefits. Among these are visibility of the issue at an executive level, an enterprise-wide approach suitable for the C-suite and the board of directors, and establishment of a baseline of the current state of cybersecurity and resilience in the organization. The model allows risks and criticalities to be identified and mapped and includes all facets of the organization — such as operations, IT, human resources, legal, safety and security, and finance — in the assessment process. Where appropriate, it may be useful to include vendors in the planning.

The model provides a perspective that truly addresses the risks to the



organization as a whole and allows for all parts of an organization to be part of the solution or improvement. It also provides for the development of a repeatable, disciplined methodology of assessment that comports with other enterprise-wide approaches to continuous self-improvement, and it allows for regular assessments as the program matures. Finally, it provides an economy of scale whereby solutions, whether they be policy, compliance, training, technology, planning, or a combination of all are developed across disciplines with a unity of effort designed to address identified gaps, thereby targeting scarce funding for maximum effect.

Mike Edgerton is the Vice President of HudsonTrident, Inc., an international maritime security consultancy focusing on converged security solutions. HudsonTrident, a subsidiary of HudsonAnalytix and headquartered in Camden, N.J, was recently awarded the Lloyd's List Intelligence Award for Digital Innovation for its maritime Cybersecurity Self-Assessment tool, CyberLogix.

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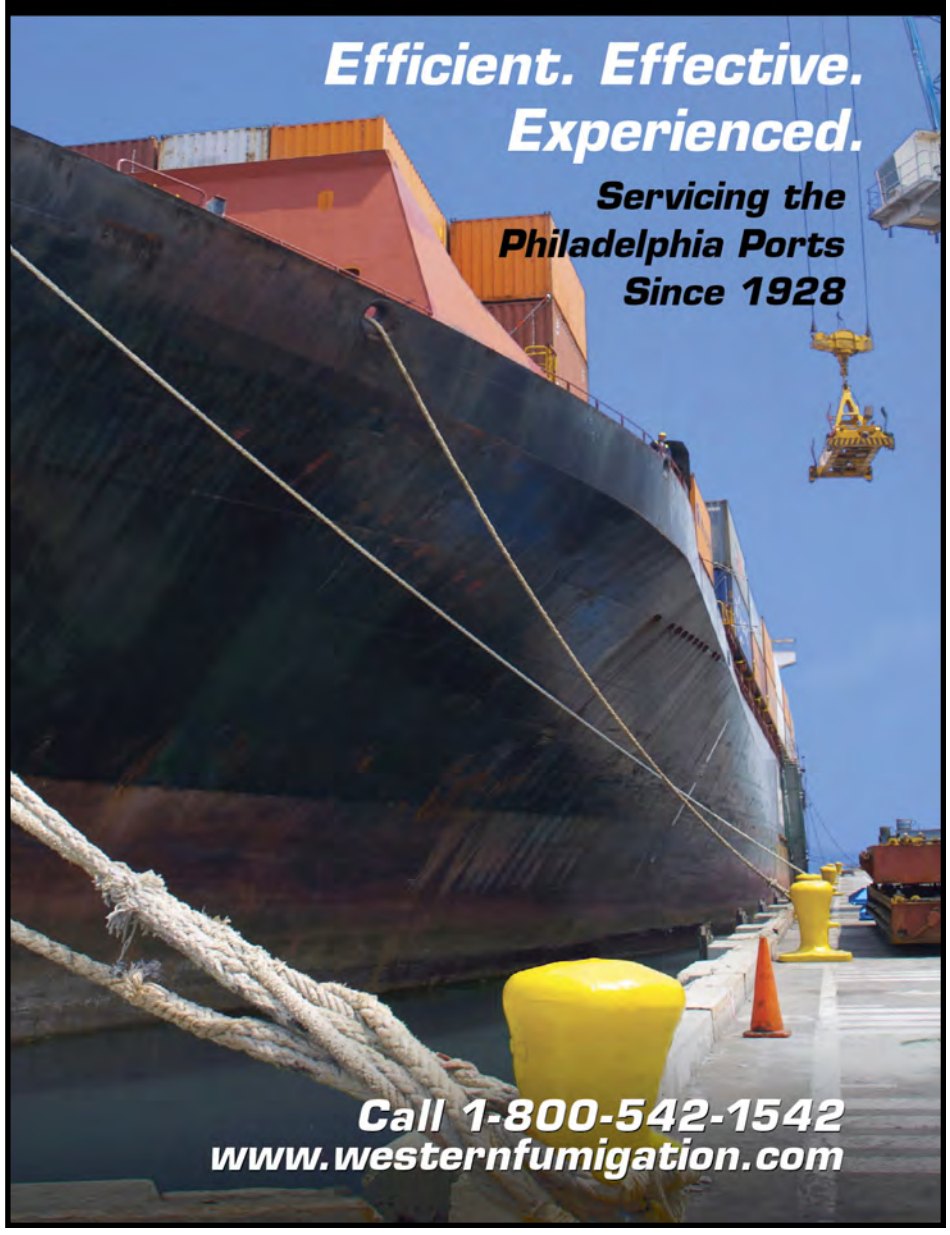
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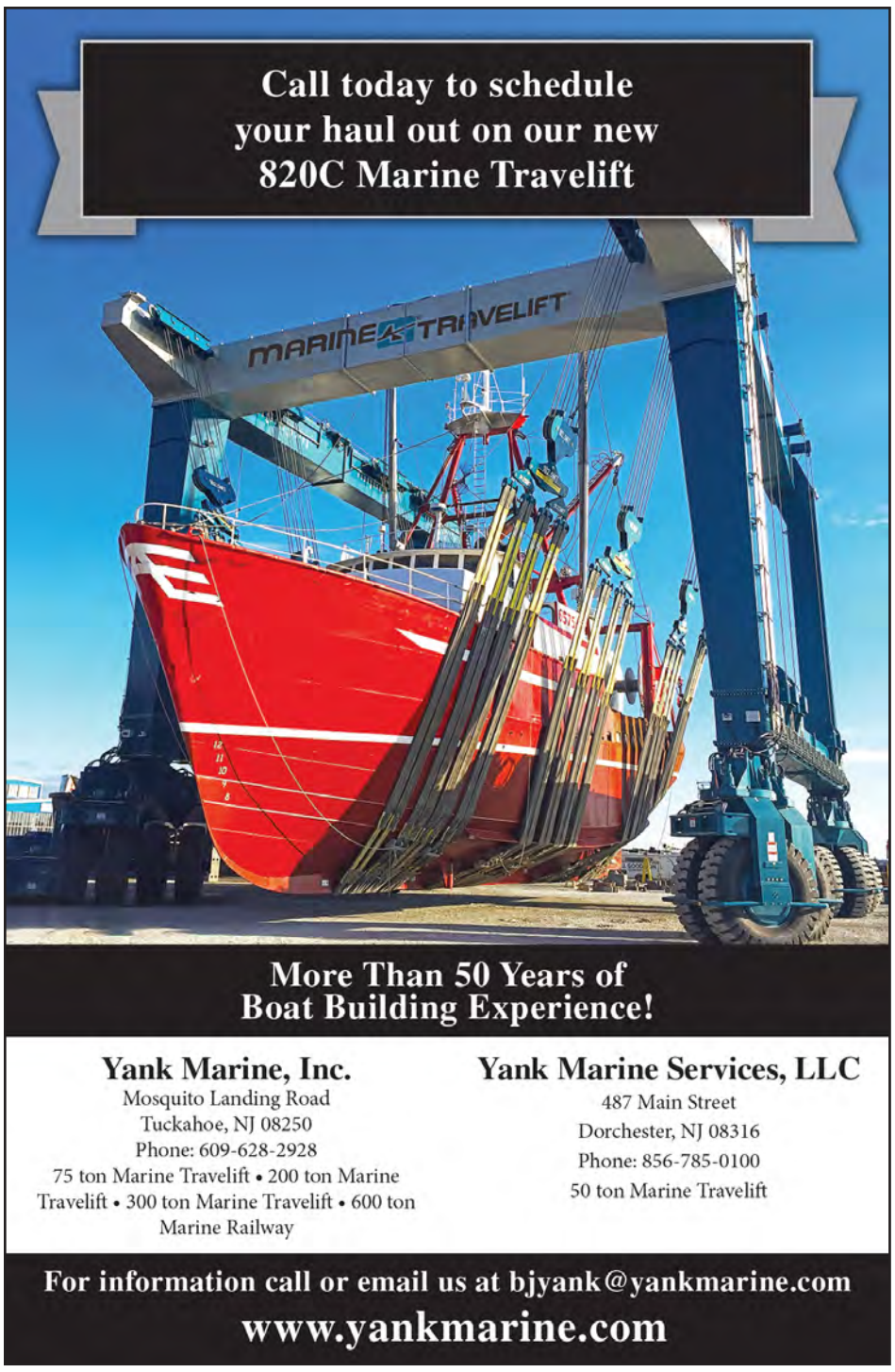
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Q&A with Durst

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sure we are efficiently meeting trade industry needs while maintaining vigilance at our ports of entry.

There remain opportunities for regional port stakeholders to improve process efficiencies, including reimbursable service agreements and trusted trader programs that lessen the service demands on CBP staffing and speed the release of goods. We also encourage regional port stakeholders to share their concerns and to recommend potential solutions.

CBP is also facing a significant challenge from electronic commerce (or e-commerce), which presents an incredible opportunity for local businesses. Reports estimate that online shopping sales may reach as much as $22 trillion this year. The increase in e-commerce has dramatically increased the amount of international parcels that arrive at U.S. ports of entry, and it's not only legitimate businesses that utilize these new methods.

The rise of online shopping has helped transnational criminal organizations distribute fake goods and illicit drugs more easily through the supply chain. For example, the online proliferation of opioids and synthetic drugs like fentanyl, which is fueling a serious health epidemic in this country, staggers the imagination. Fentanyl seizures have skyrocketed over the past three years, from just 2.38 pounds during 2013 to approximately 440 pounds during 2016.

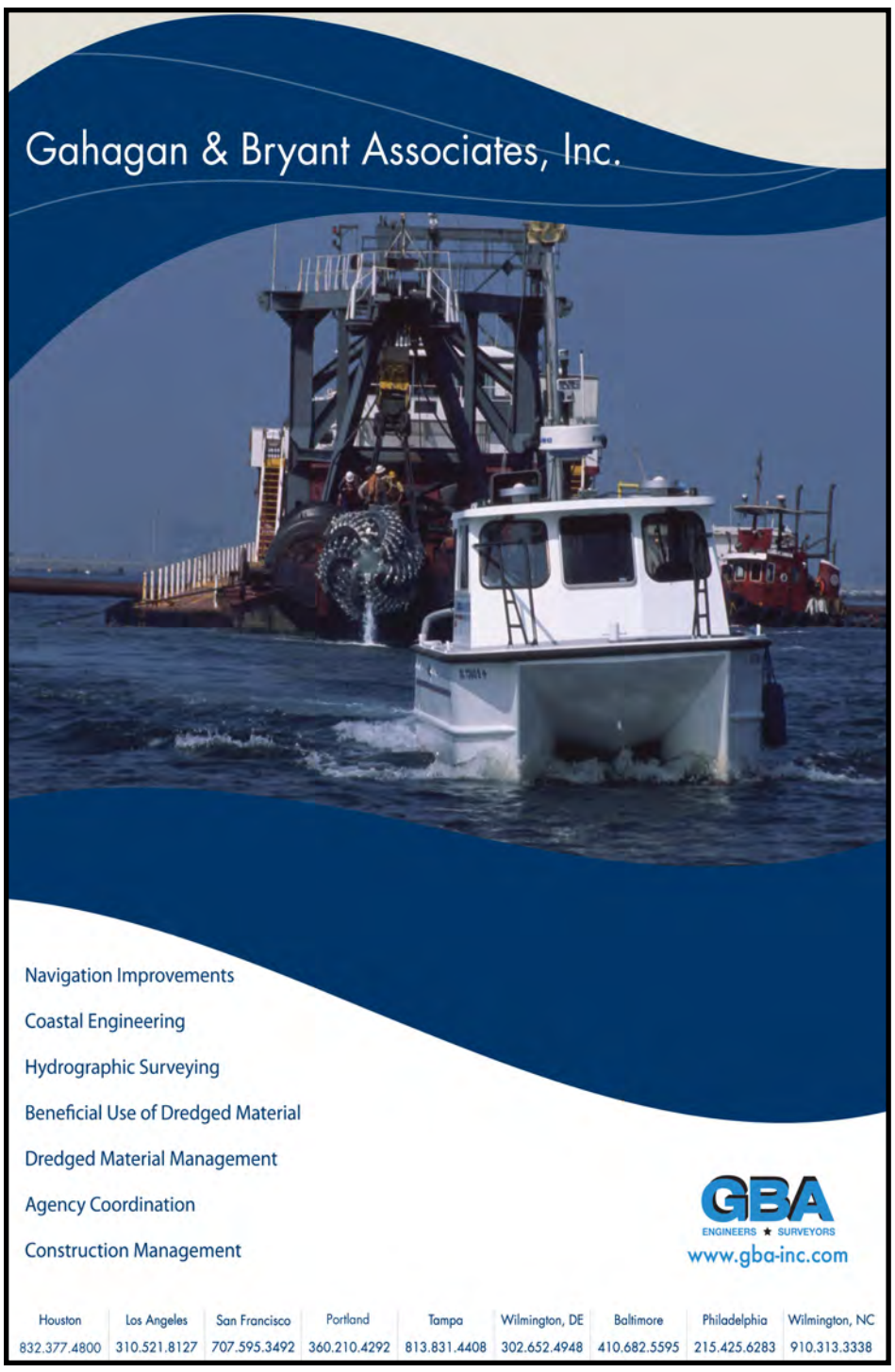
CBP staff works hard to continue facilitating e-commerce shipments and ensure compliance, while identifying and seizing illegal and prohibited products.

We also know that many individuals and small businesses benefiting from the rapid expansion of e-commerce don't necessarily know international trade laws and regulations. This causes compliance issues that may result in detentions, seizures, and penalties. CBP is developing a small business strategy that will conduct outreach and provide a central repository of information on clearance requirements.

CBP has established an E-Commerce and Small Business Branch to manage trade policy and better address various complexities resulting from the global shift to e-commerce. In the coming weeks, CBP will announce an E-Commerce Strategic Plan based around enforcement, engagement, and education.

Our continued partnership and collaboration with the trade community is essential for CBP's success. My port directors and I are committed to finding ways to meet the opportunities and challenges we face together. Continued close collaboration with private industry and our local, state, and federal partners is vital to meeting the increase in workload at the ports along the Delaware River.

During 2016, CBP processed $2.3 trillion in imports, observed a 3 percent increase in incoming cargo containers to 27 million, and collected $40 billion in taxes, duties, and fees. The stakes are enormous, and we at CBP are committed to protecting our nation's economy and our way of life.





WTCGP receives grant to grow exports

The U.S. Economic Development Administration has awarded the World Trade Center of Greater Philadelphia a $1 million, three-year, matching grant to implement key strategies of the Greater Philadelphia Export Plan.

Part of the nationwide Global Cities Initiative, the plan was developed by the WTCGP and the Economy League of Greater Philadelphia together with a steering committee of regional business and economic development leaders. The overall goal is to increase the number of exporting companies and accelerate regional job and revenue growth via a dynamic export economy.

This important grant taps into the World Trade Center's expertise and core strengths in trade counseling services, mentoring, and educational and business networking programs. It will draw upon WTCGP's relationships with the region's rich network of trade service providers and economic development organizations to increase the growth of exports for Southeastern Pennsylvania and Southern New Jersey companies by implementing two key strategies of the plan: building export awareness and capacity among the region's small and medium-sized enterprises and catalyzing export growth in the region's health and professional services clusters.

Exports now account for a sizeable share of the region's GDP, yet there is much room to grow. The Greater Philadelphia Export Plan represents the first comprehensive approach of its kind to engage the public and private sectors in helping more area businesses export their goods and services, sustaining economic growth, and generating high-value, high-paying jobs for the region. It has the potential to bring $6.3 billion in new economic activity every year and 35,000 additional jobs.

MACHS programs help students thrive

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"We encourage our maritime colleagues to participate. It only takes a little time, and it is extremely gratifying to see the cadets' faces light up with interest as they learn about the exciting opportunities available to them," Mattioni said. Previous speakers have included Nathan Hauser from Moran Towing, attorney John Donohue, who discussed Customs and trade issues, and Rachel Medley from the National Oceanic and Atmospheric Administration. "This is a real hands-on activity today's business leaders can take to ensure we have an educated, trained, and well-disciplined labor force for tomorrow," Mattioni said.

There are any number of other ways to help. Hentnick suggested that members of the maritime business community can support the school by sponsoring expenses for cadets to participate in various programs. Maritime businesses or nonprofits might also develop apprenticeships or internships for students.

"I can't say it strongly enough: miracles are happening at this school." Hunter said. "It's amazing to see how it transforms the lives of these students."

The Maritime Academy Charter School, or MACS, is a 501(c)(3) charitable corporation. The Maritime Academy Charter High School, MACHS, is a separate corporation.

Those interested in helping can sponsor a cadet or a specific program. Programs include the Boot Camp, Sea Perch–Underwater Robotics, Sea Cadet Program for High School and Middle School, MACS Color Guard, Sailing Club-Corinthian Yacht Club, Sea Shanty Chorus, Boat Building, summer programs at SUNY, Brig Niagara, Mass Maritime Summer Sailing Program, maritime educational programs, publication of *The Anchor*, school uniforms, sport programs (baseball, basketball, volley ball, track & field — fund a uniform or equipment), Scholarship Fund, and Maritime Professional Development for Teachers. Individual gifts to cadets will be maintained confidential.

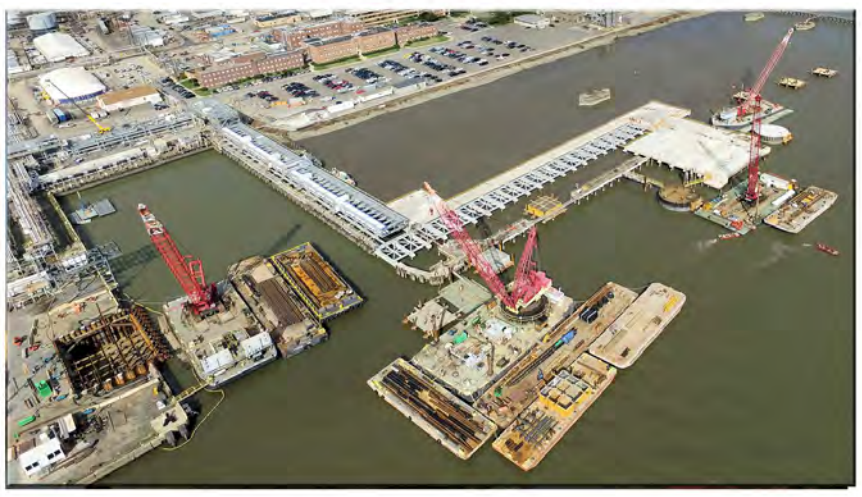
Gifts will be recognized at the Maritime Day dinner program and in *The Anchor*. Make checks payable to Maritime Academy Charter School, c/o Donna Chybinski, 2275 Bridge Street, Bldg. 107, Philadelphia, PA 19137/



Cadets dress out in full firefighting ensemble, including air packs, in preparation to enter a room with lots of noise and simulated fire on screen. During the exercise, the students will hit the screen with about 250 PSI of water from a fire hose.

For more information, visit www.maritimecharter.org or call 215-535-4555.

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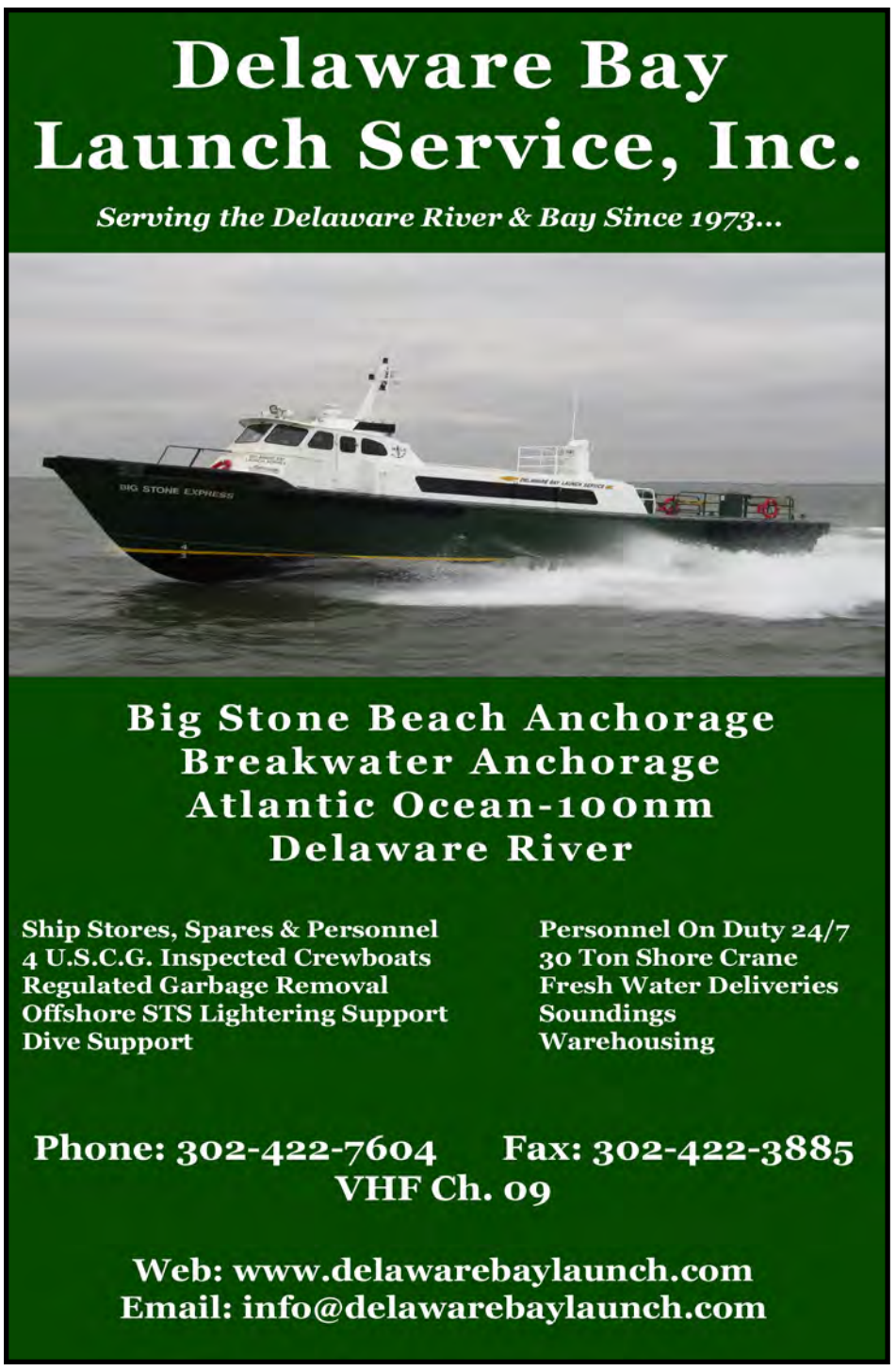
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CACC honors Wolf and Palaima

The Chilean and American Chamber of Commerce honored Pennsylvania Governor Thomas W. Wolf with this year's Friend of Chile award. The award is bestowed at CACC's annual luncheon, which celebrates the strong and deep commercial and trade partnership between the tristate region and the Republic of Chile.

Last November, Wolf announced plans to invest $300 million in the port of Philadelphia as part of a comprehensive capital investment program. One of the largest programs among East Coast ports, this infusion of funds raises Philadelphia's prominence in the shipping world.

The CACC also honored Robert W. Palaima, Exchange board member, CACC President, and President of Delaware River Stevedores, Inc. Palaima received the 2017 Lifetime Achievement Award for his commitment to the Chilean fruit trade and the ongoing partnership with this critical trading partner. Deeply committed to the success of the ports of Camden, Philadelphia, and Wilmington, Palaima has forged Delaware River Stevedores into a driving force in the tristate region and played a significant role in negotiating labor agreements that have dramatically increased port competitiveness.

Congratulations to Gov. Wolf and Robert Palaima on their well-deserved recognition and to the CACC for selecting such worthy recipients!

Cooperation gets much needed supplies to Puerto Rico

continued from page 6

River to date. Two departed from Penn Terminals, one sailed from Petty's Island, and another from Tioga."

Crowley has served the Northeast market from Petty's Island in Pennsauken, N.J., where it employs about 80 people, since 1982. This past spring, the carrier signed a multi-year stevedoring and terminal services agreement with Penn Terminals, with service set to begin in 2018.

The move to Penn Terminals was precipitated by Crowley's transition to a lift-on/lift-off operation in its Puerto Rico service. "As we ramped up capacity at Penn Terminals, the Lo/Lo capability came into play for relief efforts," said David DeCamp, Manager, Corporate & Marketing Communications for Crowley Maritime. "We were able to use the flat-decked barges to meet the need there."

"We have been working with Crowley to get ready for the startup for quite a while, and we know many of the people there now," said John Brennan, Penn Terminals President & CEO. "So the day after Maria hit, we called to ask whether everyone was okay and to offer assistance."

The next day, Crowley took him up on his offer. "They asked us to take a barge and swap about 180 FFE worth of cargo from over-the-road trucks to containers on the following day. Needlesss to say, we readily agreed," Brennan said. Penn Terminals has loaded two barges each containing about 4,000 metric tons of food and water, and as of press time, the facility is accepting supplies for a third barge set to sail in November.

Upon reaching Puerto Rico, relief cargo is being distributed by Crowley Logistics, which has more than 375 trucks on the island. The logistics group is also providing services such as drayage, direct deliveries, deconsolidation and inventory control, as well as providing forklift equipment and operators to expedite the handling of air freight at the airport.

Karen Dempsey, Director of Port Operations for Crowley locally, said the carrier has continued its normal weekly sailings from Pennsauken. "Those barges have carried a mix of commercial and relief cargos," she said. "The shipments moving through Penn Terminals are in addition to our normal service." Two of the six new barges added to the Crowley fleet, chartered specifically for FEMA activities, have operated at Penn Terminals.

Another barge sailed from Tioga Marine Terminal in Philadelphia with FEMA cargo destined for St. Thomas.

Crowley is supporting FEMA with regional distribution capabilities in Ceiba, Aguadilla, and the Luis Muñoz Marín International Airport in San Juan. Water, ready-to-eat meals, baby and toddler supplies, and recovery operations kits continue to move in high volumes. "FEMA is the shipper in this supply chain. We've deferred to FEMA on everything that's been shipped so far," DeCamp said.

"As private partners, Penn Terminals and Crowley have been excellent to work with," said FEMA's Bresnahan. The agency is not certain how long the shipments will continue and is looking at the long-term need on a week-by-week basis. Decisions are made based on the need in Puerto Rico as well as barge and supply availability at given locations. Bresnahan said FEMA is also shipping relief supplies through Jacksonville, Miami, and Charleston.

Crowley expects to offer 6,200 commercial cargo slots per month in November and December.

Its Isla Grande Terminal in San Juan continues to experience unusually high volumes of cargo, though the rate of loads being dispatched is returning to close to the normal rate of 500 per day. The increased terminal throughput has reduced the significant backlog resulting from on-island disruptions due to the hurricane, but additional volumes of commercial and relief cargo reaching Puerto Rico still leave unusually high numbers of loads awaiting dispatch.

"This story has been about the public and private sectors working together to accomplish something good," Brennan said. "So often all we hear is people complaining — whether they're Republicans or Democrats — about the federal government. FEMA is doing some great work, and this is an excellent example of our tax dollars at work for a positive benefit."

Response preparedness at home

By: Michelle Carrera, Response Resources Specialist
Tri-State Bird Rescue & Research

Tri-State Bird Rescue & Research's oiled wildlife responders not only support preparedness measures for partners, but they also ensure that our Wildlife Response Annex, staff, and volunteers at home remain prepared to respond at a moment's notice.

Participation in drills and exercises allows for collaboration with personnel from industry and local and federal agencies that strengthens relationships and builds an understanding of our role during a real-world response. Tri-State personnel have recently participated in oil spill response exercises with Limetree Bay Terminal, LLC in St. Croix, USCG Sector Maryland National Capital Region, Enbridge® in Minnesota, and the Delaware City Refining Company at home on the Delaware River. During these exercises, the team played crucial roles in the Incident Command Post in the planning and the operational sections of the overall spill response command structure. In these roles, the team advocated for wildlife through the development of plans and other response documents or as field assessment staff who were able to establish ground truth for the exercise incident.

Tri-State's oiled wildlife responders include both full-time staff and CORE volunteers. Some of Tri-State's CORE responders have been responding to incidents with Tri-State since our founding in 1976.

Practice and continued training prior to an incident allow the team to address any potential shortfalls, practice standard operating procedures, and refine protocols. Staff and volunteers take additional online trainings to keep their annual safety training (e.g. OSHA-certified Hazardous Waste Operations and Emergency Response, or HAZWOPER) certifications up to date.

Exercises and other preparedness activities have allowed Tri-State's oiled wildlife responders to develop specialized equipment and employ new techniques. Thanks to the generosity of our donors, Tri-State has been able to create new animal caging designs based on various species-specific needs. Over the past few months, staff and volunteers have helped build four net-bottomed cages for seabirds and improved upon existing reptile housing and husbandry. We are currently retrofitting covers to existing pools to better suit the needs of various types of seabirds! Donors are helping to ensure that safety for staff and animals is a priority by helping to fund these projects that ultimately increase the team's response readiness.

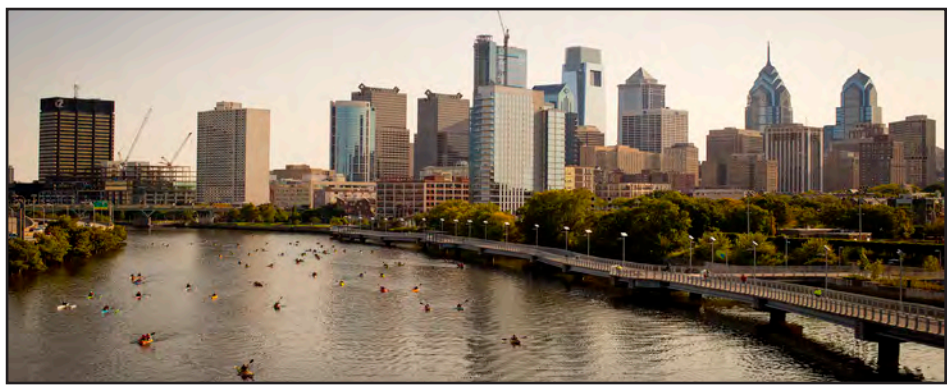


CORE responders help build seabird net-bottomed pens from scratch.

Response readiness is more than having all the equipment needed for a response stockpiled. It is also making sure staff is comfortable with and trained on how to use that equipment in a safe manner and understanding how a response flows. Every drill, exercise, workshop, and spill gives team members experiences they are able to apply to the next event. Tri-State's goal is to give staff and volunteers the tools and training needed to successfully respond to an event with impacts to wildlife. With the help of donors, industry and agency partners, and the community, we can call ourselves response ready.

For more information or to become a donor, please email OilPrograms@tristatebird.org.

4th annual Walnut2Walnut a big success

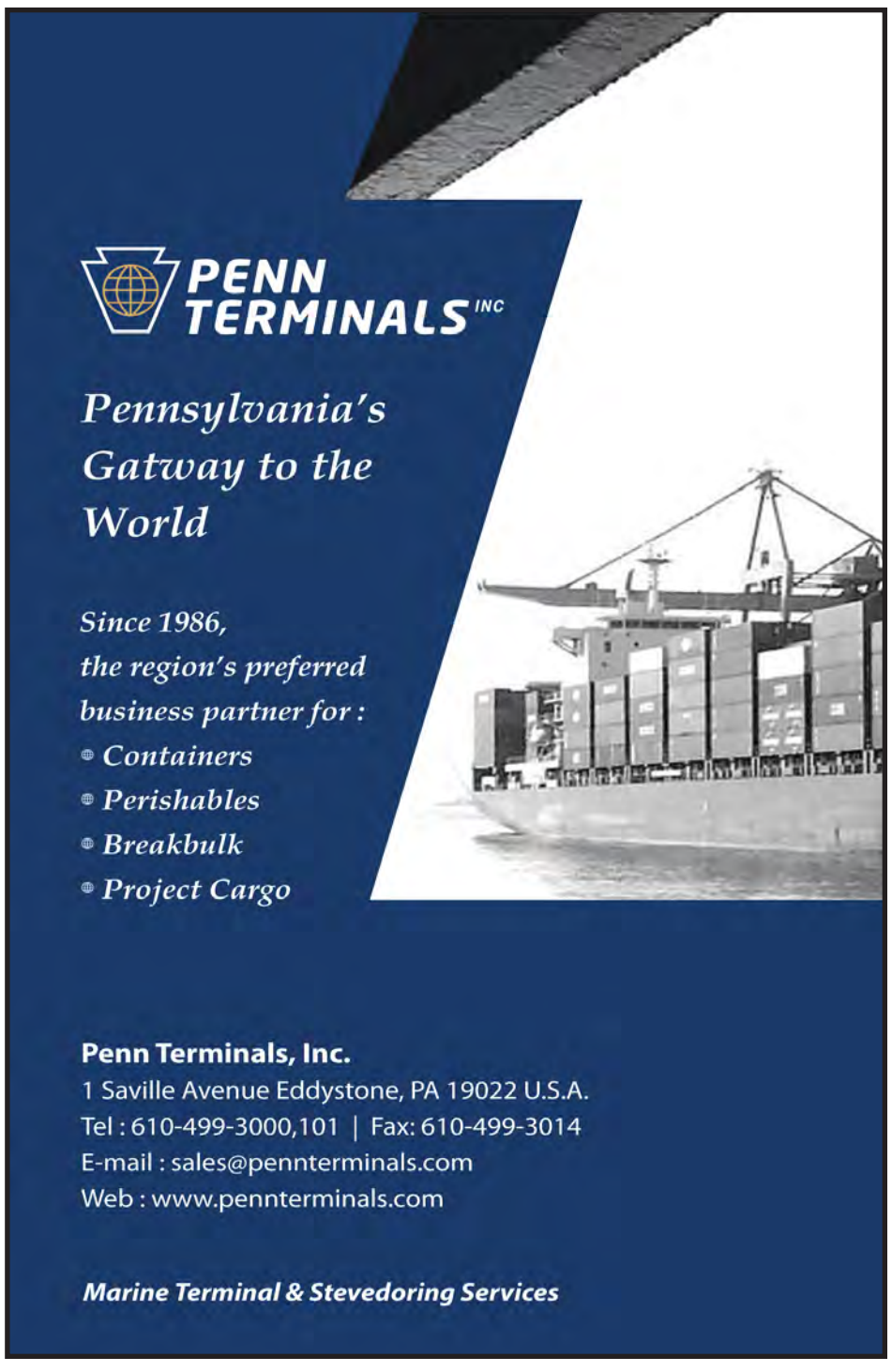


On September 10, over 140 participants in 85 boats rowed or paddled in the 15-mile Walnut2Walnut. This fourth annual event, hosted by Independence Seaport Museum, began at Schuylkill Banks near Walnut Street and ended at the museum's Delaware River docks, culminating with a barbecue on the deck of the Museum.

This and past challenges have included various members of the port community, including Deb Peretz, Vessel Supervisor at The Vane Brothers Company, Ed Stemmler, President of the Philadelphia Ship Preservation Guild, John Brady, President and CEO of the Seaport Museum, Michele Blazer, the Seaport Museum's VP of External Affairs, and Exchange board member Lisa Reeves of Reeves McEwing LLP.

The museum would like to send special thanks to Patriot Harbor Lines, River Services, Liberty Yacht Club, and Seatow, which provided rescue boats, and the members of the Coast Guard Auxiliary who escorted commercial traffic transiting the Schuylkill and Delaware during the event.







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SCW uses Episcopal Diocese grant to improve seafarer safety



Seafarers from the "M/V Firmament Ace" await the SCW van at one of the newly erected van stops made possible by a grant from the Barnabas Foundation.

"One of the greatest challenges our volunteer drivers face is the traffic at the pier when picking up seafarers who want transportation services when they leave their ships," according to Joan Lyons, Executive Director of the Seamen's Center of Wilmington. Stepping up to help SCW overcome its concerns about seafarer and driver safety was the Barnabas Foundation of the Episcopal Diocese of Delaware.

"The Barnabas Foundation awarded the center a $4,000 grant, which allowed us to construct several 'van stops' located strategically throughout the port," Lyons said.

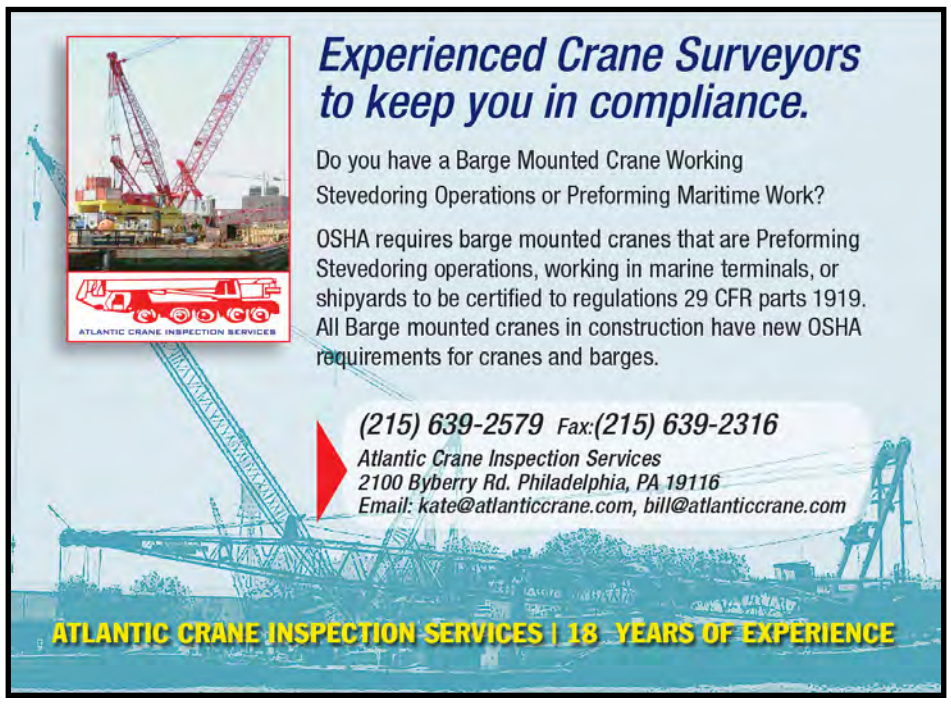
After the implementation of Transportation Worker Identification Credential regulations in 2008, seafarers could no longer walk or bicycle to the Seamen's Center, located within the Port of Wilmington, from their ships while in port. In response, center drivers started van service pickup at each vessel during operating hours, making a full circuit around the port once each hour. However, especially during fruit season, the ship visits soon became challenging as the vans attempted to drive to the ships' gangways. Drivers found themselves dodging cranes, forklifts, containers, and all of the other services used by the port and the ships.

The Barnabas grant funded construction of six shelters to serve as safe spaces for seafarers to wait for SCW transport. These are located along the dock but removed from the shipside activity. "The two large booths are placed in the center area of the main pier, one is at the auto berth, and all have been spaced such that no seafarer has a very long walk," Lyons said. The shelters are also painted a bright yellow to maximize visibility both for the seamen and others working along the piers. Solar lighting ensures they can be seen at night.

At about 4 x 8 feet, the larger booths can keep up to eight seafarers comfortably out of the elements. The smaller shelters accommodate about four men.

"Our goal is to keep everyone — the seafarers, our drivers, the longshoremen, federal agency inspectors, and other service providers, not to mention our vans — safer and more secure," Lyons said.

Visit www.scwde.org or call 302-575-1300 to learn more about the Seamen's Center of Wilmington.



Your port needs you!

By: Rev. David Reid, AFNI, Seamen's Church Institute Volunteer Chaplain

The famous WW1 British recruiting poster that featured Lord Kitchener pointing his finger to the viewer has since become synonymous with volunteerism. There are many reasons for a person to volunteer; I began by serving at hospice. I have recently attended training to become credentialed as a disaster spiritual care provider for the Commonwealth of Pennsylvania. This is very similar to the training I received earlier in the year to become a member of the National Federation of Firefighter Chaplains. At that time, I was asked which firehouse I was attached to. I explained that as a volunteer port Chaplain, every ship I visit is a firehouse because all seafarers have to serve as firefighters onboard their own ships.

Seafarer missions around the world depend on dedicated volunteers to operate their service of welfare to the broad spectrum of seafarers who, as author Rose George said, are responsible for delivering "ninety per cent of everything." Rose puts it this way, it is "the invisible industry that puts clothes on your back, gas in your car, and food on your plate." In her book, she devotes an entire chapter to the dedicated work of seafarer missions.



The public and private terminals located within the reach of the Philadelphia Customs district are truly blessed to have one of the oldest seafarer missions in the world. Much has changed in the demographics and technology of seafarers since 1843, but there is one constant: the need to serve seafarers proactively and without prejudice. The Seamen's Church Institute, aka SCI, has evolved and changed to meet the welfare prescription defined in the 2006 Maritime Labour Convention that serves to protect the global community of seafarers.

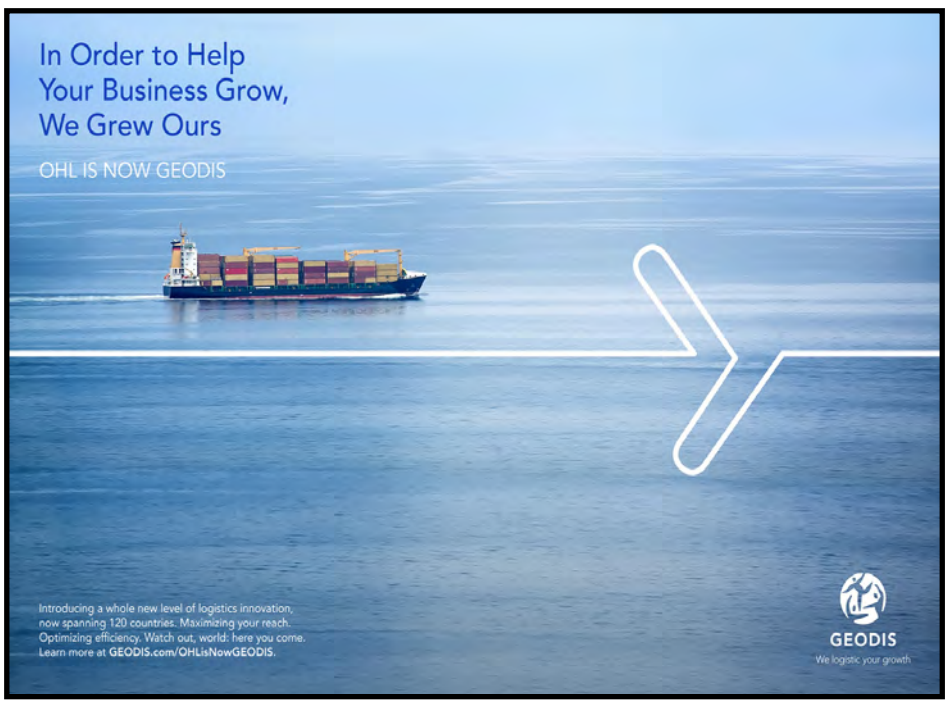
As a former seafarer myself, I have personally witnessed almost 50 years of change. My first visit to Philadelphia came in 1969 onboard the British cargo vessel "London Statesman." My affinity to the Delaware began with my first visit walking ashore to peruse the bookshops located on Market Street. Over the years, I would return many times to the Delaware and received my first "ditty" bag from SCI the Christmas of 1971. In the 90s, I would return to Fairless where I had discharged iron ore from Venezuela for U.S. Steel in the 70s. However, this time it would be to open up and operate a breakbulk terminal that became the forerunner to what is Kinder Morgan today.

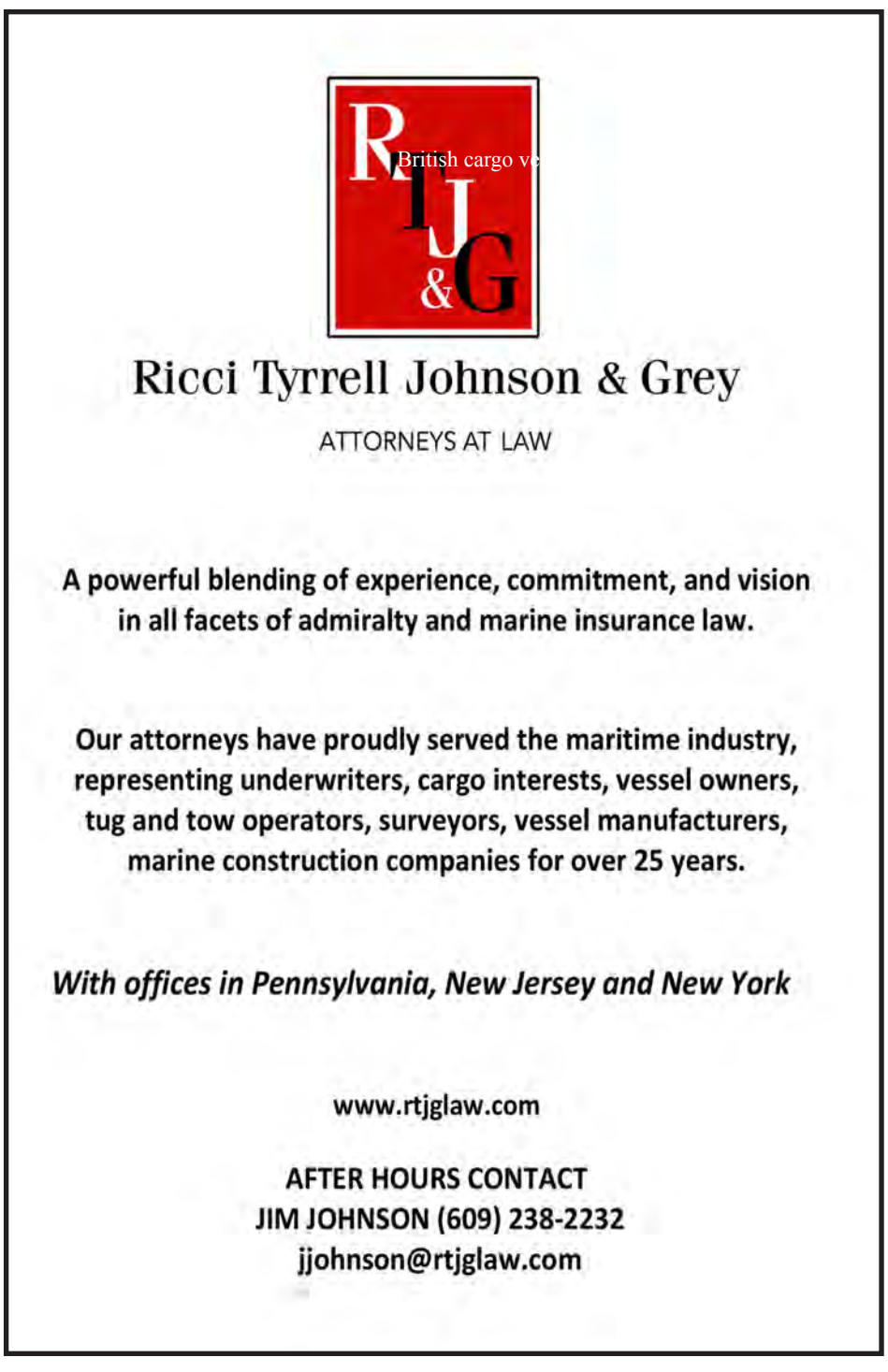


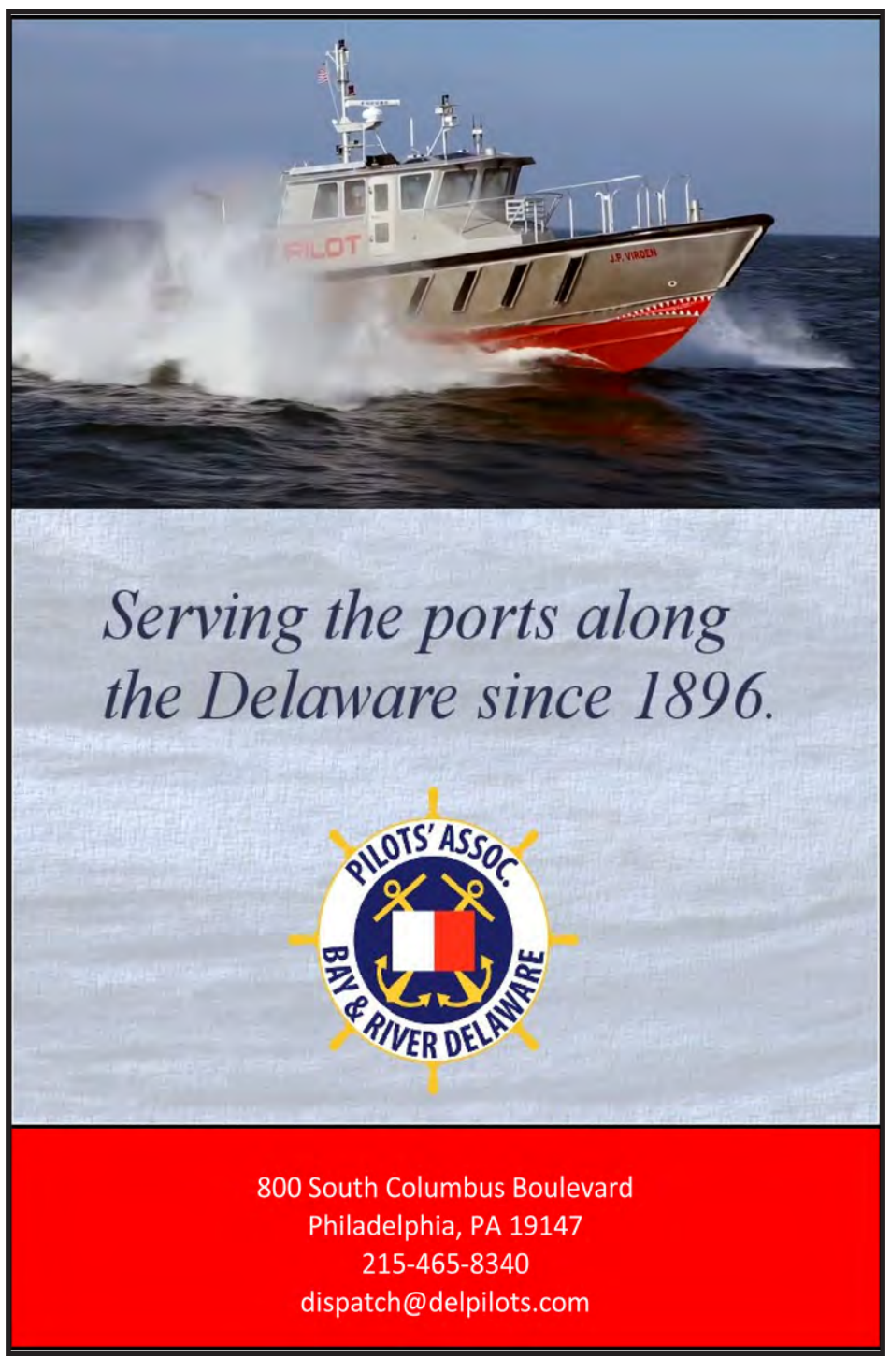
British cargo vessel "London Statesman" circa 1969.

In 2016, I became a volunteer at SCI. I chose to serve other seafarers because the spirit of volunteerism has called me to step forward. SCI is now looking for volunteers who are also willing to step forward. For those of you who have perhaps retired from the port community and want to stay connected, then this is directed at you — your port needs you!

Think this would be interesting? Send an email with your resume to Helene Pierson hpierson@sciphiladelphia.org.







Editorial

CBP, industry must plan for ACE outages

We have been reporting on the CBP Automated Commercial Environment system since Congress first passed the Customs Modernization and Informed Compliance Act nearly a quarter century ago.

In 1993, Customs' primary focus was, of course, to step up revenue collections, to eliminate crime — and in those days we were talking about cargo theft — and to improve compliance and productivity through automation.

Progress along the road to automation has moved somewhat slowly at times, though some functions have been digitized and operating well for decades. Most entries, entry summaries, and ocean manifesting are examples of processes that have been successfully automated since the 1980s. Others have come along since then. Most notable has been the increase in other participating government agencies. The dream of single-window reporting may actually come true someday.

Though many CBP functions remain paper-intensive at this stage of the ACE life cycle, the reality is that those processes currently operational under ACE can be considered a success. They have in fact improved worker productivity, reduced errors, and saved paper, time, and distribution costs — just as promised all those years ago. They have also provided CBP with a host of tools to enforce compliance and assess risks.

Now, however, we are made victim by this success. We have become wholly dependent on the systems and the computers which access them. At this point, we simply have no way to move cargo when something goes wrong with the electronics.

This past August, a sustained ACE outage of just a few days brought land border operations to a standstill. Air and ocean activity was stalled as well, but the effects were far less substantial.

In September, a smaller system event halted processing for a few hours.

In both of these cases, the outages resulted from technology problems. Though CBP has backups and redundancies, these were insufficient to prevent prolonged downtimes.

Imagine what might happen if ACE were to fall prey to a successful cyber intrusion?

At the national and local levels, CBP has developed procedures for ACE downtimes. Yet these are neither distributed to stakeholders during an event nor made available on the CBP web page. Trust us. We looked.

One thing CBP got exactly right during the August outage was its stakeholder communications (neglecting to provide the downtime procedures notwithstanding). Frequent email messages provided status updates, and a series of conference calls ensured the trade community had the opportunity to raise questions and concerns. This presumes, of course, that CBP and stakeholders both have email access to send and receive the messages and meeting invitations.

Though effective communication is one of the most important components of a backup plan, it is not the only one.

Most important is how we can continue to move cargo without electronic communications.

The original guidance held that all processes would revert to paper. Needless to say, that is no longer an option for many functions. And as increasing numbers of processes become automated, a paper option becomes decreasingly viable as the old forms become inconsistent with changes made in the electronic environment.

CBP and the trade community need to work together on realistic plans that accommodate both federal and private-sector system outages.

The Beacon is the official newsletter of the Maritime Exchange for the Delaware River and Bay. The Exchange encourages its readers to submit letters to the editor at any time in response to articles that appear in *The Beacon* or to address other topics of interest to the port community.

Please direct any correspondence, comments, or inquiries regarding the contents of this newsletter to:

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Foreign Supplier Verification Program under the Food Safety Modernization Act

Legal Ease

By: Stephen J. Galati, Esquire
Mattioni, Ltd.

In December 2010, Congress passed the most comprehensive food safety legislation since the 1930s: the FDA Food Safety Modernization Act, or FSMA. Among its many provisions, FSMA expanded the Food and Drug Administration's authority to protect the public from unsafe foods.

The FDA now has powers to establish new preventive controls and food safety plans, enhance food traceability, investigate illness outbreaks, and conduct a mandatory recall of contaminated food products. The Act also expanded the FDA's authority and oversight capabilities over foreign companies that supply food imports to the United States.

Seven "foundational rules" were required to implement the FSMA. These rules cover:

1. Preventive controls for human food: requiring food facilities to have safety plans to identify and minimize hazards;

2. Preventive controls for animal food: establishing good manufacturing practices and preventive controls for animal foods;

3. Produce safety: establishing science-based standards for growing, harvesting, packing, and holding produce;

4. Foreign supplier verification program: requiring importers to verify that food imported into the U.S. has been produced in a manner that provides the same level of public health protection as that required of U.S. food producers;

5. Third party certification: establishing a program for the accreditation of third-party auditors to conduct food safety audits and issue certifications of foreign facilities producing food for humans or animals;

6. Sanitary transportation: requiring those who transport food to use sanitary practices to ensure the safety of food; and

7. Intentional adulteration: requiring domestic and foreign facilities to address vulnerable processes.

The Foreign Supplier Verification Program, known as FSVP, is of particular import to the port community of the Delaware River and Bay. FSVP requires that importers verify that their foreign suppliers are producing food that is as safe as that produced in the U.S.

For the purposes of FSVP, an importer is the U.S. owner or consignee of a food offered for import into the U.S. If there is no U.S. owner or consignee, the importer is the U.S. agency or representative of the foreign owner or consignee at the time of entry, as confirmed in a signed statement of consent.

Importers are required to develop, maintain, and follow an FSVP for each food brought into the United States and for each foreign supplier of that food. If the importer obtains a certain food from a few different suppliers, a separate FSVP would be required for each of those suppliers. Similarly, if the importer obtains many different foods from a single supplier, a separate FSVP would be required for each food.

One of the key aspects of the law is the requirement that importers perform a hazard analysis, which must identify and evaluate — based on the importers' experience, illness data, scientific reports, and other information — the known or reasonably foreseeable hazards for each type of food they import. Evaluations must include biological, chemical, and physical hazards that may be reasonably likely to cause illness or injury. These hazards may occur naturally, be intentionally or unintentionally introduced, or intentionally introduced for purposes of economic gain, such as substituting a less-costly ingredient. Based upon the evaluation of risk conducted, the importer must establish and follow written procedures to ensure that it only imports from approved foreign suppliers.

Supplier verification activities must provide assurances that the hazards requiring a control in a food have been significantly minimized or prevented. Depending on the verification activities the importer conducts, the importer might request information from the foreign supplier, such as results of audits or copies of relevant food safety records, so that the importer can meet its verification requirements.

The FSVP importer is permitted to rely on others to conduct certain FSVP activities, provided the importer reviews and assesses the results of these activities. For example, an importer may rely on a food's hazard analysis conducted by the foreign supplier or the results of an independent third-party audit of the supplier that the supplier has requested. The evaluation of the risk posed by the imported food and the supplier's performance must be re-evaluated at least every three years, or when new information comes to light about a potential hazard or the foreign supplier's performance.

If an importer determines that an audit is the appropriate verification activity, it must make sure the audit considers all FDA food safety requirements and that the auditor is qualified to perform the audit. Several organizations, such as the USDA's Agricultural Marketing Service and the Global Food Safety Initiative, are working to ensure their audits meet the FDA's requirements.

Of note, importers are not required to evaluate the food or its supplier or to conduct supplier verification activities if they receive adequate assurances that a subsequent entity in the distribution chain, such as the importer's customer, is processing the food for food safety in accordance with applicable requirements.

Less onerous, modified FSVP requirements apply to very small importers and importers of food from certain small suppliers. There are also modified requirements for certain foods from a foreign supplier in a country whose food safety system has been recognized as comparable or determined to be the equivalent of the United States' system.

Unlike traditional facility inspections, enforcement of the FSVP is made by inspecting the importer's records rather than observations of food production. While most FSVP inspections will be at the importer's place of business, the FDA may request that importers provide FSVP records electronically or through other means that deliver the records promptly, as part of a pilot program.



FSVP compliance dates are not based on the size of the importer but rather on the size of the foreign supplier. The dates are linked to the other FSMA rules in order to minimize the likelihood that an importer would be required to comply with the FSVP regulation before its supplier is required to comply with other FSMA food safety regulations. The first major compliance date for importers covered by the FSVP rule was May 30, 2017. Importers can refer to a chart on the FDA website titled *"Am I Subject to FSVP?"* to determine if the rule applies to them.

Steve Galati is a shareholder with the law firm of Mattioni, Ltd., with offices in Philadelphia, Pa. and Swedesboro, N.J. He can be reached at sgalati@mattioni.com or 609-670-1192.



Notes & News

Reeves McEwing announced that attorney **Michael F. Schleigh** has joined its practice. Michael received his BA in Political Science from the University of Pennsylvania and completed his legal education at Rutgers Law School (JD) and Temple Law School (LLM). Michael is an experienced trial attorney and handles complex litigation involving transportation issues, commercial disputes, insurance coverage issues, and personal injury/death claims, as well as municipal and estate law. Michael is admitted in both New Jersey and Pennsylvania and practices from the firm's Philadelphia office.

"Food Logistics" has listed **MTC Logistics** among its **2017 Top 3PL & Cold Storage Providers**. The list serves as a resource guide of third-party logistics and cold storage providers whose products and services are critical for companies in the global food and beverage supply chain.

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Calendar of Events

11/30	American Institute for International Steel, Inc. Annual Gala Dinner Yale Club of New York City, Visit www.aiis.org
12/01	Chilean and American Chamber of Commerce Annual Fresh Fruit Workshop Philadelphia Wholesale Produce Market Contact Christina Lista, 215-790-3627
12/13	Maritime Exchange Executive Committee Meeting
12/14	Joint Holiday Dinner Ballroom at the Ben Contact Eileen Bartlomiejus, 856-488-8300
12/20	World Trade Center Delaware Annual Holiday Networking Party Delaware Biotechnology Institute, Newark, DE Visit www.wtcde.com
01/08	Delaware State Chamber of Commerce Annual Dinner Chase Center on the Riverfront, Wilmington, DE Contact Kelly Wetzel, kwetzel@dscc.com
01/10	Maritime Exchange Board of Directors Meeting
02/02	AMSC Managing Board Meeting, USCG Sector Delaware Bay, Philadelphia Contact Glena Tredinnick, glena.t.tredinnick@uscg.mil
02/03	Four Chaplains Foundation/Chapel of Four Chaplains Prayer Service The Chapel, Philadelphia Navy Yard Contact Christine Beady, Christine@fourchaplains.org or 215-218-1943
02/06	Four Chaplains Foundation/Chapel of Four Chaplains 50th Annual Four Chaplains Awards Banquet Honoring the 75th Anniversary of the USAT Dorchester Sinking Contact Christine Beady, Christine@fourchaplains.org or 215-218-1943
02/14	Maritime Exchange Executive Committee Meeting
02/20	Seamen's Church Institute Board of Directors Meeting

For a complete schedule and event details, visit www.maritimedelriv.com.

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