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Federal Funding Secured for 45' Project

In February, after an unprecedented bipartisan regional effort, members of Congress and Governors from the states of Pennsylvania and Delaware secured $16.9 million in funding that will be expended by the U.S. Army Corps of Engineers in the current fiscal year towards the deepening of the Delaware River shipping channel to 45 feet.

In addition, the President's proposed FY13 budget, which was released on February 13, included an additional $31 million for this critical deepening project.

Maritime Exchange President Dennis Rochford applauded the funding news. "The success of this effort to secure funds was made possible by the broad range of support exhibited by our elected officials," Rochford said.

He noted that the roster of names supporting the effort were truly regional and crossed party lines, including Senators Robert Casey (D-PA), Patrick Toomey (R-PA), Tom Carper (D-DE) and Christopher Coons (D-DE), as well as Representatives Robert Brady (D-PA), Chaka Fattah (D-PA), Michael Fitzpatrick (R-PA), Patrick Meehan (R-PA), Allyson Schwartz (D-PA), and John Carney (D-DE), and Governors Tom Corbett (R) of Pennsylvania and Jack Markell (D) of Delaware.

"An equally diverse segment of business and labor leaders are similarly deserving of thanks for their support of this effort," Rochford said. "Businesses and labor leadership from both states stood shoulder-to-shoulder in what everyone knew would be a long and protracted effort to fund the largest port infrastructure project since World War II."

"The 45' channel will provide the opportunity for our port to remain competitive with other East Coast ports when vying for the expected global commerce that the Panama Canal expansion will generate," said Capt. James Roche, President, Pilots Association for the Bay and River Delaware.

The entire project spans the 102-mile shipping channel between the Ben Franklin Bridge and the mouth of the Delaware Bay. Approximately 33 miles of this stretch of the channel is at or below 45 feet, requiring the remaining 69 miles to be deepened by up to five feet. Total cost for the project is $267 million, of which $181 million will be funded by the federal government, and $86 million by the Commonwealth of Pennsylvania through the Philadelphia Regional Port Authority (PRPA), the local sponsor.

The importance of this project moving forward simply cannot be overstated. At present, the Delaware River port complex contributes $6 billion to the regional economy, 75,000 jobs, $1.5 billion in wages and salaries, and $150 million in state and local taxes.

To date, approximately 17 miles of the channel, between the Chesapeake and Delaware Canal and Claymont, Delaware, has been dredged to 45 feet. The cost to dredge this section of the channel has been paid for with $40 million provided by the Commonwealth of Pennsylvania and $4 million in federal funds.

The next section to be deepened will be between Penn's Landing in Philadelphia and Essington, Pennsylvania. It is anticipated construction will commence this August. The importance of this project moving forward simply cannot be overstated. At present, the Delaware River port complex contributes $6 billion to the regional economy, 75,000 jobs, $1.5 billion in wages and salaries, and $150 million in state and local taxes.

This funding is also key to the development and success of several major Delaware River initiatives currently on the drawing board or being discussed:

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Reynolds to Receive 2012 "Spirit of the Port" Award

Congratulations go out to Maritime Exchange Chairman John Reynolds on his selection as this year's recipient of the prestigious "Spirit of the Port" award. Bestowed each year by the Seamen's Church Institute of Philadelphia & South Jersey, the award recognizes an individual who provides leadership and displays unfailing commitment to the seafarers calling ports in Southeastern Pennsylvania and Southern New Jersey and to the port community itself.

As readers of *The Beacon* are undoubtedly aware from the columns John has been writing over the last few years, his career started at sea after graduating from SUNY Maritime at Fort Schuyler in 1965. As a result, he has a special empathy for the conditions seafarers face each day as they crew the ships bringing us the consumer goods we desire. And though in his later career he owned and operated a successful ship agency for many years before selling his business and retiring – retiring to start yet a new business with long-time partner Nick Manzi, that is – he never lost his love for ships and the sea.

You can read that passion in his many articles on the maritime schools and U.S. Service academies. And his hard work in support of efforts to save the SS United States is almost unparalleled. In fact, John grew up on the west side of Manhattan, and he was on the pier when the SS United States docked on her maiden voyage in July of 1952.

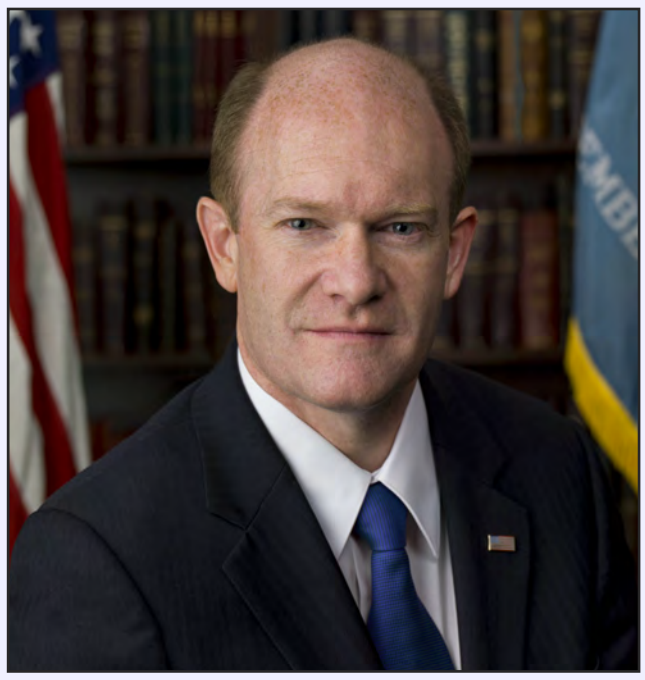
"John is clearly deserving of this recognition," said Exchange President Dennis Rochford. "Beyond his love for his wife Lea and daughter Collin, John is dedicated to the Delaware River maritime community. He has been a driving force in this port business community for over three decades. His most recent service as Chair of the Maritime Exchange Board of Directors highlights his dedication and commitment."

In addition to serving as Chairman of the Maritime Exchange, John has been a member of the Union League of Philadelphia since 1989 and serves on its Armed Services Council. He is a member of the Mariners Advisory Committee, Ports of Philadelphia Maritime Society and is a past Board member of the Seaman's Church Institute. He is also past President of the

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Interview with

Delaware Senator Chris Coons



Recently elected U.S. Senator Chris Coons (D) of Delaware comments on major issues affecting Delaware River ports.

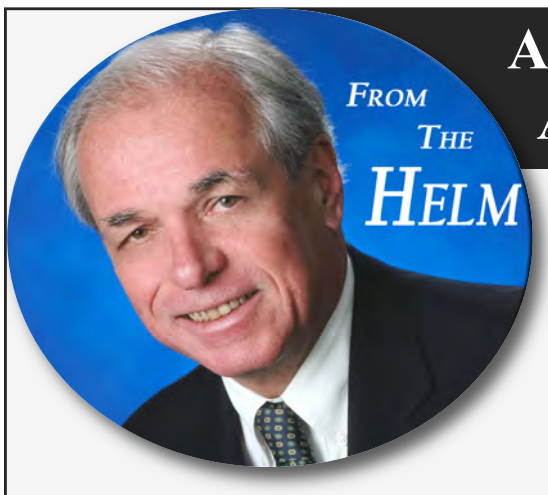
Q: As a new Senator, you have been incredibly involved with the river deepening project and have been one of the most vocal supporters of the project. Why have you been so passionate about this issue?

A: It's estimated that deepening the river could create 75,000 private sector jobs, would make this region more globally competitive and more attractive to private investment, and could be done with minimal impact on the river ecosystem. We need those jobs and we need them now. Investing in the ports will make it easier to ship American made products out, and for imports, deepening to 45 feet will make this region a top choice for unloading imported fruit, containers, raw materials, or finished goods. Senator Casey has really been out in front on this issue, and has been very helpful to me in a number of areas. I think we share a desire to see this region work together to realize its economic potential, and we are thrilled to see $16.9 million included in the Army Corps' FY 2012 work plan for the project. President Obama included another $31 million in his FY2013 budget proposal, as well.

Q: A lot of us don't get to see and hear what goes on behind the scenes to advance a project like this. Could you shed some light on what you have done in Washington and in Delaware to support this project?

A: To be candid, I have talked to anybody who will listen to me about this project. I have had conversations with the director of the White House Office of Management and Budget, with the Assistant Secretary of the Army, and many others in the Administration. We discussed job creation, regional and global competitiveness, improved efficiencies, environmental impacts, trade, and the broad support for this project. I have also made clear to them that hundreds of millions of dollars in private investment is sitting on the sidelines right now waiting for the government to show they are committed to this project. This funding is critical to the port's ability to upgrade its berths, build new warehouses, roads, buy equipment, and make other needed investments. I explained that this investment will only be realized if the government commits to fund this project. I have worked closely with your organization, Delaware officials, the labor community, and managers at the Port of Wilmington to support the deepening project. It was a bipartisan effort, too. Senator Toomey and I don't

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A Unified Effort Led to the Success to Secure Almost $50 Million for the 45' Project

Most hard fought victories are achieved through a team effort over a period of time. This was clearly the case with the 45' Delaware River Main Channel Deepening Project. To be sure, there is much work yet to be done over the next four to five years until the project is completed.

But for now, it is appropriate to savor and reflect upon "our" victory.

Obviously, the inclusion of $16.9 million in the FY12 Corps of Engineers (COE) Work Plan and the $31 million in the President's FY13 Proposed Budget are major accomplishments in and of themselves. This funding stream, along with the $40 million already provided by the Commonwealth of Pennsylvania through the Philadelphia Regional Port Authority (PRPA), the project's local sponsor, will allow construction to move forward through this year into next.

I can assure you, having spoken with numerous colleagues around the country subsequent to these recent announcements regarding federal funding, this project is now being recognized as a major development for Delaware River ports, reinforcing our position as among the largest ports in the United States.

Yet it is also worth noting the path we walked to arrive at this point. It was long, over 20 years, and it was arduous. It is hard to believe that this long-term battle began back in 1983 when then-Pennsylvania Senators John Heinz and Arlen Specter filed the first legislation to deepen the port from 40 to 45 feet.

Without diminishing the importance of the work of so many people since this project was first proposed, it is valuable to reflect on how, as a port community, we worked together in the short term during the past couple of years. There existed common purpose among all.

Arlen Specter, over the course of 30 years during his tenure on Senate Appropriations and Environment and Public Works Committees, worked to ensure that funds for this project were appropriated. Former Pennsylvania Governor Ed Rendell went to bat for the project on numerous occasions; in addition to his advocacy of the project, Governor Rendell allocated $15 million in Pennsylvania's budget for the project.

Terminal operators and stevedoring companies, longshore and other affiliated labor unions – all banded together to support our efforts. And of course, Executive Directors Jamie McDermott, Gene Bailey, Kevin Castagnola and their respective Port Authorities, and so very many others too numerous to enumerate, all acted in complete accord to meet our collective goal.

The leader who helped keep this diverse group together and focused was Charlie Kopp, Chairman of the PRPA Board of Commissioners. He has been fully immersed in this project, working with both port stakeholders and state and federal elected officials. Notwithstanding all of his other responsibilities, he was always available and engaged by text, email and phone.

When Charlie called to tell me he had just received word that the project would be included in the COE work plan, he made a comment that reflects why we were ultimately successful in what everyone agreed was an uphill battle to secure federal funds for the project. Charlie said that we had bi-state and bipartisan support for the project . . . a Republican Governor from Pennsylvania and a Democrat Governor from Delaware, and Republican and Democrat Senators and Congressmen from both states.

Our formula for success as a regional port was simple: unified port stakeholders building bipartisan support among regional elected officials. Over the years some have said the ports would never be able to pull together all of the divergent and competing interests to build the necessary political support needed to move this project forward. Well, we proved them wrong . . . and we will do it again!



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ACE Pilot Goes Live for Rail and Sea Manifest

Agency and Trade Pilot New Manifest System

In December, U.S. Customs and Border Protection announced that it began successfully receiving manifests in the Automated Commercial Environment (ACE) Multi-Modal Manifest (M1) system. Following months of intensive testing by both CBP and the trade, the pilot began with transitioning one ocean carrier and one rail carrier from the legacy platform to M1.

"ACE is part of the CBP modernization process that is essential to facilitating trade and security, speeding the flow of commerce into the country," said CBP Commissioner Alan D. Bersin. "The success of these pilots is demonstrative of CBP's continuing commitment to trade automation."

During the continued pilot phase, CBP will operate rail and sea manifest in both ACE and the Automated Commercial System (ACS) to allow trade partners ample time to implement the required programming changes prior to the decommissioning of ACS for rail and sea manifest. CBP plans to announce the decommissioning of the legacy system for rail and sea manifest through the Federal Register after the successful completion of the test and the acceptance of ACE as the replacement system for rail and sea manifests.

Once the Federal Register notice is published, CBP will commence a six-month timeframe after which ACE will become the only CBP-approved electronic data interchange through which rail and sea manifests may be transmitted. Until ACS is decommissioned, it will run in parallel with ACE – transactions processed through ACS are being replicated to ACE, and vice versa.

The Maritime Exchange has been working with CBP since the beginning of 2011 as one of several early adopters – AMS participants that have volunteered to test and help debug ACE M1. All of the core programming to make TRACS, the Exchange's automated manifest system interface, has been completed.

"We were happy to be part of the early adopter process," said Exchange IT Director, Michael Fink. "We and others in the trade were able to provide CBP with valuable comments on ACE M1, and in turn, it provided us with a unique opportunity to learn about the system nuances and changes first hand. CBP should be commended for the process it implemented – it is not often that the trade has had such an active role in the development and testing process as it has with M1."

The Exchange and other pilot participants continue to test and help CBP debug ACE M1, and have been engaged in weekly conference calls to discuss and review progress on implementation and fixes.

For more information on the Maritime Exchange's TRACS conversion to M1, contact Michael Fink at 215-925-2615 ext 305 or mfink@maritimedelriv.com.

TRACS® Stow Plan Changes Enhance Functionality

In order to meet new requirements, in January of 2010 the Exchange introduced the ability to create and submit stow plans electronically to Customs and Border Protection (CBP) via the TRACS module of Maritime On-Line (MOL). Stow plans include vessel information as well as container specifics including the number, operator, size, and location onboard the ship. The changes added another level of functionality to TRACS and increased usability by eliminating redundant keying by users. Much of the new data required was tied to a pre-existing manifest within the system.

Just one year later and the Exchange is nearing completion of an enhancement to the Stow Plan module that will again increase functionality while maintaining a high level of usability. The Stow Plan will now be independent of the manifest and will allow for stow plan submission regardless of the existence of a manifest in TRACS. "We are excited to be releasing this functionality," said Exchange Director of Operations Paul Myhre, "MOL users will now be able to submit stow plans without manifest and offer their own customers additional services."

In addition to the ability to submit a stow plan independent of a manifest, the enhancement will allow users to pull data from multiple manifests within the system as well as add external data to submit a single stow plan for a vessel. This is especially helpful when multiple manifests exist for a particular vessel and one agent is responsible for creating and submitting the stow plan.

The enhancement is complete, and the Exchange expects to release it conjunction with the transition to the Automated Commercial Environment (ACE) system.



SJPC Board Names Kevin Castagnola as the Executive Director & CEO

Kevin Castagnola, suceeds Joe Balzano as SJPC executive director & CEO

Kevin F. Castagnola, a more than 25-year veteran manager of the South Jersey Port Corporation (SJPC) was promoted by the SJPC Board of Directors at its meeting in January to head the corporation as executive director and CEO. He succeeds his mentor, Joseph A. Balzano Jr., who died in October after more than 60 years of service.

"Kevin was the natural choice for continuity of leadership and vision for the port and obviously the decades of exemplary experience with our operations," said Chairman Richard Alaimo. "He has worked in all aspects of the port's operations including marketing and labor relations. He has a well-deserved reputation in the marine terminal world and is highly respected internationally." A marine terminal expert who joined SJPC in 1986, Castagnola served as assistant executive director since 2004. And like his mentor, he worked his way up the organization from traffic manager to assistant executive director and now executive director.

"I deeply appreciate the board's trust and confidence in me," said Castagnola. "The mission of SJPC will continue to be about job-creation and economic development for South Jersey. These are very challenging times but we will continue to invest in the growth of the port at the Paulsboro Marine Terminal and our Camden terminals to enhance the vital economic impacts our facilities provide to our host communities and the region."

AMSC Reorganizes to Better Align with Region's Needs

The Delaware Bay Area Maritime Security Committee (AMSC) is most commonly known within the commercial maritime business community for its role in doling out federal port security grant dollars. Yet the AMSC fulfills myriad needs within the tri-state region.

Foremost among these is the AMSC's role in planning and preparedness for the port. As you'll read in this issue of *The Beacon*, the Sector is planning a massive exercise this spring that is designed to test the Area Maritime Security Plan concurrent with the Area Plan for oil spills.

"While the Coast Guard Planning staff has ultimate responsibility for planning activities, the reality is that Coast Guard does not and cannot operate in a vacuum. AMSC members share equally in the responsibility to ensure our region is as prepared as it can be to respond to transportation security incidents," said AMSC Chairman Russ Sweeney, of Sunoco Corporate Security.

Though oil spills and security events may result in dramatically different impacts on the waterway, they share a common approach to both planning and response.

The National Incident Management System (NIMS) is a reflection of those similarities. NIMS is emergency management doctrine used nationwide to coordinate both emergency preparedness and incident management and response among the public and private sectors.

It is a comprehensive, national approach to incident management that is applicable at all jurisdictional levels and across functional disciplines. NIMS enables community members to work collaboratively to prevent, protect against, respond to, recover from, and mitigate the effects of incidents, regardless of cause, size, location, or complexity, in order to reduce the loss of life and property and harm to the environment.

It is with this idea in mind that the AMSC Managing Board recently adopted a new charter, based on the NIMS model.

New Jersey State Police Captain Dennis Tully, AMSC Vice-Chairman, has participated in any number of response efforts, from the single stranded boater up to incidents of national significance, such as the 9/11 attacks. "The AMSC is not a response organization," Tully said, "but all of its members are conversant with NIMS, and it makes good sense to organize the Committee along those lines," Tully said.

Following the NIMS model – which includes Operations, Planning, Logistics, and Finance/Administration Sections – is designed to encourage the use of common terminology, regiment the planning process, and carry out the AMSC's mission by leveraging management by objective principles. "However, we want it to be clear that the use of NIMS as a model, which includes controlled chains of command and communication, will not limit the free and open exchange of information between and among members of the AMSC and the Managing Board," said Captain of the Port Meredith L. Austin, AMSC Executive Director.

Rather, the change was made to facilitate AMSC members' participation in various projects and processes. Instead of committing to serve on a standing sub-committee, for example, members may be asked to volunteer for a specific task with a finite duration. "This should encourage more diverse representation among members of the public sector, response community, and private businesses," Austin said.

Contact Tom Warwick, AMSC Executive Secretary, at 215-271-4991 or Thomas.E.Wwarwick@uscg.mil to become involved.

Coast Guard Gears Up for Full-Scale Exercise

By: Sector Delaware Bay Planning Staff

Coast Guard Sector Delaware Bay, in cooperation with federal, state and local agencies, and private port partners will be conducting a government-led, full-scale exercise from April 24 to 26, 2012 at locations on the Delaware River and Bay. The purpose of this exercise is to provide an opportunity for participating agencies, organizations and companies to practice response operations and to test and improve the effectiveness of the region's two primary maritime contingency plans: the Area Contingency Plan (ACP) and the Area Maritime Security Plan (AMSP).

The exercise is required by two federal programs: the National Preparedness for Response Exercise Program (PREP), which resulted from the EXXON VALDEZ oil spill in 1989, and the Area Maritime Security Training and Exercise Program (AMSTEP), established after the terrorist attacks of 9/11. These two programs address the port's exercise requirements for response to oil spills and maritime security incidents. Accordingly, this combined full-scale exercise is referred to as the PREP/AMSTEP.

The purpose of the PREP/AMSTEP is to test the plans being exercised, identify weaknesses and omissions, and use the lessons learned to improve the effectiveness of the plans. This Full-Scale Exercise (FSE) is the most challenging type of exercise to plan and execute. A FSE combines highly-realistic incident simulations with actual "boots on the ground" participation by responders. The high level of realism in a FSE is significantly better for evaluating the effectiveness of a contingency plan, though the effort required to successfully carry it out is substantial. The scenario will provide participants with an opportunity to conduct multi-agency, multi-hazard operations in a low-risk, practice environment. We are currently in the active planning phase for this exercise and are seeking input from stakeholders in the port community in order to make the exercise as realistic as possible.

The PREP/AMSTEP will start on April 24, and the majority of exercise play will end on the 25th. Additional tactical drills with state and city police departments will be conducted on April 26.

Most of the exercise play will be conducted in real-time, and resources will be deployed as described in the ACP or the AMSP. The two scenarios in this exercise, an oil spill and a maritime security incident, are not scheduled to occur at the same time in the exercise timeline in order to fully exercise each of the two separate plans. The exercise will be suspended during night hours. While the actual exercise will begin on April 24, the Sector will receive fictitious port threat information for several weeks prior to the exercise, which will result in the port going to a simulated heightened Maritime Security (MARSEC) level during the exercise.

On the first day of the exercise, an Incident Command Post (ICP) will be established at Coast Guard Sector Delaware Bay, the way it would in case of a real event. On the second day, the ICP will be moved to the Delaware County Emergency Training Center in Sharon Hill, Pennsylvania so the Incident Management Team has more room to manage the escalating incident and test ICP transition plans. There will also be an opportunity set aside during the exercise for VIPs to observe the exercise play. In addition, there will be a pollution equipment deployment in conjunction with the PREP portion of the exercise; however the date for this equipment deployment has not yet been finalized.

Captain Meredith Austin, Commander of Coast Guard Sector Delaware Bay, is encouraging all port partners and stakeholders to participate in the exercise. "The exercise will be an excellent opportunity for companies and agencies to test their internal plans and coordinate their activities in a low stakes environment. It is not too late to commit to participating in the exercise." In addition, participation in the PREP/AMSTEP may earn the company credit for exercises as required by MTSA or other federal, state or local regulations.

Why should you consider taking part in this exercise? Perhaps the most important reason to participate in the PREP/AMSTEP is that it will be an excellent opportunity to test communications in a complex, realistic, multi-agency response environment. Communications breakdown is one of the leading causes of response failures during real incidents. A full-scale exercise of this magnitude is the ideal situation to test and improve critical communication protocols with other response agencies and private port partners, before they are required during an actual, high-consequence response.

For more information about the exercise, or to inquire about participating in or observing, please contact Coast Guard Sector Delaware Bay's Contingency Preparedness Staff at (215) 271-4800.

SCI Honors John Reynolds

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Delaware Valley Chapter of Fort Schuyler's Alumni Association.

The award will be presented March 28 at the annual Spirit of the Port Luncheon at the Sheet Metal Workers' Hall, 1301 S. Columbus Boulevard in Philadelphia. Registration begins at 9:30 a.m. The pre-luncheon Forum, beginning at 10:00 am, will include a pre-screening of the documentary film "SS United States: Made in America."

Tickets are $130 per person, which includes the luncheon and forum. This annual event provides important financial support to SCI Philadelphia and South Jersey, founded in 1843. It is an ecumenical ministry to the 40,000 seafarers who visit Delaware River terminals in Pennsylvania and New Jersey each year aboard 1,700 cargo and tanker ships. SCI provides valuable services at 31 terminals to keep commerce flowing, enhance security and promote goodwill on the Delaware River.

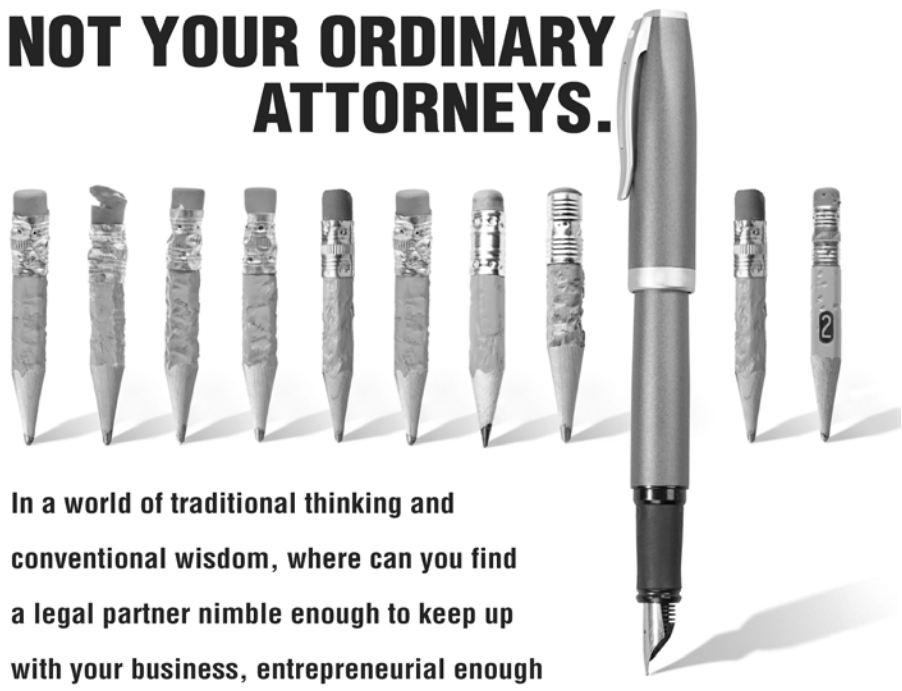
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Spanning Three Centuries

Though there are a few more years before The Maritime Exchange celebrates its 140th year, think about the tremendous changes at The Exchange – not to mention our Port – that we have all witnessed. Just think how much change the Exchange has seen in its history as the voice of the Port . . . a mission that was as important to Port business leaders in the late 1800's, as it is today.

My introduction to the Delaware River Ports was in June of 1965, as Third Mate aboard the *SS Mormacbay*, on my first watch on my license, when we anchored just south of the Ben Franklin Bridge. There were ships everywhere and most of them were American cargo ships. In those days, every American liner company had at least 50 ships in their fleet. While they are all gone, I will never forget the names: Moore McCormack, Grace, US Lines, Isthmian, States Marine, Calmar, Prudential, United Fruit, American Export, Isbrantsen and many more.

Going back further, if you have read our "Eighty Eight Nautical Miles" history of the Exchange through 1950 or looked at our web site, Philadelphia was a thriving Port City in the 1870s. According to records from the period, "in 1878 over 1600 foreign trade ships, comprised of 500 American flag ships and 1,100 foreign flag ships, called at Delaware River Ports. During this same year, there were over 5,800 arrivals in the coastwise trade, 4,000 of which were schooners."

While the percentages of American flag ships to foreign - and clearly the number of ship calls - have certainly changed, the reality is that the Port was as critical to the Delaware River region then as it is now. The recent announcement of federal support of our 45' deepening project underscores the importance of our port system.

While the late 1800s saw sail slowly giving way to steam, ships did not change much for the next 50 years despite two World Wars. The big change came in the 1960s and 1970s with the transition to containerization, and over the last three decades we've seen ship sizes far exceed what could have been contemplated by our 1870s counterparts.

The industrialization phenomenon at the turn of the 20th century was a precursor to the technological revolution at the turn of the 21st. And through it all, the Maritime Exchange continues to fill the same needs of its members as it always has: An organization that would "bring us more intimately together, would facilitate many of our transactions and increase our individual business. It would afford us an opportunity of consulting together and of adopting many measures that would lessen the expenses of Philadelphia, Camden and Wilmington as Ports of entry. And enable us as a body to send information abroad to the whole world showing that the Delaware River Ports possess advantages second to no other Sea Port in the United States."

We've even changed our name a couple of times to reflect the regional nature of the areas of operation that we cover!

Our method of delivery of specific services has also changed over the years – a few of us still remember going to the "floor of the Exchange" to read ship schedules written on the blackboard. While the latter remains my favorite, telex, fax and more recently email soon took over. Who knows what will be next?

Our Board and staff are committed to ensuring our programs and services we offer and issues we address reflect the current requirements of our members.

At the end of the day, the decade, the century, the basic services remain the same and they remain true to the mission envisioned by those entrepreneurs with foresight, all those years ago.



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Port Security Grants 101: A Primer for the Under-Informed

Legal Ease

By: A. Robert Degen, Esq.
Law Office of A. Robert Degen

As counsel to the Maritime Exchange, I am often asked to review, interpret, and provide recommendations on how Port Security Grant Program (PSGP) sub-recipients spend the federal dollars they receive. These decisions are made more difficult for both the sub-recipients and the Maritime Exchange given the murky nature of so many of the laws, regulations and policies which govern the Program.

Following is a discussion of some of our most frequently-asked questions, and we hope the information will be of assistance to those who receive federal PSGP grant funds. Maintaining compliance with program requirements is certainly in our region's best interest.

Background

In the wake of the September 11 attacks, among the many new worries for Americans was the increased concern over the safety and security of our nation's seaports and critical infrastructure. As a result, Congress passed the Maritime Transportation Security Act of 2002 to strengthen the nation's critical infrastructure against the risks associated with potential terrorist attacks.

Included among its many provisions, the Act required development of Area Maritime Security Plans that would provide details of ports' critical resources and measures and procedures to deter and respond to a possible terrorist attack. It further required owners and operators of vessels and facilities to submit security plans which set out specific measures to be taken for deterring and responding to terrorist incidents.

A key component of the Act was the establishment of the PSGP to fund or partially fund anti-terrorist measures and improvements to critical infrastructure made by port authorities, vessel/facility operators, first responders, and state and local governments in connection with implementing the area-wide and site-specific security plans. The PSGP is aimed at implementing the objectives addressed in a series of post-9/11 laws, strategy documents, plans, Executive Orders and Presidential Directives. At the port level, a series of plans and analytical products such as the Maritime Security Risk Analysis Model (MSRAM) are used in support of the national strategies to prevent and respond to transportation incidents.

Between 2002 and 2007, the PSGP was administered by the Federal Emergency Management Agency. However, in 2006, in response to the Dubai Ports World controversy, Congress passed the Security and Accountability for Every (SAFE) Port Act which authorized additional funding to enhance port security in the form of risk-based grants which resulted in the 2007 Supplemental PSGP. Under this grant, FEMA for the first time required certain ports, designated as Tier I and Tier II ports, to identify a single entity, known as the Fiduciary Agent, to apply for grant funding on behalf of the port area and to manage the grant process. With urging from the Captain of the Port, the Area Maritime Security Committee (AMSC) and the port community, the Maritime Exchange agreed to serve as the Fiduciary Agent for Sector Delaware Bay.

The Grant Process

For each round of funding, the Department of Homeland Security establishes PSGP priorities and guidelines governing the types of projects that will be allowed. Once funding is announced, a timeline is set for applicants to submit grant applications which detail the scope of the projects, projected costs, timeline for implementation and the manner in which the project addresses priorities established by DHS and the Sector. The grant applications are submitted to the AMSC where they are evaluated and scored based on a number of factors, including how well they address the DHS priorities and the regional plans. Once projects are selected and approved by the AMSC managing board and the Captain of the Port, the application to FEMA is prepared and submitted by the Maritime Exchange in its capacity as Fiduciary Agent.

For Sector Delaware Bay the PSG program has provided funding for numerous state and local governments, emergency responders and private sector projects. Approximately $70 million has been allocated to this region since 2007.

The Attached Strings

Because the PSGP projects are funded at least in part with federal funds, they come with strings attached to reflect the federal government's social and economic policies. By accepting federal funding, recipients agree to be bound by a host of public policy requirements. Some of the laws that the PSG program requires that all grantees comply with include:

- Federal Civil rights laws and regulations including the Civil Rights Acts of 1964 and 1968; Title IX of the Equal Opportunity in Education Act; the Age Discrimination Act of 1975 and the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973;
- Byrd Ant-Lobbying Amendments which prohibit use of federal funds to pay for any effort to influence a federal agency or congress in connection with a federal grant;
- Drug Free Workplace Act of 1988 under which a recipient must maintain a drug-free work place;
- Refrain from contracting with anyone debarred or suspended from doing business with the federal government;
- The Federal Water Pollution and Clean Air Acts
- National Environmental Policy Act;
- Contract Work Hours and Safety Standards Act
- Copeland "Anti-Kickback" Act which prohibits contractors from requiring employees to give up any part of their compensation
- Equal Employment Opportunity laws

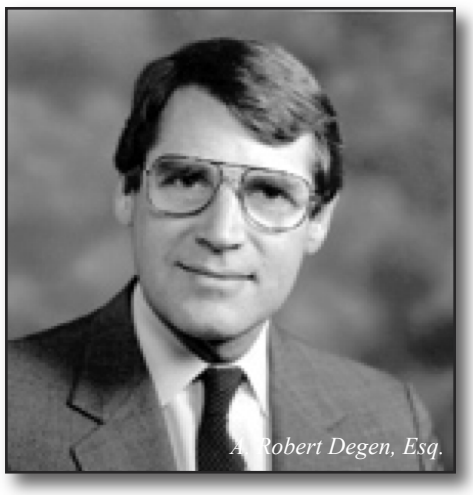
The above list is not exhaustive, but it reflects some of the principal requirements.

While not applicable to all grants, recipients of grants used to fund construction projects must also comply with the Davis Bacon Act and the Buy American Act.

Needless to say, it isn't possible to provide a briefing on all these Acts in a newsletter article, but here's a summary of some of the key components of the PSGP that have generated a number of questions among recipients in this region.

Davis Bacon Act

For any PSGP funded construction projects in excess of $2,000, recipients must pay "mechanics and laborers" at least the local prevailing wage for the type of project as determined by the U.S. Department of Labor including fringe benefits and time and a half for work in excess of 40 hours per week. The employment categories included are broad, covering all of the trades but generally excluding executives, managerial and clerical personnel. In addition, workers are to be paid at least weekly and the employer is required to maintain payroll records, certified by the employer, that include detailed information about each worker such as identity, work classification, wage rate, daily and weekly hours worked, deductions and actual wages paid. In addition, the employer is required to post a notice at the work site that includes a copy of the prevailing wage determination and which indicates that it is a Davis Bacon work site, advises employees of their rights and provides Department of Labor contact information. Construction project includes improvements of all types as distinguished from manufacturing, providing materials, servicing or maintenance work.


A. Robert Degen, Esq.

The challenge is identifying what will be classified as a construction project. PSGP sub-grant recipients are encouraged to contact the Exchange with any questions.

Buy American Act

The Buy American Act (BAA) essentially requires that all purchases by the federal government above the micro purchase threshold of $2,500 for public use be a product of the U.S. except when waived under certain trade agreements. There are four exceptions:

1. When it would be inconsistent with the public interest to require a U.S. made product;
2. When the product will be used outside the U.S.;
3. When the product is not manufactured in the U.S. in reasonable quantities; and
4. When the lowest-cost U.S. product is unreasonably expensive (i.e. exceeds the lowest foreign bid by 6% or 12% if the U.S. bidder is a small business).

Although purchasing using federal grant funds is not considered direct purchasing for a public purpose covered by the BAA, the enabling legislation for the PSGP requires grant recipients to comply with the Stafford Act, which in turn applies the Act to construction projects funded by the PSG Program. Thus sub-grantees should assure that any materials used for construction projects are either allowed by a trade agreement or are U.S. manufactured.

Procurement

FEMA does not specify what type of procurement method is to be used when purchasing goods or services with PSGP funds. Rather, recipients are required to use their own procurement methods so long

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CBP Seeking CES Applicants

In late January, Philadelphia Customs and Border Protection (CBP) announced it is accepting applications for a Centralized Examination Station (CES). Philadelphia CBP is seeking to establish one or more CESs for international ocean freight due to the termination of the existing CES agreement.

To be considered, applications must be received by close of business on March 26, 2012.

Background: A CES is a privately operated facility where import/export cargo is made available for CBP for physical inspection. The applicant(s) selected as CES operator(s) will perform cargo devanning and reloading for compliance, enforcement, fraud, outbound and anti-smuggling examinations/inspections.

Hours of Operation and Location of Facility: The CES hours of operation are 8 AM to 5 PM, Monday through Friday. These hours and days of operation may change in the future, dependent upon the needs of CBP and the local trade community. CES access for CBP personnel will expand beyond the normal hours.

Requirements: A CES operator must maintain a copy of an approved custodial bond in the amount of $100,000 or greater. The amount of the bond will be determined by the Port Director.

The CES(s) selected will operate within the Philadelphia Consolidated Port of Entry for a period of five (5) years. The final agreement will specify the duration of the authority to operate the CES. CES operators may reapply at the expiration of their Agreements in accordance with the regulations.

Application Process: See Pipeline #2012-001 posted on the Exchange web site at http://www.maritimedelriv.com/Port_Security/USCS/USCS_Port_Security.htm.

Selection Process: Following the sixty (60) calendar day "open season," the CBP Port Director will issue a Public Bulletin advising the trade community of the applications received and will publish the following information for each application: name of applicant, address of the facility proposed to be operated as a CES, proposed fee schedule and the list of equipment at the facility.

Any interested party will have thirty (30) calendar days from the date of the Public Bulletin to submit written comments for the Port Director's consideration.

A facility site survey will be conducted for each applicant having submitted a timely, complete application package, which meets the designated minimum requirements. Additional consideration, in the form of points, will be given to those applicants who exceed the minimum required standards and as applicable based upon the designated evaluation criteria.

After reviewing all applications, comments submitted, and the overall facility rating, the Port Director shall make a final determination and select the applicant(s) that will be granted authority to operate a CES. The selection will become final upon execution of a written agreement between CBP and the applicant.

Contact Edward Moriarty, Assistant Port Director, Tactical Operations, at 215-717-5959 for additional information.

Channel Deepening Project Gets Funding

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the Philadelphia Regional Port Authority's (PRPA) Southport complex, the new port at Paulsboro, New Jersey, and the proposed Port of Wilmington, Delaware expansion.

Charles Kopp, Chairman, PRPA Board of Commissioners, said "Our success in securing these federal funds for this critical project is based on our collective efforts to work as a team for the good of the region. We worked across state lines and political parties, with management and labor, Governors, Senators and Congressmen, all with one goal in mind: to convince the Obama Administration that this project was critical to creating jobs throughout the tri-state region."

"Further," said Kopp, "I must also recognize Governor Tom Corbett who released an additional $15 million of Commonwealth funds last December that kept the project moving forward while we were working to obtain these federal funds."

"All in all, a banner day for the Maritime Exchange, which has consistently ranked this effort as its number one public policy issue, and for the port community as a whole," Rochford said. "While our work is not yet complete, we have crossed our greatest hurdle."

Q&A with Senator Coons

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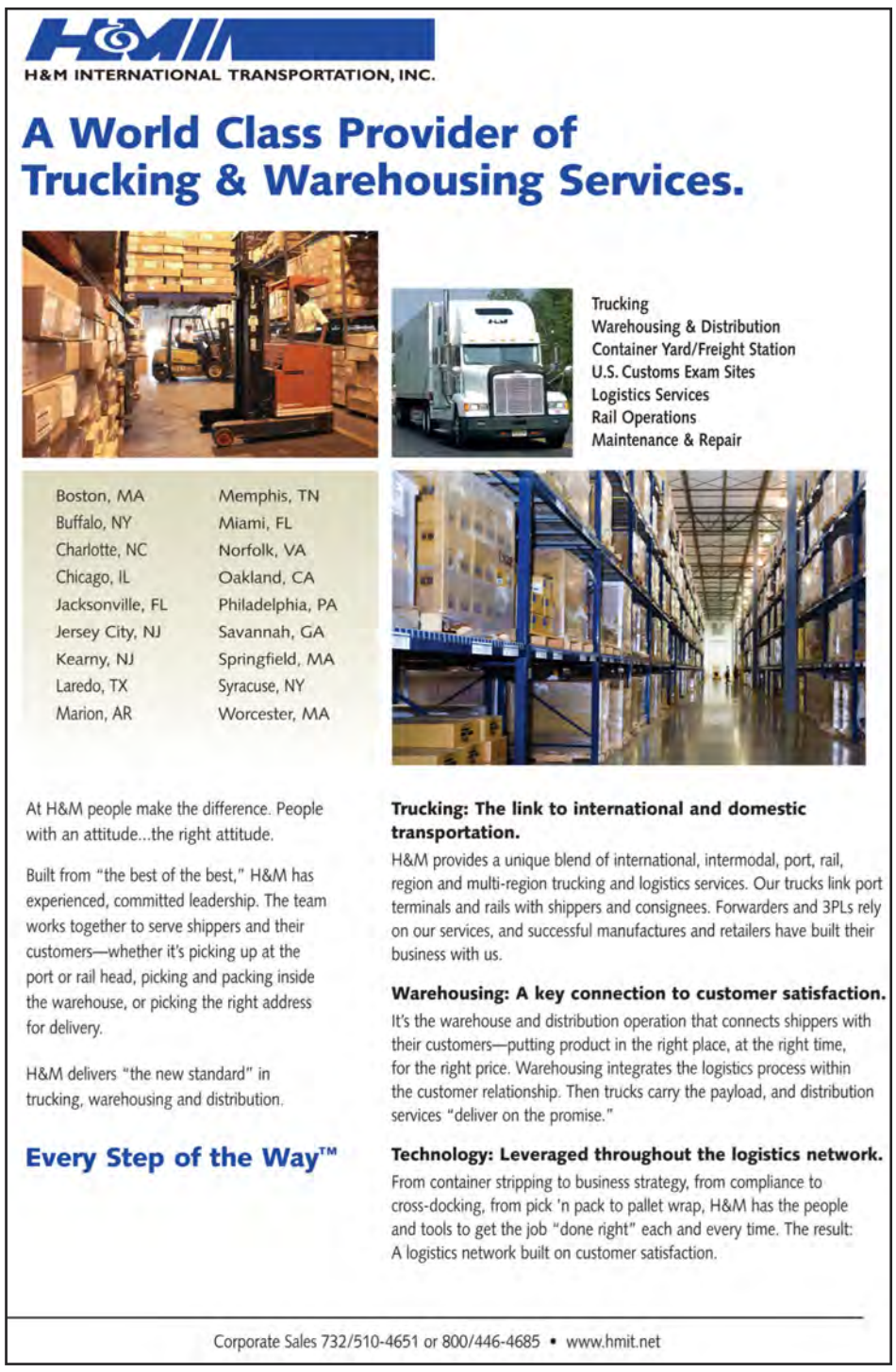
agree on all that much, but we agree on this and worked together to make it happen. I was thrilled to see that our hard work has paid off, and that the Administration agrees that this project is meritorious, and that it awarded funding for the project.

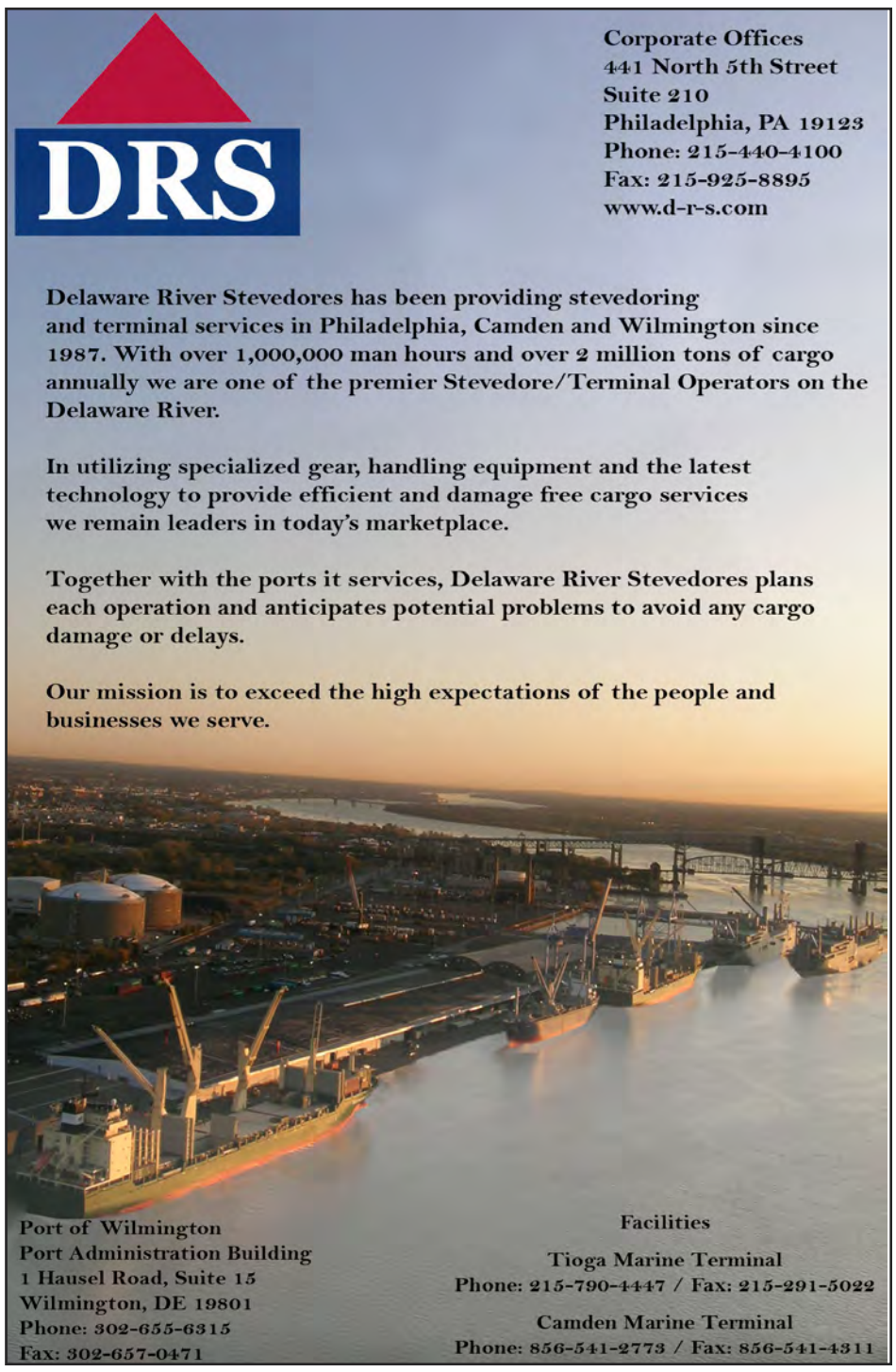
Q: What else do you think we need to do to help ports along the Delaware River?

A: I think people like Gene Bailey, Alan Levin, and Dennis Rochford have been extremely helpful and strong advocates for the region. Imported fruit is an incredibly important part of Wilmington's economy. I also had the pleasure of working with members of the Chilean business community, Dole, Chiquita and juice companies like Citrosuco on that critical piece of business. I am a strong supporter of a national infrastructure bank, and I also think we need to fix the Harbor Maintenance trust fund once and for all.

Q: What are some of your other goals for the maritime industry along the Delaware River?

A: I serve on the Senate Foreign Relations Committee and am the Chair of the Subcommittee on Africa, which has seven of the world's ten fastest growing economies. With the Delaware River ports being some of the closest U.S. ports to Africa, I hope to identify ways to improve the trade connections between this region and Africa so that the Chinese are not the only country trading with Africa. There is already a good foundation of trade, but there is much more opportunity in Africa that American companies should engage with. I would welcome suggestions and ideas about how to accomplish that.





Thank You to Everyone Who

"Simply stated, there is no project more vital to the current and future growth of the Port of Wilmington than the (45') channel deepening."

Gene Bailey, Executive Director, Port of Wilmington

" . . . Deepening the Delaware River will increase cargo to the Port of Philadelphia by 2.4 million tons, create at a minimum 1,300 long term jobs and thousands of short term construction jobs. There is real potential that this project will create a ripple effect of economic growth throughout the region."

Pennsylvania Representatives Bob Brady (D)
Chaka Fattah (D)
Mike Fitzpatrick (R)
Patrick Meehan (R)
Allyson Schwartz (D)

"It should be the collective goal of all those who have a role in shaping Delaware's future to support the (45') project and ensure that the millions of dollars at stake from various shipping businesses do not take their business to other east coast ports."

Mayor James M. Baker
City of Wilmington, Delaware

"This project is environmentally sound, economically justified, and long overdue for completion. Arbitrary roadblocks to stop this project must be put aside."

Boise Butler
President
ILA Local 1291

"Despite all the other issues businesses are facing, there is no project more important to Delaware River ports than the 45 foot channel deepening."

John Brennan, President, Penn Terminals

"Our country's reliance on the global marketplace has placed a demand on future terminal capacity that will be hard to meet. Philadelphia, with its noted infrastructure and potential intermodal connectivity, is poised to play a central role in the movement of freight throughout the surrounding region. This is why we support the dredging and deepening of the Delaware River."

James A. Capo, Chairman and CEO, United States Maritime Alliance, Ltd.

"We think it is prudent when it comes to infrastructure investments that we finish what we started if it can be done in an environmentally appropriate manner, especially when doing so will leverage private sector dollars into significant job creation."

Delaware Senators Tom Carper and Chris Coons (D)
Delaware Congressman John Carney (D)

"The project is about creating and retaining thousands of jobs in southeastern Pennsylvania. Failure to advance this project will lead to . . . job losses at a time when the economy can least afford it."

Pennsylvania Senator Bob Casey (D)

"The Port of Wilmington is the only major port in the world that is restricted by a 40 foot channel."

The Committee of 100

"The repercussions from not supporting this dredging would have a far-reaching and calamitous effect on longshore workers ranging from Delaware to New Jersey."

Harold J. Daggett
President, ILA

"We need to accommodate larger, ocean going cargo ships. The Panama Canal is being upgraded to handle the bigger vessels, and we're determined to be ready for them. A deeper channel means larger ships, more trade and jobs in the Philadelphia region"

Pennsylvania Governor Tom Corbett (R)

"In order to compete and grow, the port needs to be able to receive larger ships. The inability to do so would put Philadelphia and the region at a disadvantage as current and future business is lost to other ports."

Patrick J. Eiding, President
Philadelphia Council
American Federation of Labor and
Congress of Industrial Organizations

"Completing this project will generate commercial job opportunities for all industries throughout the Delaware Valley region."

Pat Gillespie, Business Manager
Philadelphia Building and Construction Trades Council

" . . . Deepening the channel just makes sense. It would . . . enable the Port to attract more clients, thus creating an influx of private money to invest in construction."

Harry A. Gravell, President, Delaware Building and Construction Trades Council, AFL-CIO

"CMA CGM (America) LLC applauds the effort to deepen the Delaware River's main shipping channel from 40 to 45 feet."

Joel Haka
Sr. Vice President and COO
CMA CGM

"I cannot imagine the difficulty that we will face as a port and as a region if the deepening project fails to go forward. Without it, we will lose the opportunity to be included in future vessel deployments thus jeopardizing over 50,000 regional jobs."

Thomas Holt, Jr.
Holt Logistics

"Completion of the dredging project is essential to maintain the competitiveness of our region."

Barbara Hunter
Director of Imported Commoditie
Western Fumigation

"Any future growth for Dole into the Northeast would require larger vessels with deeper drafts."

Stuart Jablon, Vice President, Operations
Dole Fresh Fruit Company

"We must seize this opportunity to not only maintain existing port-related blue-collar jobs, but to boost Delaware's economic base with the creation of new jobs that this (45') project would bring to the State's table."

Delaware State Representative Helene M. Keeley (R)

"This infrastructure project is essential to the health of our local and regional economies and integral to the future success of the Port of Wilmington."

Mark A. Kleinschmidt, President
New Castle County Chamber of Commerce

Made the 45' Project Possible

"We express our strong support for deepening the Delaware River federal navigation channel to 45 feet. A deeper channel will accommodate larger ships, enhance navigational safety, and give the ports along the river the opportunity to compete . . . it will enhance our region's competitiveness and create sustainable jobs."

Charles Kopp, Chairman, Philadelphia Regional Port Authority
Dennis Rochford, President, Maritime Exchange for the Delaware River and Bay

"Dredging the river will not only allow us to continue to provide jobs in Wilmington, but will be a key factor in allowing us to grow our business and increase these work opportunities."

Franciso Labarca, Executive Director
Pacific Seaways, S.A.

". . .We must have deeper water if we are to sustain and grow the commodities and employment at our Port."

Alan B. Levin, Chairman of the Board, Port of Wilmington

"The importance of the Delaware River Main Channel (45-foot) Deepening Project to the state of Delaware is significant. The need for deeper water will increase if the ports along the Delaware River are to expand the quantities of commodities and products they ship."

Delaware Governor Jack Markell (D)

"Our Delaware waterways place us in a severe disadvantage, compared to other world ports, especially at a time when the super tankers are the stars of the fleet. We have world class ports; just lack the ability to access them!"

Sam Lathem, President
Delaware State AFL-CIO

"Our vessels are at maximum capacity and the potential for Chiquita acquiring larger vessels over time will require much deeper drafts in the future. This is an absolute requirement to stay competitive."

Deverl Maserang, Vice President
North America Product Supply
Chiquita Brands International

"I continue to remain optimistic that common sense and real data will prevail . . . and allow the deepening project to move forward . . . ."

Mark Murphy, Chairman
Murphy Marine Services

"Without the deepening of the main shipping channel to 45 feet, our regional port will be placed in a seriously and perhaps irreparably disadvantaged position."

William Moran, Corporate Secretary, Marine Guard Service

"The Port of Philadelphia is one of Philadelphia's most important economic engines . . .deepening the channel is expected to immediately create 1,300 high paying jobs and will help spur the development of expanded facilities at the port, potentially creating tens of thousands of additional jobs."

Philadelphia Mayor Michael A. Nutter (D)

"If this project does not become a reality, Philadelphia will be the only major east coast port restricted to a 40 foot shipping channel."

Steven Nutter, Barwil Agencies N.A.

"We are working hard to make sure that we don't leave a stone unturned in finding carriers that can see, with us, the advantages of Philadelphia. Recent announcements of $16.9 million in federal funds this year, and $31 million next year to continue the Delaware deepening have created positive momentum."

Robert Palaima, President, Delaware River Stevedores

"Without a 45 foot channel, the Port of Wilmington will have trouble competing in a global economy and providing a much needed economic boost to our region in the form of jobs, jobs and more jobs."

James Paylor
International Vice President, ILA

"As we upgrade our fleet to include a greater number of Post-Panamax vessels, the need for deeper drafts will no longer be an option: it will be a requirement."

Juergen Pump
Senior Vice President
Hamburg Sud North America, Inc.

"Delay is the opponents' only real weapon because, on the merits, it is impossible to oppose the (45') project. It is clear there is a market for deeper water shipping."

Former Pennsylvania Governor
Ed Rendell

"Recently, I listened to representatives from three major carriers who said "dredge to 45 feet or you will lose our business." Nothing could be clearer."

John Reynolds
Chairman and CEO, Atlantic Logistics

"With the expected completion of the Panama Canal expansion project in 2014, the deepening project needs to be completed in a timely manner. We simply cannot allow ourselves to be shut out of this growing market place."

Capt. James Roche, President
Pilots Association for the Bay and River Delaware

"The reason I fought in the U.S. Senate for this project is because creating jobs and stimulating the economy are critical to our region."

Former U.S. Senator Arlen Specter

"Deepening the Delaware River is critical to our regional economy's future success. To help our companies compete and export, we need the port infrastructure to do so."

Pennsylvania Senator Patrick Toomey

"Without the ability to accommodate larger vessels in the Greater Philadelphia region, container lines have threatened to move their business elsewhere and the potential for new jobs and business resulting from the Panama Canal widening will greatly diminish. This would be a tremendous economic setback for this region . . ."

Robert C. Wonderling
Chairman
CEO Council for Growth

"The PenJerDel Council strongly affirms its full and unqualified support for the Delaware River Main Channel Deepening Project and calls upon the region's elected officials to act in an expeditious manner to bring this project to fruition."

Andrew Warren, Executive Director, PenJerDel Council

". . .Dredging the Delaware River Channel to 45 feet is a critical economic development project that will bring millions of dollars into Delaware's economy and will supply employment to hundreds of Delawareans."

James A. Wolfe, President and CEO
Delaware State Chamber of Commerce

"There is no question that the Port of Philadelphia's ability to attract new customers hinges on a deeper shipping channel."

Michael J. White, President
North American, Maersk Line

DBRC Celebrates Over 30 Years of Service

The Delaware Bay and River Cooperative is one of the unsung heroes of the port. Executive Director Rich Gaudiosi recently provided the Exchange with a short history of this vital organization.

The Early Years

Early oil spill legislation has its roots dating back to 1948, when a nation and the states tried to address water quality in a consistent way. After several previous amendments, the Federal Water Pollution Control Act of 1972 created an oil discharge standard and an enforcement program.

In January 1975, the Delaware Valley was exposed to one of the largest ship disasters in the nation's history when the Algerian Tanker CORINTHOS containing 300,000 barrels of crude oil caught fire and burned itself out in Marcus Hook. Local accounts tell a story of a disastrous fire, loss of life and an oil spill 50 miles long. The nation's focus on oil spills was intensified by the grounding of the ARGO MERCHANT in 1976 off Nantucket, spilling 183,000 barrels of oil and causing a 100 mile slick.

Not long after, the Delaware River Cooperative (DRC) was established by the local petroleum industry with the objective of dealing with a one tank release from a ship in the industrialized upper river area. The primary strategy was to provide protective booming for tributary streams flowing into the Delaware River in order to protect the sensitive wetlands.

In the 1978-1979 time frame, the Delaware Bay Cooperative (DBC) was established by the local oil companies and vessel operators to meet the oil spill response capability needed for the Delaware Bay lightering area. To do this the DBC built the 68' Oil Spill Response Vessel DELBAY, a self propelled oil recovery vessel with a rated capacity of 500 gallons per minute recovery and 10,000 gallons of onboard storage. At that time, the DELBAY was the only vessel of its kind in the world. The DELBAY and other equipment including oil boom were stationed in the lower Bay area with the primary purpose of providing protection to tank ship lightering operations conducted in Big Stone Anchorage.

Consolidation

In January of 1981, the members of the DRC and DBC voted to consolidate the cooperatives, and name the new entity the "Delaware Bay and River Cooperative." This newly combined cooperative would provide oil spill response skimming and booming for 110 miles of the Delaware River and the Delaware Bay. For the next five years the DBRC and the DELBAY responded to over 27 spills including a large terminal spill in Claymont in 1982, the GRAND EAGLE spill in 1985, and the INTERMAR ALLIANCE and VIKING OSPREY spills in 1986.

During this five year period, spurred on by new Co-Op members, DBRC acquired new equipment through purchase and donations from members, revamped the radio/repeater system to allow more complete coverage throughout the River and Bay, and took on the task of creating a permanent staging location in the vicinity of the Bay.

DBRC Board began negotiations with the University of Delaware to expand the Marine Operations Building in Lewes and create docking space for the DELBAY. In 1986, a dedication ceremony was held for the now Adrian S. Hooper Building, formerly the Marine Operations Building, and new pier and dock space in Lewes, Delaware.

This project was completely financed by the members of DBRC, and it enhanced the already strong partnership between the DBRC and the University of Delaware that began in the days of the Delaware Bay Cooperative. DBRC continued to build strong partnerships in the port, especially with the U.S. Coast Guard and the environmental departments of Delaware, Pennsylvania and New Jersey.

During the 1987-1988 time frame, DBRC was instrumental in identifying and prioritizing the environmentally sensitive areas in the lower Delaware River and Bay. Our port was one of the first to pre-identify these areas, and develop a protective booming strategy, and the required equipment for each deployment. As was witnessed in the Deepwater Horizon Spill, some areas of the country still don't have this level of preparedness.

Oil Pollution Act Impacts

The grounding of the EXXON VALDEZ and the resulting massive oil spill in March of 1989 was a pivotal event in the nation in terms of oil spill prevention and response policy. The Delaware River and Bay being the second largest oil port in the U.S., and the largest on the East Coast, was to be directly impacted by the resulting legislation and regulations.

Anticipating this, the DBRC Board of Directors created an Operations Subcommittee to review the oil spill risks in the River and Bay. This analysis was a natural next step to build upon the work DBRC had already been doing with the Coast Guard and the states to protect environmentally sensitive areas. The intended result of this analysis was the first step in a plan to expand the response capability of the Cooperative based on a series of four seasonal environmental sensitivity maps issues by the National Oceanic & Atmospheric Administration in May, 1989.

Prior to any proposed legislation as a result of the EXXON VALDEZ, the DBRC Operations Subcommittee submitted an initial report and preliminary recommendation to expand the DBRC response capability. Soon after, the tanker PRESIDENTE RIVERA grounded in Marcus Hook, Pennsylvania spilling 306,000 gallons of #6 heavy fuel oil. According to Coast Guard records, it took responders more than 5-6 hours to totally encircle the

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The MAC Provides Innovative Website for Safety

The Mariners' Advisory Committee for the Bay & River Delaware (MAC) has served as the harbor safety committee for Delaware River ports since 1964. What started as a small group of pilots, a steamship agent and a representative from a bulk carrier focused on safe navigation has grown to include mariners, pilots, agents, maritime services providers as well as representatives from the U.S. Coast Guard, U.S. Army Corps of Engineers and other government agencies. The first official meeting was held in October 1964 and included topics such as channel depth and aids to navigation.

Since its inception, the MAC has worked to form recommendations and solve safety issues throughout the region. "I see the MAC as the forum to bring various parties with maritime related concerns to the table to work out navigational issues before they become problems" said MAC Chairman Captain Steve Roberts. "Everything from safety, operational or commercial issues have been brought before the committee to be resolved by the very people who operate in the region," Roberts continued.

As part of its dedication to safe navigation throughout the region, the MAC has recently revamped its website to include real-time alerts to the maritime community and provide interactive functionality. Various agencies have the ability to post notices, including navigation restrictions on the main page of the website. The site will then automatically distribute the message to subscribers via email or SMS text. "We are excited to roll out the new site," said Roberts. "To my knowledge, we are the first safety committee to have a site that is interactive and provide navigational alerts as they come in."

Further, those visiting the site may access information and links to various regional partners including the U.S. Coast Guard and the U.S. Army Corps of Engineers. Maritime Exchange President Dennis Rochford, who has been an active MAC member for over twenty years, said "The MAC plays a key role for the region by working to increase navigational safety. The new website is the perfect tool to aid in that goal."

Be sure to check out the new MAC website at www.macdelriv.org and look forward to hearing more about this important committee as it ramps up to its 50th anniversary in 2014!

DRBC

continued from previous page

vessel. This was unacceptable. Oil from the PRESIDENTE RIVERA impacted numerous tributaries and extended down to Pea Patch Island.

These events prompted a Task Force review of the oil industry's activities in the port. While the petroleum industry as a whole sought to create a Petroleum Industry Response Organization (PIRO) through agreements with contractors in two East Coast regional centers — New York City, and Norfolk Virginia — the Task Force concluded that the oil spill threat to the Delaware Valley from tank vessels, pipelines, and shore side facilities could not be addressed by commercial contractors in the expected timeframes. The capabilities considered the most important by the Task Force centered on sensitive area protection and skimming of free floating oil.

As a result, the DBRC members agreed to invest over $3 million to enhance DBRC's capabilities. This investment included boom, boats, skimmers, dispersants, and the purchase and conversion of an Offshore Supply Vessel (OSV). This OSV is now the DELRIVER; she was christened in Lewes, Delaware on September 25, 1991 and is now berthed at the dock built by DBRC members at the Adrian S. Hooper building at the University of Delaware facility in Lewes.

The DELBAY was then moved to Marcus Hook to provide a substantial skimming capability up river. Coincident with this investment, the DBRC incorporated as a non-profit oil spill response corporation, The Delaware Bay and River Cooperative, Inc., and hired mariners to operate both vessels.

Today

To this day, protective booming and open water skimmer remain the hallmark of DBRC. The response to the most recent major oil spill, ATHOS I, fully demonstrated the reliability, effectiveness, and proven capability of the Cooperative. During this spill response, all of the DBRC's 80,000 feet of boom was deployed, and every skimmer and boat saw action. The quick response and deployment of DBRC resources over the Thanksgiving holiday in 2004 has set the bar for response times in the Delaware River and Bay, a claim no other entity can make.

This capability is a tribute to the member company response teams and the approved commercial oil spill contractors that DBRC trains and works with on a regular basis. DBRC continues to provide the services rooted in tradition since the 1970s, and is proud to be a key asset in the port's arsenal to prevent and respond to oil spills in the Delaware Valley.

DBRC's partnerships with the federal agencies, states, and other environmental groups like Tri-State Bird Rescue and Research, Inc. have never been stronger. In fact, DBRC was the recipient of the First Annual Corporate Wildlife Stewardship Award presented by Tri-State in 2007. DBRC also holds a seat on the Executive Steering Committee of the Delaware Bay Area Committee, representing the oil spill response community of the area, and remains actively involved in assessing the protection of the environmentally sensitive areas in the River and Bay. DBRC remains true to the tradition and services that the founding members envisioned, and remains committed to protecting the Delaware River and Bay from oil spills should they occur.

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McFarland Crew Rescues Boater

Called to Morehead City, North Carolina to remove hazardous shoaling, a dredge owned by the U.S. Army Corps of Engineers wound up responding to an emergency of a different sort early on the morning of Martin Luther King Day.

Crew members of the dredge *McFarland* rescued a boater who had reportedly been floating in 48 degree water for nearly three hours. The boater was only minutes away from being carried out of the harbor and into the open ocean when the *McFarland* crew spotted him and plucked him out of the channel.

The incident began at 7:05 a.m. with the dredge, which operates around the clock, working in the channel off Fort Macon State Park.

Spotting an object in the water ahead, the crew ceased dredging and approached for a closer look. On seeing what appeared to be a vessel and a man floating next to it, the crew, under the direction of Capt. Thomas Evans, notified the Coast Guard and lowered a launch.

By 7:12, the launch was alongside James Cecil Arthur and his boat. The launch crew, under the direction of Chief Mate Shawn Bailey, was able to secure a line around Arthur, who was suffering from hypothermia and unable to assist himself, and lift him into the launch. The crew administered first aid and took the victim directly to the Coast Guard Station at Fort Macon.

Arthur told Coast Guard officials that he had been unable to sleep so decided to take a ride on his "wet bike," launching it about 4 a.m. at a spot on the North River about nine miles from where he was rescued. He apparently struck something shortly thereafter, which knocked the boat plug out and caused the vessel to begin to sink. The wet bike had damage to the port bow which could have come from striking an object such as a log or a buoy, officials said.



The map above shows the location of the rescue. The boater was "...only 20 to 30 minutes from being in open ocean and survival and rescue may not have happened," said Capt. Thomas Evans.

The *McFarland* is an ocean-going dredge, one of four that the Army Corps of Engineers owns and operates to maintain safe navigation at home and ensure that the country can respond to national security issues abroad.

Since the beginning of 2010, the *McFarland* has been in what is called "Ready Reserve" status, meaning that she is limited to 70 days per year of training operations in the Delaware River unless called upon to meet emergencies elsewhere. Capt. Evans praised the actions of his crew on the morning of January 16.

"I am very proud of their quick and professional response," Evans said. "Thankfully he (Arthur) was spotted, because with a strong outgoing tide, he was only 20 to 30 minutes from being in open ocean and survival and rescue may not have happened."

Second Mate James Davidson was standing watch on the bridge with Capt. Evans and spotted the damaged vessel in the early morning light.

Bosun Larry Watts and Dragtender Art Rubolino manned the launch with Bailey.

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Exchange to Host Certified Port Executive™ Program

This June 4-8, the Exchange will be the Philadelphia venue for the MacDonnell Group in its presentation of a five-day Certified Port Executive (CPE) Program.

Today, the global marine transportation system is addressing a basic need for human resources. Ports around the world must recruit and retain top class management personnel to allow marine transportation systems to remain competitive. New entrants to the workforce will be required and new recruits from non-marine industries will be needed to create a competitive, vibrant future.

It is in response to this increasing need for trained professionals that the MacDonnell Group (www.macdonnell.com) has developed the CPE Certified Port Executive™ Program.

The CPE will give participants tools and knowledge to make their organization more competitive. This five-day course is designed to provide participants with a professional education opportunity related to the transportation system and operations of ports, vessels and marine terminals. The course covers rapidly changing regulations and requirements that affect ports, marine facilities, intermodal transportation providers, vessels, and many diverse service providers.

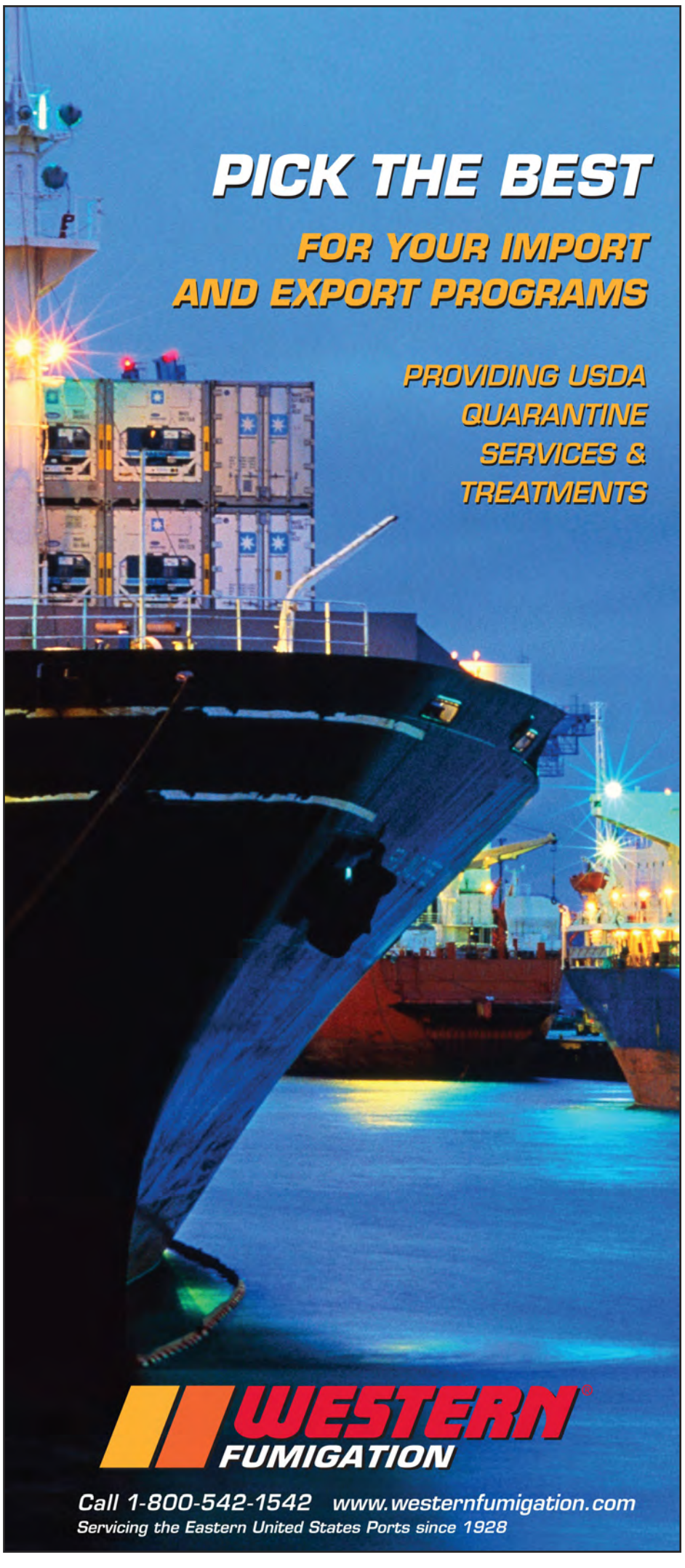
Among other topics, the course will cover: Knowledge of the marine transportation system and operations; Port governance, port authorities and organizations; Recognizing types of vessels and their uses; port and terminal management; Managing communications, media, port and terminal administration; Emerging requirements and regulations that affect ports, marine facilities and vessels; Managing risks and threats in the port environment; The scope of port security and safety plans; Comparing various methods of cargo storage and handling; Examining harbour geography and aids to navigation; and Preparing a strategic plan, master plan and business plan.

Previous course participants have included port authority executives, terminal management, government agencies at all levels, maritime attorneys, importers/exporters, and a host of other port stakeholders.

To register, or for further program information, call Corey Waterfield of the MacDonnell Group at 902-425-3980 or visit www.macdonnell.com/cpe.

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Port of Philadelphia's 2011 Cargo Statistics Show Sizable Gains

With 3,993,616 metric tons of cargo handled at the Philadelphia Regional Port Authority's waterfront facilities in 2011 compared with the 3,628,312 tons of cargo handled in 2010, the Port of Philadelphia marked a solid 10 percent increase in cargo last year, officials of the Philadelphia Regional Port Authority (PRPA) reported. Gains in both containerized cargoes and several non-containerized cargoes contributed to this increase. Combined with the 17% increase in cargo in 2010 over 2009, PRPA has re-established and surpassed pre-recession cargo levels.

Containerized cargo showed a 9 percent increase in 2011 over the previous year with 2,028,011 metric tons of containerized cargoes handled. Counted as individual containers, or TEU's, the 291,091 TEU's handled in 2011 marked a 6.7 percent gain over the previous year's 272,824 TEU's. Containers move through the Port of Philadelphia at the Packer Avenue Marine Terminal and the Tioga Marine Terminal.

Many of the port's regularly-handled breakbulk cargoes (all non-containerized cargoes excluding automobiles and liquid bulk cargoes) also experienced big gains. These included forest products (11 percent gain); cocoa beans (15 percent gain); and project cargo (an almost 4 percent gain). Steel and fruit performed at about 2010 levels last year.

Projections indicate continued growth in breakbulk cargoes in 2012, with several positive developments already occurring. The port's cocoa-handling center at Pier 84 handled a record-size cargo of cocoa beans (19,328 metric tons) in early January, and forest products carrier Spliethoff Line will return to the port regularly delivering high-quality paper and other forest products to the port's Forest Products Distribution Center at Piers 78/80 and 74.

The biggest highlight among non-containerized cargoes was automobiles due to continuous growth in the port's Hyundai and Kia automobile business. With 127,347 Hyundai and Kia automobiles arriving in 2011 compared with the already sizable 68,876 automobiles that arrived in 2010, the port experienced a dramatic 85 percent gain to this already-healthy cargo. Counted as tonnage, 174,978 tons of automobiles were handled in 2011 compared to the 77,350 tons handled in 2010, a 126 percent gain.

In a joint ILA/Teamster operation, automobiles are discharged at PRPA's Packer Avenue Marine Terminal and then processed for eventual further shipment inland at PRPA's Automobile Processing Facility, located directly across the street from the Packer Avenue Marine Terminal.

Finally, with 740,890 metric tons of liquid bulk cargoes handled in 2011 compared to the 677,553 tons handled in 2010, liquid bulk cargoes demonstrated a sizable gain of more than 9 percent. More substantial growth is anticipated in this area in 2012 as a result of cooperation on capital improvements and marketing between PRPA and its liquid bulk-handling terminal operator, Kinder-Morgan.

"While in many ways the Port of Philadelphia's activity levels are tied to the U.S. economy, we nevertheless always strive to move as much cargo through this port as possible, no matter the economic climate" said PRPA chairman Charles G. Kopp. "That ongoing effort, by both our port staff and our terminal operators, helped to yield big results last year. It also helped that the economy has shown improvement, a trend that we hope will continue in 2012."

Legal Ease

continued from page 6

as they conform to Federal law. The goal of any procurement policy is to provide to the maximum extent possible full, open and free competition. That generally means a request for proposals or invitation to bid must be made available to widest practical number of prospective bidders through a sealed bid or similar process. Moreover, the solicitation cannot specify a brand name or state a geographic preference.

In cases where the procurement does not exceed the small purchase threshold of $100,000, it is permissible to get a number of price or rate quotations from qualified sources.

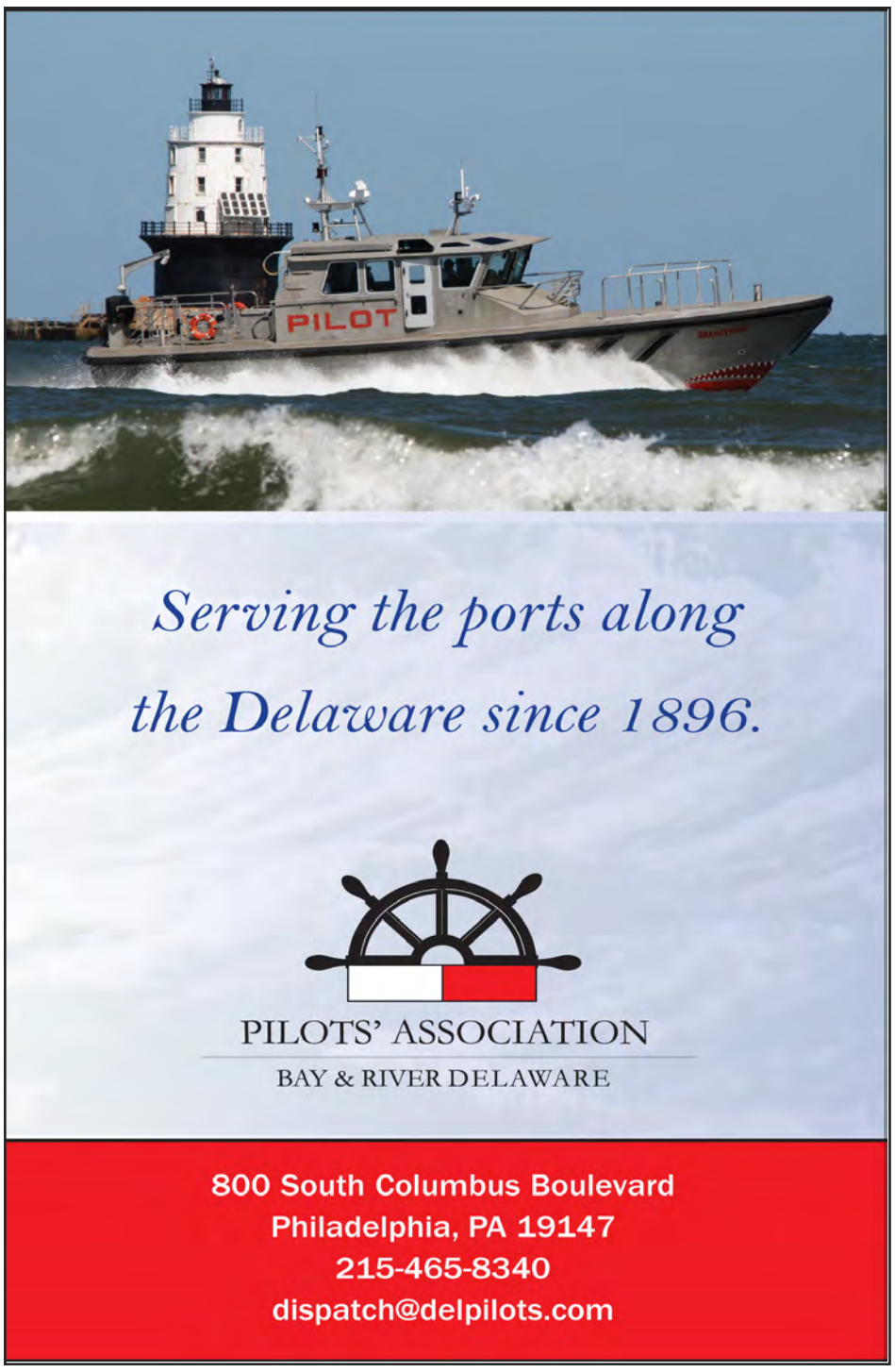
Procurement through a noncompetitive process may be permitted in those cases where the item is available from only a single supplier, an emergency or other public exigency exists so that a full and open procurement is not feasible or, when only a single response is received to a solicitation from multiple sources.

Timely Spending

More recently, we've been hearing a lot from FEMA about concerns with slow drawdowns, not only in the Delaware River, but throughout the U.S. Of all open grants, for example, four ports have spent less than 10% of the funds awarded; and no port has spent more than 55% of its PSGP allocation. The Delaware River area is slightly over the national average, having spent about 30% of its funds.

As a result, the Exchange will be implementing some changes in its sub-award management processes designed to encourage speedier project implementation and completion. Congress is looking at the slow spending numbers, and the amount of money returned to the program as it makes funding decisions.

As we go to press, funding for the FY 2012 PSGP was just recently announced. Although the President's budget sought significant funding for Homeland Security Grant programs, Congress appropriated only $97 million for the PSGP; this is well under half of what it has been in previous years. In this era of spending cuts, the port community can be grateful that funds have been made available at all.



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The Seafarer's Life

By: Henry Holcomb

The portrait of a cargo-ship worker has changed since SCI began serving the Delaware Riverway in 1843. Today, seamen come mostly from poorer, developing countries, and often take jobs as seafarers to lift their families out of poverty. They are on-call as needed, and travel all over the globe to work in often unregulated conditions, with people they don't know and who may not speak their language.

At sea for weeks at a time, theirs is a bleak world where no national laws rule, piracy still exists, and rogue waves can wash away life and limb. It's no wonder these visitors are so grateful to see a friendly face and to enjoy some of the comforts of home.

A sense of adventure once drew men to the sea. Before containers and modern cargo-handling equipment, a seafarer could count on spending a week or two in one foreign seaport after another. Seafaring was a chance to see and learn about the world. Now ships are automated; the crews, smaller; the time in ports, shorter; the loneliness, more pronounced.

Seafarers usually work whenever they are offered a contract. One man described a year when he came home to his family after a nine-month tour only to be asked to go back to sea 18 days later for another nine-month contract. Leaving his wife crying at the dock, he felt he had no choice. If he refused the contract, there would be no telling if and when he would be hired again. Seafaring was all he knew, all many seafarers know.

Clothing is often an issue. Many seafarers come from tropical countries where they cannot even buy cold-weather garments. When they join a ship's crew they often don't know where it will go during their six months or more on board. Or they think they'll be on a warm-weather route and then wind up in Philadelphia on a frigid winter day. And, from time to time, airlines lose the bags of seafarers who fly here to join a ship.

Many seafarers spend months at sea without going ashore. Tankers make round-trips from here to load at offshore terminals in Africa. Car ships come from distant points like Korea. Seafarers often have only a few hours ashore and are in a rush to go shopping, to buy snacks, clothing, or electronic gear that's either not available or too expensive at home.

Most ships have at least three nationalities on the crew, and many have five or six different nationalities and cultures on their crews. About 40 percent of the seafarers we see are from the Philippines. Large numbers come from India, Russia, Greece, Ukraine, China, Latvia, Poland, Croatia, Romania and Myanmar (Burma).

If an on-board accident occurs, good medical care may be unavailable for many days, and death sometimes follows.

Many of the seafarers visiting SCI in Philadelphia are crewmen whose vessels have come under attack or been captured by pirates. The crew of the M.V. Irene E.M., who had previously visited SCI, was attacked in the middle of the night on April 14, 2009 and seized by Somali pirates. The 22 Filipino crew members had a few brief minutes between the alarm and the highjack. The crew was then held hostage for five months until they and their ship were ransomed for two million dollars.

Sometimes crews visiting the U.S. can be detained for months if the U.S. Justice Department considers them to be material witnesses to violations of international law. If they must testify in a court case, such as one about the dumping of oily bilge water into the ocean, they might wait months before working again, often isolated aboard ship.

Such are the challenges facing the seafarer!

Henry Holcomb is a retired writer for the Philadelphia Inquirer and a volunteer at SCI. The article originally appeared on the SCI Web site at www.sciphiladelphia.org. Reprinted by permission.

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Editorial

A Job Well Done . . .

With an infusion of federal funds, the Delaware River Main Channel Deepening (45') Project is now on a solid trajectory to be completed within the next four years. The U.S. Army Corps of Engineers (COE) has already completed the 17-mile stretch of the channel between the C&D Canal and Claymont, Delaware.

As noted in the lead article in this edition of *The Beacon*, on February 7, the Corps announced that $16.9 million will be included in its FY12 Civil Works budget for the 45' project. More good news followed on February 13, when President Obama released his Administration's FY13 budget, in which $31 million was allocated for the Delaware River deepening. In addition to these federal funding sources, the Commonwealth of Pennsylvania, through the local sponsorship of the Philadelphia Regional Port Authority, has to date invested $40 million.

Given the expanding and ever more competitive global marketplace, the funding of this project sends a clear and unequivocal message that Delaware River ports are not only competitive, but ready, willing and able to accommodate the larger and deeper draft cargo vessels that will dominate the world's sea lanes upon the completion of the Panama Canal expansion.

Exhibiting a successful display of bipartisanship, the Obama Administration and the Governors, U.S. Senators and concerned House Members from the Commonwealth of Pennsylvania and the State of Delaware recognized the vitality of this project to our regional and national economies and came together to work toward its success.

Since this project was authorized by Congress almost two decades ago, in the 1992 Water Resources and Development Act, port businesses and labor organizations have worked tirelessly together and in common purpose to deepen the Delaware River channel to 45 feet. They never lost sight of just how critical this project would be to their businesses and livelihoods as they looked toward a future that includes working and competing against all other East Coast ports, all of which now have channels ranging in depth from 42 to 50 feet.

While modernizing the shipping channel to accommodate the larger post-Panamax vessels is necessary to keep the trade we enjoy today, it will also serve as a launching pad to attract new carrier services to the regional port and the economic growth and jobs that will follow.

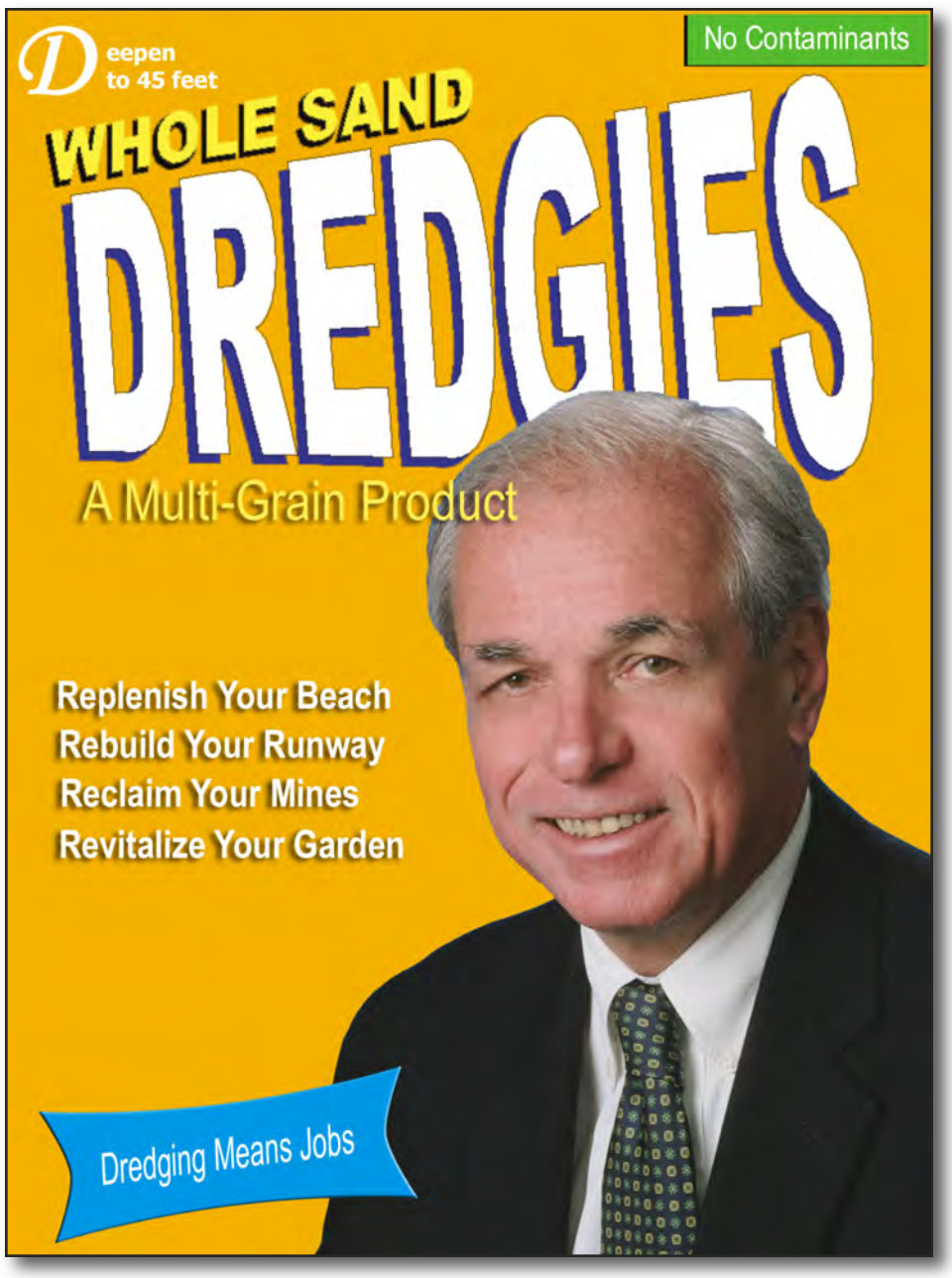
Key to this expansion will be the almost $1 billion in public and private investment to both modernize and build port infrastructure. Among other projects moving forward or being contemplated at this juncture are a new container terminal at the old Philadelphia Navy Yard, a new port at Paulsboro, New Jersey, and the proposed expansion of the Port of Wilmington, Delaware.

As is the case with any major initiative of this type, there are always critics. And this project has had its share. Opponents of the Delaware River deepening were ubiquitous, loud, and most importantly, wrong, wrong, wrong.

Facts are facts. The project has been studied endlessly, adjudicated in two Federal District courts, and now recognized by one President, two Governors, four U.S. Senators and six members of the U.S. House of Representatives as economically beneficial and environmentally sound.

The largest infrastructure project in this region in almost three quarters of a century (the channel was deepened to 40 feet in 1940) is now on the path to completion. This project is good for ports along the Delaware River, for the regional economy, and for the United States.

For all of those who have toiled over the past quarter of century to reach this point today, kudos on a job well done!



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.*

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Christmas at Sea Eases the Loneliness of Life at Sea

By: Joan Lyons, Executive Director
Seamen's Center of Wilmington



Seafarers the world over will tell you how lonely they are and how much they miss loved ones as they work in the steel box you and I know as a merchant ship. Their nine- month contracts suddenly seem an eternity as the holidays approach and the reality of missing yet another celebration sinks in.

Fortunately for many mariners arriving in the United States during the month of December, there is a "ditty box" awaiting them thanks to the work of Seamen's Centers. In Delaware, through the generous contributions and hours of help from the community, volunteers started delivering Christmas at Sea gifts on November 30. A letter to the Captain asked him to hold the wrapped gifts until the crew gathered for their holiday meal.

These tokens of goodwill come packed with basic toiletry items, candy, a deck of cards and a variety of items that will hopefully brighten a seafarer's holiday on the water. In the gift pack, the most coveted items always include a new hat and scarf – most are hand knit or sewn of polar fleece by a legion of ladies that like to know they are helping warm a seafarers' head and heart.

This year was no different from any other as smiles and "thank you" greeted our volunteers on the gangway. Erwin, a Filipino seafarer, took great pride in spending an afternoon in the Seamen's Center with a group of local ladies as they wrapped boxes. He enthusiastically shared stories of his own children, ages 2 and 4, who would be celebrating Christmas without him.

A host of thank you notes have arrived from seafarers of many different nationalities. A mariner from South Carolina who works on the OSG Vision/350 described his situation and appreciation for our outreach:

"I'm a crew member aboard the tug/barge OSG Vision/350 which passes up and down the Delaware River almost daily. Thank you for the Christmas box which we all received, and I especially appreciate the hand knitted cap and scarf. We work just 3 weeks, then 3 weeks home vs. months at a time, but it is still tough being gone at Christmas and your ministry really helps bring some cheer to us out on the water. I looked you up on-line and it's great what you're doing. Thanks again and I wish you a Happy, Safe and Prosperous 2012!"

SJPC Renames Beckett as the Joseph A. Balzano Marine Terminal

On December 12 the South Jersey Port Corporation (SJPC) renamed its Beckett Street Marine Terminal in Camden, New Jersey, the "Joseph A. Balzano Marine Terminal," in honor of its legendary executive director who died of cancer on October 19, after 60 years of service to the Port.


Joseph A. Balzano

The ceremony was held at Second and Beckett Streets, Camden, when, among others, State Senator Donald Norcross, Camden Mayor Dana Redd, South Jersey Port Corporation Chairman Richard Alaimo and then-acting Executive Director Kevin Castagnola honored the Balzano legacy along with more than 200 guests, including many members of Joe Balzano's family.

"Joe was probably New Jersey's most dedicated and tireless public servant," said Chairman Alaimo. "The mission of the SPC was his life. He worked 24/7, rarely took vacations or sick days, so he could build the ports of South Jersey into an economic development, job-creating engine for the region. For Joe, it was always about the families behind the jobs."

"He believed the port was an upper mobility ladder for unskilled and semi-skilled workers who could start out as hard working laborers, develop their skills and education, and work their way into family sustaining careers," added Kevin Castagnola.

In addition to renaming the terminal, Mayor Redd and Camden City Council President Frank Moran have renamed Beckett Street itself, from Second Street to the entrance to the port, "Joseph A. Balzano Boulevard."

Today, as the result of Balzano's leadership, the SJPC has two terminals in Camden, one in Salem, and is building the first new major marine terminal in 50 years on the Delaware River at Paulsboro which will open for business in 2013.

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Notes & News



The **Delaware Bay & River Coperative** is losing one of its longest-serving employees to retirement. For more than thirty years **George Hunsicker** has served the people of the Delaware Valley aboard the Oil Spill Response Vessel DELBAY. First as Engineer then later as Master, Captain George has protected the shores of the Delaware Bay and River against waterborne oil spills.

Hunsicker was hired as Port Engineer by Interstate Ocean Transport to care for the Delaware Bay Cooperative's newly built DELBAY in 1979. George later became Captain in 1993. George looks forward to spending time with his grandchildren, traveling with his wife Sandy, and restoring his two antique trucks.

Ricardo Maldonado, executive director of the **Chilean and American Chamber of Commerce** received one of Impacto Magazine's 2011 Most Influential Latino Awards. Maldonado was recognized for his highly successful efforts in making Chile one of the top trading partners at the Ports of the Delaware River. Currently, 65% of all Chilean fruit and produce imports come through these terminals and are distributed across the United States and Canada. Sixty million cases come in through the Delaware River ports. The impressive amount of commerce has a vital economic impact on business, tax revenues and family sustaining jobs throughout the Greater Philadelphia Region.

Duffield Associates, an engineering and science consulting firm specializing in water, soil and the built environment, celebrates its **35th anniversary** this year. The company started with two employees in 1976 by founder James F. Duffield, P.E. in Newark, Delaware and currently employs over 90 professionals in its six offices in Delaware, Maryland, Pennsylvania and New Jersey.

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Upcoming Events

03/07/12 Women's International Trade Association Board Meeting

03/08/12 Mariners' Advisory Committee Meeting
La Veranda, Philadelphia, PA
Contact Scott Anderson: marinersadvisory@yahoo.com or 215-925-1524

03/13/12 Tri-State Maritime Safety Association Board Meeting

03/14/12 Maritime Exchange Board of Directors' Meeting & Annual Meeting

Maritime Exchange Annual Election

03/20/12 Seamen's Center of Wilmington Board Meeting

03/21/12 DRPA/PATCO Board Meetings, Followed by Committee Meetings

Philadelphia Regional Port Authority Board Meeting

World Trade Association Port Tour & Happy Hour
Stadium SportsBar & Restaurant, Philadelphia, PA
Contact Deborah Ingravallo: 856-642-3957

03/28/12 Seamen's Church Institute Spirit of the Port Award Luncheon and Forum
Sheet Metal Workers Union Hall, Philadelphia, PA
Contact Ronnie Barlow: barlow@sciphiladelphia.org

03/30/12 Port of Wilmington Maritime Society Spring Luncheon
DuPont Country Club, Wilmington, DE
Contact Sean Kathleen Curran: 302-656-7000

04/11/12 Maritime Exchange Executive Committee Meeting

04/13/12 Area Mairtime Security Committee Managing Board Meeting
USCG Sector Delaware Bay

04/17/12 World Trade Association of Philadelphia 7th Annual Fundraiser for Autism Speaks
Cescaphe Ballroom, Philadelphia, PA
Contact Deborah Ingravallo: 856-642-3957

04/18/12 DRPA/PATCO Board Meetings, Followed by Committee Meetings

Philadelphia Regional Port Authority Board Meeting

04/30/12 Seamen's Church Institute Second Annual S.H.I.P. Celebrity Golf Classic
DuPont Country Club, Wilmington, DE
Contact Ronnie Barlow: barlow@sciphiladelphia.org

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

