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Celebrate Maritime Day: May 22!

Paulsboro Terminal: It's about the jobs!

New marine terminal launches in South Jersey



On March 2, the "Doric Warrior," carrying steel slabs destined for processing plants in western Pennsylvania and Indiana, docked at the newly opened marine terminal.

"Not too much would bring me out to stand on the waterfront in a biting wind on a cold March afternoon in the Delaware Valley," said Maritime Exchange President Dennis Rochford, "but celebrating the kickoff of the first new marine terminal to be built in over 50 years is one thing that certainly would."

Rochford wasn't alone. On March 2 over 300 members of the maritime industry, elected officials, and the media came out to welcome the arrival of the first vessel, the M/V "Doric Warrior," to the new Paulsboro Marine Terminal.

For New Jersey Senate President Steve Sweeney, the day was the culmination of a lot of hard work spanning more than a decade. "We stood here in 2002 on a contaminated oil tank farm that BP had stopped using, and we saw something. Now today everyone can share in this vision. PMT is going to be booming," Sweeney said.

The vision — turning what would have become a languishing brownfield into an economic engine — was to create jobs and enhance economic activity in the region.

SJPC has designated a 50-acre dockside parcel at PMT to handle imported steel stabs for NLMK, a manufacturer of high-quality steel products and one of the leading U.S. suppliers.

The inaugural voyage brought steel slabs from Tuapse, Russia. "This cargo will be delivered to American plants, where American workers will make American steel," said Bob Miller, President and CEO of NMLK USA. "It is exciting to have watched the vision turn into reality," he said, noting that NMLK's Delaware River operation supports 1,100 U.S. jobs. "We are truly delighted to be the anchor customer at PMT and one of the partners who made it happen." The slabs are destined for steel mills in Pennsylvania and Indiana, where they will be turned into materials used throughout the U.S. in the manufacture of automobiles, appliances, heavy equipment, and a host of other products.

"The Paulsboro port project is a prime example of an unwavering commitment and collaboration by our local and state leaders that made this a job-creating reality," said Kevin Castagnola, SJPC Executive Director and CEO. "It is a true public-private partnership between the State of New Jersey, SJPC, Gloucester County, the Borough of Paulsboro, and Holt that has brought an expansion of New Jersey's intermodal transportation infrastructure to grow waterborne commerce and energize the regional economy."

The South Jersey Port Corp. entered into a lease with Holt Logistics to run PMT in 2014. Holt — which also operates the Packer Avenue Marine Terminal in South Philadelphia, operates Pier 5 at SJPC's Broadway Terminal in Camden, and owns and operates the Gloucester Marine Terminal south of Camden, N.J. — has moved 185 new workers through its training and hiring program over the past two years to support its southern New Jersey operations. "Today, we can count over 100 active port workers in our [South Jersey] system and expect these numbers to multiply in the coming years," said Leo Holt, President of Holt Logistics Corp.

Holt initially invested more than $12 million at the site, including acquisition of cranes, major rolling stock, and capital equipment.

This joined the $175 million of bonds SJPC issued in 2009 that funded the development work. The construction of the PMT facility was bolstered by a $23 million grant through NJDOT to construct a new access road to

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Are you keeping Exchange membership a secret?

Membership referral program will help you spread the word

Maritime Exchange members are aware of the many benefits and services that being a part of our organization brings to their day-to-day business activities.

As an Exchange member, perhaps you enjoy reduced advertising rates in this newsletter or in the Exchange's annual port directory. Do you begin your day reading the summaries of hot news stories or key *Federal Register* postings we provide? Are you a member of one of our working groups and have seen firsthand the progress that can be made when we address issues together to effect positive change? Are you a subscriber to Maritime On-Line®, the electronic information hub for Delaware River and Bay ship and cargo processing?

The Maritime Exchange is pleased to announce that in addition to the many existing benefits, we have just added another to the roster: a membership referral program.

Going forward, any existing corporate Exchange member who successfully refers a new corporate member applicant receives a $75 rebate on the current year's dues! This is your opportunity to spread the word about the Maritime Exchange for the Delaware River and Bay. When you recruit a member for the Exchange, you become an active participant in the creation of a stronger community of peers and ensure that the industry the Exchange represents continues to grow.

So if you are a satisfied Exchange member, don't keep it a secret! A referral from you is not only a compliment to the work of the Maritime Exchange but a trusted recommendation for which your colleagues will thank you!

Contact Beverly Ford at (267) 670-7946 or bford@maritimedelriv.com to refer a member or to discuss all Exchange membership benefits and services.

Interview with

David Chalson

Senior VP for Marine Operations
Sunoco Logistics Partners



David R. Chalson has 31 years with Sunoco and Sunoco Logistics, starting as Terminal Supervisor at Fort Mifflin in 1986. As Senior Vice President of Operations for Sunoco Logistics, he currently has responsibility for all pipeline, terminal and crude trucking operations as well as for several supporting functions including control center operations, quality assurance and measurement, right-of-way and operations excellence. Mr. Chalson earned a Bachelor of Science in Meteorology and Oceanography at SUNY Maritime College, and he also holds a Master of Science degree in Energy Management and Policy from the University of Pennsylvania. He is a licensed Master Mariner and former tank ship captain. Dave recently spoke with The Beacon *about the exciting projects underway at Sunoco Logistics.*

Q: The Delaware River maritime community was excited to learn that the Marcus Hook site would be repurposed into the Marcus Hook Industrial Complex after the refinery went idle in 2012. With Mariner East 1 now fully operational, what investments have you made to bring this online and can you discuss the operational capacity?

A: Mariner East 1 was the first project that connected the vast reserves of natural gas liquids in Western Pennsylvania with the port and marketing facilities we have here at the Marcus Hook Industrial Complex. It was a significant milestone, linking the Delaware Valley to the resources of the Marcellus Shale, the world's most plentiful source of natural gas (methane) and natural gas liquids (propane, butane, ethane). From Marcus

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USDA denies its own science by delaying lemon imports

Editor's Note: Just as The Beacon *was going to press, APHIS announced that it will not extend the stay of regulation beyond May 26, 2017, and the final rule of December 2016 will go into effect on that date. While the Maritime Exchange is gratified by this outcome, we recognize that the regulatory and rulemaking processes which affect our industry can be challenging and at times appear to be arbitrary. In this regard, the substance of this column remains relevant.*

It wasn't enough that in January, the USDA imposed a 60-day delay on a rule it had finalized last December to allow the importation of fresh lemons from northwest Argentina into the U.S. In March, the USDA Animal and Plant Health Inspection Service delayed the regulation for yet a further 60 days, thereby destroying any chance for new business through U.S. ports and additional options for U.S. consumers from the current growing season.

The first 60-day stay issued on January 23, 2017 was in deference to the Trump administration's request to review all new and pending regulations. There is nothing unusual about this — it is an accepted practice most incoming administrations follow.

What is of concern to our regional port stakeholders is the second 60-day stay issued March 24, 2017. Because the Delaware River port is the largest U.S. destination for bulk fruit imports and is uniquely positioned to capitalize on this new opportunity, business, labor, and tristate Congressional members are all scratching their heads over why this second action was taken.

Well, there may be any number of reasons, but most likely it's political. Like the marketing order pushed by California that restricts the timeframe within which we can import Chilean grapes into the U.S., it isn't too much of a reach to suggest that the delay over lemon imports may be yet another attempt by West Coast growers to protect their industry at the expense of consumers across the U.S. and to control international maritime commerce, particularly through Delaware River ports. It would indeed be most disturbing were APHIS to allow political pressures from a single lobby to influence its policies rather than its own science.

A few facts might be in order at this point.

The ability to import Argentinean lemons has been a long time coming. It was only after a 10-year review and evaluation of Argentina's citrus production practices that APHIS finalized the rule this past December 23.

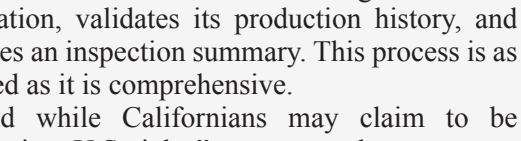
APHIS and its Argentinean counterpart SENASA have worked to ensure that Argentine lemons destined for export here comply with all U.S. requirements. The proposed protocol is based on a thorough pest risk assessment and a systems approach consisting of rigorous safeguards to prevent the introduction of any plant pest or disease into our country. As APHIS discovered on a site visit in 2015, Argentina has implemented a country-wide, mandatory traceability system for all lemons destined for the export market. This system tracks the fruit from its orchard of origin to its final destination, validates its production history, and includes an inspection summary. This process is as detailed as it is comprehensive.

And while Californians may claim to be "protecting U.S. jobs," a mantra that gets rapt attention in Washington, D.C., the reality is that allowing new imported commodities supports additional U.S. port jobs. And those jobs provide real family-sustaining wages.

As is the case with Chilean grapes, peak lemon production in Argentina does not coincide with the peak production season domestically. So who is disadvantaged here? The U.S. consumer, that's who!

Regional Congressional members have taken action on behalf of Delaware River ports. They have questioned the USDA on the delay and urged implementation of this rule. Sen. Bob Casey (D-PA), a member of the Senate Agriculture, Nutrition and Forestry Committee, questioned Governor Sonny Perdue about this issue at his confirmation hearing to become USDA Secretary. In addition, Sens. Tom Carper (D-DE), Chris Coons (D-DE), and Pat Toomey (R-PA), and Reps. Bob Brady (D-PA) and Patrick Meehan (R-PA) have written to encourage APHIS to finalize the rule as written. These officials have committed to supporting this important initiative, and their staffs remain engaged with USDA.

Implementing the final rule is a win, win, win — for consumers, the port business community and its jobs, and the U.S in ever expanding global marketplace.



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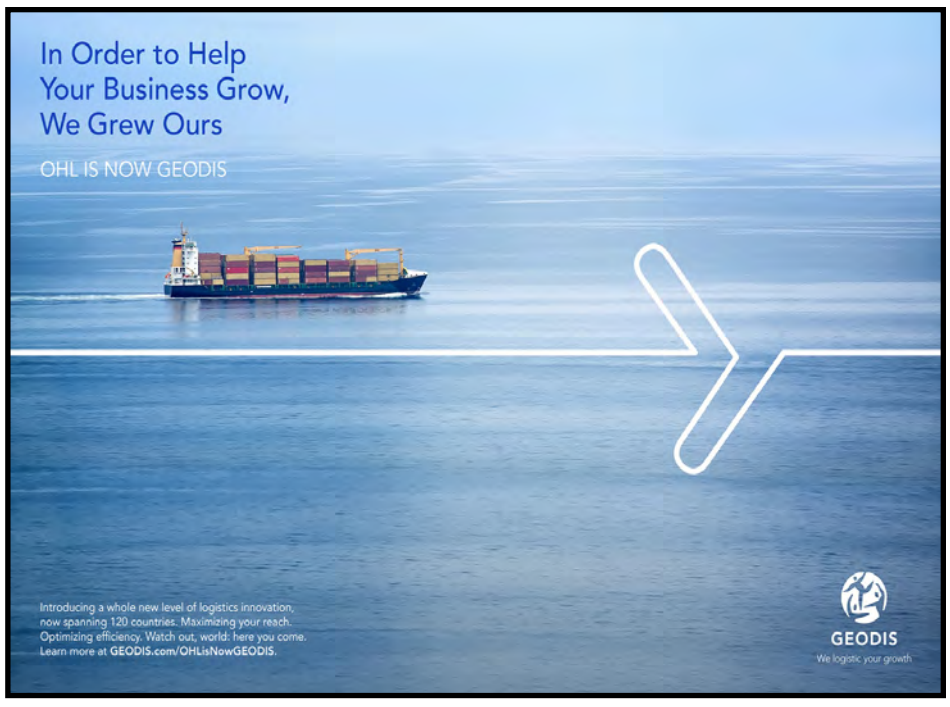
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Spring is here and so is the 2017 Port Directory!

The 2017 Port Directory is the primary source for maritime trade and transportation industry contacts on the Delaware River – at the fingertips of over 1,200 maritime industry professionals.

1-5 Copies - $25 per directory
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Trade Facilitation Agreement expected to simplify importing/exporting

Amid concerns over steps the Trump administration may take to cut key federal agency budgets, gut the port security grant program, and promote U.S. exports at the expense of imports, members of the Delaware River port community celebrated the news that the Trade Facilitation Agreement, a binding multilateral agreement, went into effect in late February.

"This pact is unparalleled in our industry. For the first time, a UN body — under the umbrella of the World Trade Organization — has created a global standard designed solely for the purpose of reducing trade-related bureaucratic delays and red tape," said Maritime Exchange President Dennis Rochford. "As its name implies, the TFA is all about facilitation. It's designed to expedite the movement, release, and clearance of goods, and it will do so in a way that creates additional transparency."

The agreement sets out measures to simplify, modernize, and harmonize import and export processes and provides for effective cooperation between customs and other authorities on trade facilitation and compliance. According to WTO Director-General D.G. Azevêdo, the agreement could reduce global trade costs by an average of 14.3 percent a year, increase global trade by 2.7 percent a year, and add 0.5 percent a year to global economic growth by the year 2030.

"While the Trump administration has so far sent mixed signals regarding its position on trade, there's no doubt the TFA will do a great deal to enhance international commerce, which clearly supports jobs both at home and abroad," said Robert Palaima, President of Delaware River Stevedores, which operates in Philadelphia, South Jersey, and Wilmington.

The agreement became effective on February 22 when the number of nations ratifying it reached 112, surpassing two-thirds of the WTO's 164 members. This comes four years after the UN concluded negotiations at the Ninth Annual WTO Ministerial Conference in 2013.

The American Institute for International Steel has worked to secure enactment of the TFA for several years, and AIIS Executive Director Richard Chriss said the pact will boost the international steel trade. "This agreement will make it easier for AIIS members and others to engage in trade around the world," Chriss said. "And the greater efficiencies that will result will contribute to stronger economic growth and lower prices for consumers."

Given that the TFA is a platform to facilitate existing trade between countries, the UN has a particular definition for "facilitating" trade that requires rationalizing procedures and documentation. "Examples include simplifying and/or standardizing customs procedures, providing for the electronic transmission and certification of documents, publication of national trade rules and directories to enhance transparency, and greater cooperation on technical standards," Chriss said. "So the TFA can be described as cutting the bureaucratic red tape that adds costs, paperwork, and time to everyday trade transactions, for both imports and exports."

While the TFA enjoys broad bipartisan support, Rochford noted that the president has not publicly stated his position on the agreement. "However, Trump's background as a real estate developer and the fact that the agreement addresses his goal to improve opportunities for U.S. businesses should foster an appreciation for the cost savings and elimination of delays involved in getting permits, which can be duplicative, unnecessary, and onerous," Rochford said.

This contrasts with the Trans-Pacific Partnership, which the president called "a disaster" before withdrawing the U.S. from the agreement. TPP, not yet in force, was a much more comprehensive trade negotiation, encompassing many areas beyond facilitating trade, and it was much more controversial.

The TFA is the first successfully concluded agreement in the WTO's 21-year history. "In my view, it is one of the most significant international economic developments of the past 70 years, going back to the founding of the General Agreement on Tariffs and Trade, the predecessor organization of the WTO," Chriss said.

"This will not only benefit the steel trade, it should create conditions that are more favorable to all commodities moving across our borders," said John (Jack) Mallough, Sr. a cconsultant at GEODIS, USA. "Rather than rewarding protectionism, the TFA encourages global trade, which is good for our ports and the millions of Americans who earn their livings from international commerce."

In addition to slashing trade costs, the TFA is also expected to reduce the time to import goods by over a day and a half and the time to export goods by almost two days. This would represent a reduction of 47 percent and 91 percent respectively over the current average, resulting in very significant cost savings for traders.

"There are no down sides to the TFA," Rochford said. "Even those who oppose open trade will reap the benefits, as it will help keep the costs of consumer goods low. Everybody wins."

Channel deepening: Rounding the final bend

Another major step toward completing the channel deepening project was achieved this past March when the Great Lakes Dredge & Dock Company dredges "Apache" and "New York" finished the second phase of rock removal near Marcus Hook, Pa. The Corps and its contractors will finish removing the rock from the area in the third and final round of digging set to start in December of this year. The current schedule has this area deepened to 45 feet by early in 2018.

Only two dredging contracts remain for the full 45-foot channel to become a reality.

One was awarded last fall, for hopper dredging of 1.2 million cubic yards from upper Reach E (the north end of the Delaware Bay), to The Dutra Group for $32.6 million. Work is expected to begin in May and wrap up before the end of the year.

The last deepening contract is for upper Reach B (between Chester and Wilmington) and the Marcus Hook Anchorage, which is adjacent to the channel. That contract will involve a combination of pipeline cutter suction dredging and bucket dredging to remove 3.6 million cubic yards from the channel.



The hopper dredge "Apache" works near Marcus Hook, Pa. in March of this year.

"With the completion of this project clearly in sight, our port is now poised to reap the benefits associated with the recent expansion of both the Panama and Suez Canals," said Maritime Exchange President Dennis Rochford.



Welcome New Members

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Exchange website gets a facelift

After over a year in the making, the Exchange recently launched a newly designed website to better serve members and visitors.

Planning the new site was a major undertaking involving input from both members and staff. The Exchange analyzed web traffic logs to see how visitors were using and navigating through the webpages, and it surveyed members to determine what they would like to see in a redesign.

As visitors to the site know, the Exchange posts general maritime news, navigation and security alerts, regulatory announcements, and a host of other information. The previously separate government affairs and federal agency pages were combined into a single page with navigation tabs to make it easier to browse through the updates. Visitors can also more quickly find information by using the search function or the filter feature.

The Maritime On-Line® and the publications pages were similarly modernized. The Maritime On-Line webpage better showcases the ship scheduling, cargo manifesting, crew reporting, and real-time vessel tracking modules as a single comprehensive system. Likewise, the combined publications page more effectively highlights the diversity and scope of the Exchange communications.

Exchange members often lend their voices to effect positive change in Washington. To facilitate participation in these efforts, the current roster of legislators and their contact information is available on the government affairs page.

A new calendar tool provides additional details on community events — visitors can view a monthly or a weekly calendar or a running list of upcoming events. They can also submit events for inclusion on the web calendar and in the monthly newsletter to members.

Finally, the Exchange's web presence is now responsive — automatically reformatting itself to fit users' different screen sizes, including mobile phones and tablets.

Visit www.maritimedelriv.com to check out the new look. As always, the Exchange welcomes suggestions for improvement. Feel free send comments to exchange@maritimedelriv.com.

DRS about people, partnerships, products

It is no wonder most Delaware River port operators pride themselves on their local connections. The vast majority of private maritime terminals throughout the waterway are locally owned and operated, and that translates into a deep commitment to the success of this port region.

While at first blush Delaware River Stevedores may appear to be a glaring exception to this general rule, with SSA Marine and Ports America as its parent companies, the reality is that DRS is operated independently under the leadership of its president, Robert W. Palaima.

"We are able to give our customers the best of both worlds," Palaima said. "SSA Marine and Ports America have their fingers on the pulse of global markets, so the ports we serve benefit from this macro perspective. Yet we're 100% solely dedicated to this region." DRS has a long history on this river, with roots here dating to 1925.

Those ports DRS serves are located in all three states bordering the Delaware River port complex, another factor that makes this company unique. At the Port of Wilmington and at the South Jersey Port Corporation terminals in Camden, N.J., DRS provides cargo-handling and stevedoring services. In Philadelphia, DRS operates the Tioga Marine Terminal under lease to the Philadelphia Regional Port Authority.

DRS also sets itself apart by its commitment to using ILA-only labor. Palaima noted, "We're ILA from the hold of the vessel to the tailgate of the truck," a phenomenon which is not necessarily a given in the Delaware River region.

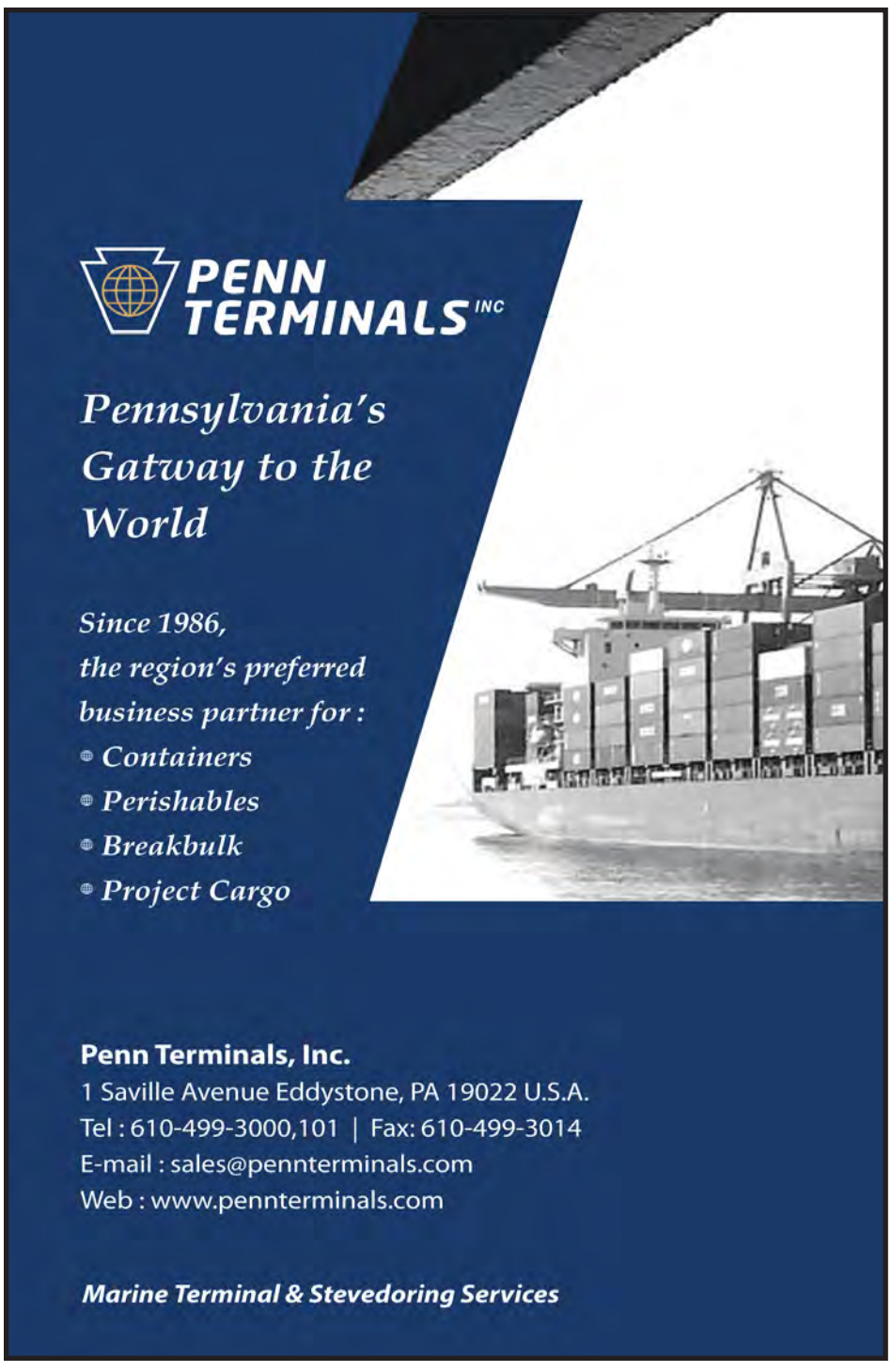


Robert Palaima, President of Delaware River Stevedores, Inc.

The DRS philosophy — and one of the keys to its success — is based on the development of effective partnerships. "Our organization is not hierarchical by any means," Palaima said. "We work together with our port authority partners, DRS management, and labor to meet the goal of not only quantity of jobs but also the quality of those jobs. We are particularly fortunate to have a cadre of extremely dedicated people who work as a team to service our mutual customers."

The overarching objective is to remain competitive while at the same time to "provide wages and benefits that families expect and deserve and to provide our customers with a deep pool of professional labor."

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Blockchain demystified: New tech hits maritime commerce

By: Pat d'Entremont
Nicom Maritime

At first, it seemed to be about online monetary transactions and in the very early stages of adoption. But Maersk Line and IBM have announced that they are working together to use blockchain technology for transactions among supply chain partners, and suddenly it's here, now, and in our industry. So we'd better start paying attention.

What exactly is blockchain technology? First of all, it's not magic. It is physical storage of data, just like any other data storage, but what is unique is how it is being done. In essence, transactions and other digital assets such as mortgages, video content, and bills of lading, are recorded in blocks of storage that are linked together, then replicated multiple times across a network. The entire domain where this data resides is called "the blockchain," and the parts of the domain that are controlled by the participants (those authorized to access the data) are called "nodes."

There are two types of blockchains — public, like the online currency known as Bitcoin, and private, like most business usage.

It is the unique properties of blockchains that make them very appealing as a means of direct communication among trading partners.

Resilient distributed network

The fact that data gets replicated across the nodes means that the entire system is peer-to-peer, where communication is decentralized and each machine has the same capabilities as any other. There is no central server to be compromised, and all records are public and verifiable by authorized individuals. Also, it is very robust: if one part of the network goes down, other copies will take over.

"Immutable" transactions

That means that transactions can only be added. The technology does not allow for changing or deleting information once it is placed on the blockchain, leaving a clear audit trail. If anyone tries to change an existing transaction, it will be easily detected. Since only one part of the chain has been compromised, the node where the block resides will simply replace it with a block from another node.

Cryptographically secure

Every digital asset and block goes through a cryptographic one-way "hashing" algorithm that further protects against tampering. The hashing yields a unique result called a digest, and someone modifying a block and correctly guessing the input that produced the digest is highly unlikely.

Transactions only by consensus

Network participants must agree on the rules of business, which are embedded in immutable "smart contracts" that are programmed right into the blockchain.

Accessible via web services

Participants use the Internet to participate in the blockchain.

Think of a blockchain as an association, with the nodes as its members. There is no central authority dictating the rules of conduct, other than whatever governance the association puts in place. It is an ideal technology to ensure trust among trading partners without having to rely on some

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The Exchange is throwing a party, and you're invited!



Come one and come all to the Corinthian Yacht Club on Thursday, June 15, from 5:00 through 7:00 p.m., when we celebrate the start of summer, and thank you, Maritime Exchange members, for your unwavering support of our mission to promote commerce on the Delaware River and Bay.

Above referral incentive mentioned on page 1 of this newsletter, Exchange members who bring a guest member candidate to the June 15 mixer will be eligible to win a raffle prize. In addition, any guest joins the Exchange within 30 days of the event will receive a discount of $100 off the annual membership fee.

So mark your calendars now for June 15. The Corinthian Yacht Club, located at 300 W. 2nd Street, Essington, Pa., has plenty of free parking. Come early. Stay late. But please join us. The Exchange staff is looking forward to meeting you and thanking you for your confidence in and support of the work we do on your behalf.

Registration appreciated but not mandatory. Contact Beverly Ford at bford@maritimedelriv.com if you have any questions or need more information.

Crowley, Penn Terminals ink multi-year agreement

Crowley Maritime Corporation has signed a multi-year stevedoring and terminal services agreement with Penn Terminals in Eddystone, Pa. to accommodate the company's weekly Northeast container shipping service to and from San Juan, Puerto Rico.

"We are very pleased to find a new home for our operations at Penn Terminals," said John Hourihan, Crowley Senior Vice President and General Manager for Puerto Rico services. "The Penn Terminals management team has been very accommodating and understanding of our needs."

Crowley has served the Northeast market from Petty's Island in Pennsauken, N.J. since 1983. Service from Penn Terminals will begin on January 1, 2018.

"Penn Terminals is honored to be Crowley's chosen service provider on the Delaware River come January 2018," said John Brennan, the facility's President and CEO. "We are looking forward to the opportunity to help support Crowley's growth and development over the coming years."

With Crowley's lease at Petty's Island expiring at the end of this year and the company transitioning to a lift-on/lift-off (Lo/Lo) operation in its Puerto Rico service, Hourihan said the time was right to make the move.

"Executing this long-term agreement is another demonstration of our commitment to the Puerto Rico market, the Jones Act, and our many loyal and dedicated customers who will continue to benefit from our weekly service out of the Northeast," Hourihan said. "Our operation from Penn Terminals will complement our new Lo/Lo service out of Jacksonville, Fla. when it commences later this year with the arrival of the first of our two new LNG-powered ConRo (container – Roll On/Roll Off) ships."

Penn Terminals is located on the Delaware River six miles south of Philadelphia and eleven miles north of Wilmington, Del. On-dock rail service is provided by Conrail, CSX, and Norfolk Southern.

Crowley has served the Puerto Rico market since 1954, making it the longest serving Jones Act carrier in the trade. Jacksonville-based Crowley Holdings Inc., a holding company of the 125-year-old Crowley Maritime Corporation, is a privately held family- and employee-owned company.



On March 31, Pa. Gov. Tom Wolf and PennDOT Secretary Leslie S. Richards toured Penn Terminals. The surprise visit was to commend Penn Terminals and Crowley Maritime Corporation for bringing more than 500 jobs and weekly container service to the Eddystone-based facility.

Western pilots new scrubber system

With over 70 receivers bringing nearly 30 million cases of grapes from Chile and kiwi through Delaware River ports each season, safe and efficient handling of these cargos are paramount. At the height of the 2016-2017 Chilean grape importing season, Western Fumigation, in collaboration with Dr. Spencer Walse of the USDA and his team of researchers, started a project with important goals for Delaware River port stakeholders: to recapture and destroy aerated methyl bromide, post-fumigation.

The project is a pilot test of a new scrubber system, and Walse is the lead researcher from the USDA Agricultural Research Services who has been researching recapture technology under a government grant for several years. The aim of the pilot, still underway at Gloucester Marine Terminal with the support of Holt Logistics, is to adapt and scale up the technology developed in the laboratory and apply it to high-volume fumigation of perishables.

"This was a tall order which needed proof of concept," said Kurt Reichert, irector of Fumigation for Western. "For six months, Western, its engineering consultants, and a third-party firm worked to design and manufacture the scrubber unit that began trials in late February." As can be expected with any new, unproven system, the team made many improvements as the trials progressed. These are ongoing, and the researchers gain knowledge of the capabilities and shortcomings of the scrubber unit with each trial. For example, a heating device is being adapted to the scrubber that will significantly increase the efficacy of the system.

Walse, who makes the trip from the San Joaquin Valley Agricultural Sciences Center with his team for each test, supervised the equipment design and manufacture and is now directing the testing process. The pilot will run through July 2017, after which data will be compiled and the findings shared with the New Jersey Department of Environmental Protection, which is overseeing the project.



Dr. Spencer Walse (right) and research chemist M. Rodriguez gather data during scrubber tests at Gloucester Marine Terminal.

Results will be presented publicly at the 2017 Annual International Research Conference on Methyl Bromide Alternatives and Emissions Reductions in mid-November. The MBAO, an international conference that brings together research scientists, government agencies, and industry stakeholders, is organized by the Crop Protection Coalition, in conjunction with the U.S. Environmental Protection Agency and the USDA. Western is a founding member of the Crop Protection Coalition and serves on its board.

"We look forward to sharing our findings with the Delaware River maritime community later this year and to dramatically improved processing of these cargos in the years ahead," said Miriam Borja-Fisher, Western's Senior Development Manager.





Maritime Exchange Annual Election Results

The Maritime Exchange extends its appreciation to members who voted in the 142nd annual election held in March. The following were elected to three-year terms:

JESSE CHAMBLISS ✓
SEAN CLANCY ✓
STEVE CLARK ✓
JOHN DONOHUE ✓
BARBARA HUNTER ✓
RICK IULIUCCI ✓
PAT KENNEDY ✓
JACK MALLOUGH ✓
BILL MORAN ✓
BOB PALAIMA ✓
MICHAEL REAGOSO ✓



At the May organizational meeting, directors elected the following officers, who will serve one-year terms:

JOHN T. REYNOLDS, Chairman
UWE SCHULZ, Vice Chairman
ROBERT A. HERB, Treasurer
A. ROBERT DEGEN, ESQ., Secretary/Solicitor

CAPT Anderson takes over at Sector Delaware Bay



At a ceremony to be held on June 23, 2017, Capt. Scott E. Anderson will assume command of Sector Delaware Bay from Capt. Benjamin A. Cooper.

Capt. Anderson has served as Deputy Commander at Sector Delaware Bay since July 2015. In this role, he has been the Alternate Captain of the Port, Officer-in-Charge of Marine Inspection, Federal Maritime Security Coordinator, and Federal On-Scene Coordinator for an area covering eastern Pennsylvania, southern New Jersey, and Delaware.

A native of Las Vegas, Nev., Anderson is a 1994 graduate of the United States Coast Guard Academy and holds a Master of Engineering in Naval Architecture and Marine Engineering from the University of Michigan.

He started his career on the "USCGC Polar Star" (WAGB-10), where he served as a student engineer and the damage control assistant. He then transitioned to the Marine Safety Program, now part of the Prevention Program, serving tours at Marine Safety Office Houston-Galveston, Sector New Orleans, and Sector Lower Mississippi River in Memphis, Tenn. He is a qualified marine inspector with experience in domestic vessel, foreign vessel, and facility compliance.

Immediately following the events of September 11, 2001, Anderson transitioned to the newly created Port Security Directorate at Coast Guard headquarters, where he was integral to the development of the Port Security Assessment Program, Port Security Risk Assessment Model, and safeguards for the sharing of sensitive security information within an unclassified joint industry-government environment.

In 2010, he was assigned as the Deputy Sector Commander at Sector Lower Mississippi River, where he oversaw Coast Guard missions on over 2,000 miles of river in six Midwest states.

Prior to his assignment at Sector Delaware Bay, Anderson served as the Chief of Inspections and Investigations for the Ninth Coast Guard District in Cleveland, Ohio, providing policy guidance and support to Coast Guard units throughout the Great Lakes and St. Lawrence Seaway. In this capacity,

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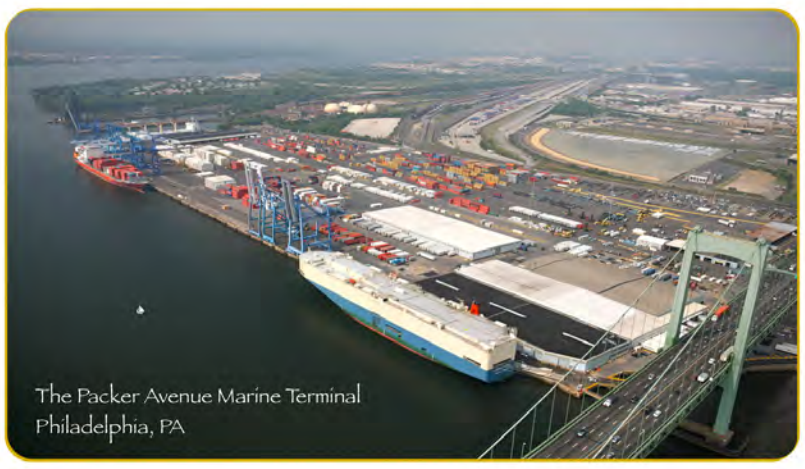
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Last year a good one for the Exchange and its members

Annual board report highlights achievements

Following is an extract of the Report of the Board of Directors delivered at the Exchange's 142nd annual meeting on March 8, 2017.

The Maritime Exchange for the Delaware River and Bay is pleased to report that Delaware River ports enjoyed a successful 2016!

First and foremost, 2,427 ships arrived at Delaware River port facilities in 2016. This is an 8.3% increase in vessel calls compared to 2015 and approaches the pre-recession level of 2,473 in 2008. Ending 2016 on this high note is welcome evidence of the continued upward trend we have experienced over the past few years.

The Exchange and its members took center stage together to effect positive change on several fronts last year. This report includes a brief summary of some of the challenges the Exchange tackled on behalf of members last year.

Public Policy/Government Affairs: Engaged with members and policy makers

Good news continues via the channel deepening project. Looking closely into the not-too-distant future provides a view of post-Panamax vessels making their way up the Delaware through its 45-foot main channel. After years of steadfast determination exhibited by our community in support of this critical project, members find themselves on the verge of celebration. We enter 2017 with 85% of the project completed and look forward to the final phase of construction.

The CBP-USDA Agricultural working group, in concert with key personnel from those two federal agencies, successfully tackled issues covering the gamut of agriculture operations. A major result of working group's efforts was the implementation of new federal policy for incinerating non-compliant dunnage. Delaware River regional ports are slated to take part in a wood packing material pilot program beginning later this year. Metrics collected during the pilot, along with information gleaned from discussion with regional stakeholders, will inform the national launch of an expanded policy.

Our efforts were not limited to local matters. After meeting with USDA last April to raise concerns about the then-new cold treatment and fumigation fees, the Exchange spearheaded a national working group to formalize discussions and propose viable alternatives to the current federal policy. The working group submitted its report in September, and the Exchange continues dialogue with USDA officials on this important — and costly — topic.

The Exchange also continued its important work to support the Delaware River Cold Storage Facility Task Force, a voluntary worker safety effort that has kept the U.S. Environmental Protection Agency from imposing unnecessary new regulations. As always, we thank the Chilean Exporters Association, or ASOEX, for its support of this task force.

The Exchange could not effectively represent the regional port community without the support of its members. In 2016, we completed a comprehensive review of membership procedures and services, streamlined processes, and developed a more equitable dues structure that reflects the values and benefits of joining our team. As part of this effort, staff visited with a number of members individually and obtained extremely valuable suggestions for improvements and future programs. Look for additional member services in 2017.

Operations: A focus on protecting systems and enhancing users' experiences

As we always strive to do, last year the Exchange completed several modifications to the Maritime On-Line system based on user requests. We significantly enhanced the Automatic Identification System by allowing users to create alert zones around moving ships — a "virtual" security zone — and functionality to draw locations on the map. We also documented over 40 enhancements requested by users, changes for which programming is now underway.

In recognition of the value of Maritime On-Line, last fall local Coast Guard personnel asked the Exchange to incorporate the "Cleared Vessel List" process into the system. This will eliminate a daily email, streamline communication among port partners by providing more information through a single source, and ensure a historical record of vessel clearance status. This will be the first MOL enhancement to roll out in 2017.

Last year, the Exchange continued efforts to meet ever-growing cybersecurity challenges and threats. We conducted a network cybersecurity vulnerability study and have used the results to mitigate gaps and plan future strategies. As recommended by industry experts, the Exchange has placed more focus on employee cyber awareness training. We have implemented an effective combination of regular alerts, briefings, and a formal web-based training system — a program for which we successfully negotiated an agreement to offer to members at a discounted rate.

One of the results of this process was that the Exchange created a new member-based standing committee. The purpose of the group is to share knowledge, best practices, vendor and product recommendations, and other information critical to effective technology implementation.

In Closing

As the Maritime Exchange for the Delaware River and Bay continues to escalate its activities on all fronts — including advocacy, operations, member services, and information technology — it is important to note that we could not meet our goals without the unwavering support of the membership. The board and staff are extremely thankful to have such a dedicated cadre of industry professionals working side-by-side with us.

Congratulations to all for an extremely successful 2016. We look forward to an equally prosperous 2017!



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Industrial Firefighting Group ready to respond

There's a new group in town, and they're preparing for the worst.

"Given the nature of some of the flammable and combustible liquids in and around our region's terminal facilities and ships and some of their inherent firefighting risks, the need to provide and receive mutual aid became abundantly clear to DBRC members," said Rich Gaudiosi, President of the Delaware River and Bay Cooperative.

Thus was born the Industrial Firefighting Group. Launched in 2014, it arose when five refineries got together to provide mutual assistance, to share resources, including response equipment and staff to operate it, and to help fight each other's fires. "The beauty of the fire group is that everyone brings specialized equipment and a whole lot of knowledge to the table," said Ron Dietrick, Delaware City Refinery Fire Chief.

That the group is achieving its mission was apparent during its most recent annual drill at Philadelphia Energy Solutions.

"Collaboration is the key to success," said Robert Tucker, PES Emergency Services Manager. The drill showed us just that . . . that bringing regional assets together allows us to do something that none of us could accomplish individually."

"The Industrial Firefighting Group operates as a committee and works within the DRBC framework," Gaudiosi said. "This provides a mechanism for members not only to provide mutual aid but also to assist each other with planning, drills and exercises, asset allocation, response, and a host of other activities."

Working together on exercises also improves operations during an actual event. Jason Reichert, Health, Safety, and Security Leader for Monroe Energy, believes that training under the DBRC helps build camaraderie among industry up and down the river. "Many of [the response personnel] have worked together in the past, and having the opportunity to drill and exercise on a regular basis only makes the entire cooperative that much stronger," he said.



Using three portable monitors, members of the Industrial Firefighting Group demonstrate the capability to deliver over 16,000 gallons per minute to protect critical infrastructure.

"Clearly, you don't want to be exchanging business cards for the first time during an incident," said Philadelphia Fire Commissioner Adam Theil.

Both the Philadelphia and Wilmington Fire Departments brought equipment to the latest drill. "Those fireboats were pumping directly into our underground infrastructure," Tucker said. "With our storage tanks in such close proximity, we need to be able to attack multiple fires at one time, and this drill demonstrated our capabilities to meet that challenge. We not only met our expectations, but we exceeded them."

The DBRC is a voluntary, nonprofit organization originally formed in 1977 to respond to and offer protection from oil spills in the Delaware Bay and River region, and all members are eligible to join the fire group.

Reichert believes the fire group has come a long way in the last two years. What started as an ad hoc group of refinery fire chiefs trying to figure out how to work together has evolved into a structured, standardized organization complete with SOPs, indemnification agreements, and asset lists.

"The Industrial Firefighting Group is designed to support the operations of any of its members by rapidly deploying to any incident, with minimal manpower for maximum efficiency," Gaudiosi said. "Since all our member companies maintain in-house firefighting capability, and they already had agreements in place through the DBRC for spill response, banding together under the DBRC umbrella for firefighting made sense."

Uniting under the cooperative prevented each refinery from having to execute separate mutual aid agreements with every other refinery.

More importantly, collaborating through the fire group ensured that everyone at every facility is trained the same way. No mean feat, given that over 200 people participated in the exercise at PES.

William Kelly, Senior Manager for Emergency Services at Sunoco Logistics, chairs the group. "Though the Industrial Firefighting Group itself is relatively new, most of the people have been around for a long time," he said. The group conducted its first annual drill at Eagle Point in New Jersey in 2015. "Last year's drill had more components to it, such as incident command, and it came together largely as planned. Most importantly, we reinforced that the members work well together and that the equipment is interoperable." Kelly said additional components will be added to the 2017 exercise.

Drilling and exercising is only part of the process. "Afterwards, we go back with our own teams and document small items that we may have been able to do better — and items that went well. Ultimately, we share information with the entire group so we can improve for next time," Kelly said.

Gaudiosi notes that much of the equipment used to fight shore and shoreside fires was acquired through port security grants. "This program exactly meets the objectives of the federal government to use federal dollars to meet the needs of the region as a whole."

The bottom line? PES' Tucker sums it up: "In a real incident, we have only one shot to do it, and we have to do it well one time."





Down to her marks!

By: David Reid, Volunteer Chaplain
Seamen's Church Institute of Philadelphia and South Jersey



On April 16, 2017, the Seamen's Church Institute held a memorial mass in conjunction with the Philadelphia SESAMO to remember the victims of the sinking of the "Sewol" ferry on April 16, 2014. The Plimsoll line can be seen in back of Chaplain David Reid on the art at SCI's chapel.

The world of shipping has seen major advances in communications and cargo handling systems, but one aspect of every vessel has remained constant since 1890: the Plimsoll mark and the load lines that are displayed on each side of every vessel irrespective of its registry. The Plimsoll mark consists of a circle with a horizontal line passing through its center, the horizontal line represents the summer load line limit that the vessel should not submerge.

So who was Plimsoll and how did this mark come to be displayed on every vessel?

Samuel Plimsoll was born in 1824, and his business was as a coal merchant in London. At that time, coal was in great demand in London as it was used to heat homes and businesses. In Charles Dickens' "A Christmas Carol," Ebenezer Scrooge scolds Bob Cratchit for using too much coal to heat the offices.

Dickens' story was set in the London of 1843. In that same year, Plimsoll sailed from London to Redcar in the northeast of England where the coal was mined for shipment by sea to London. On that voyage, he witnessed the loss of four vessels. His wife, Eliza, encouraged him to investigate. Plimsoll sought answers, and he found them.

Ship owners were eager to earn freight, and since no regulations were in force to limit loading, they loaded as much coal as their vessels could carry. They also took advantage of the insurance cover provided by Lloyds; if the ship were lost, the owner was not out of pocket.

Plimsoll became a member of the House of Commons in 1868 and pursued legislation to protect ships from being overloaded, but he was up against entrenched interests who resisted change. In 1873, at the age of 49, he published his book "The Seamen's Friend," in which he described the plight of the vessels involved in the coal trade. In 1876, 856 vessels were lost within ten miles of the English coast, and many sailors refused to go to sea and were jailed for breach of contract. The colliers that carried the coal into London became known simply as the "coffin ships."

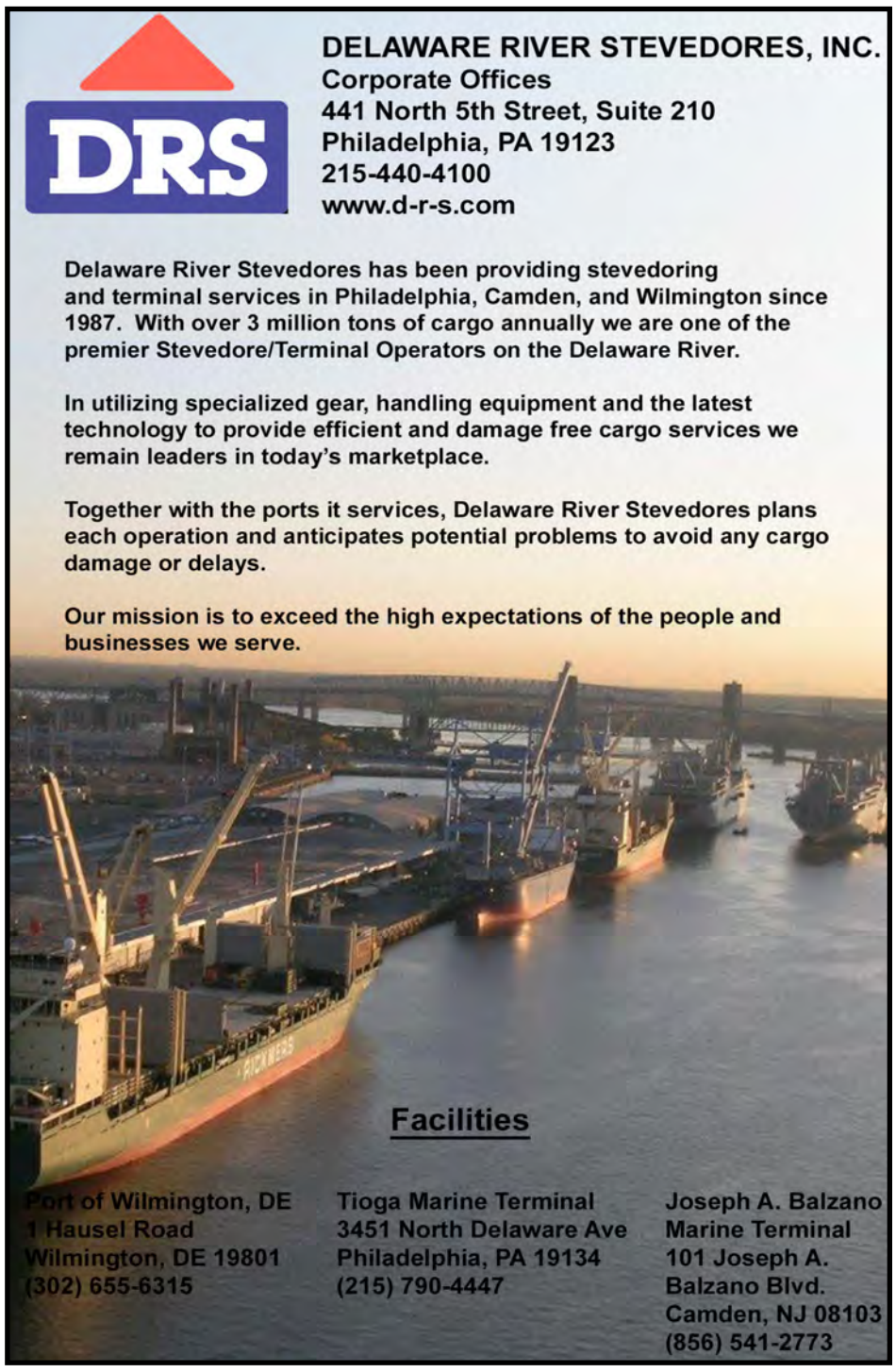
Plimsoll's book led to a Royal Commission, and eventually the British Parliament created legislation which led to the Merchant Shipping Act of 1890. This act made it compulsory for all ships to have load lines painted on the side. This line became known as the Plimsoll mark.

In 1929, the United States Congress adopted the Load Line Act, and by 1930 an International Convention signed by thirty countries ratified the Plimsoll line.

At the Seamen's Church Institute Chapel is an artistic mural that depicts the Plimsoll mark behind the altar. On April 16th, 2017, a special service of remembrance was held at the Chapel in honor of the 304 people lost when the South Korean Ferry "Sewol" capsized off Jindo Island on April 16, 2014. Among those lost were 250 high school students on a field trip, and this loss has reverberated around the world amongst the Korean community, with a campaign for a full and proper inquiry to determine the cause.

We do know that the "Sewol" was overloaded, and like many of the colliers in the 19th century, the vessel had been modified to carry more cargo. A series of safety barriers was breached and the consequence was just as James Reason described it in the 'Swiss Cheese' paradigm — when each of the holes in the individual barriers align such that the event can happen. While we all must await the findings of the inquiry, there is a parallel to these stories. Many ordinary people took passage on the colliers of Plimsoll's day to journey between London and the northeast cities, and they were also victims when the vessels were lost at sea, just as the Korean high school students became the victims when the roll on-roll off cargo ferry "Sewol" capsized.

So the next time you look at the Plimsoll mark, take a moment to remember that it is as relevant today as it was in 1890.





SCW Needs You!

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

Since opening its doors in 1990, the Seamen's Center of Wilmington has taken pride in the fact that it is a volunteer-driven and community-supported seafarer center. The Center has been truly fortunate to have the support from so many — maritime businesses, corporations, churches, civic groups, school children, and individuals from the region. But operating with an all-volunteer crew also comes with challenges.



Seamen's Center of Wilmington volunteer Clara Davis with new friends.

Currently our volunteer staff numbers 37. Just last year we had 45 volunteers, and in 2015 we had 50. Clearly these declining numbers affect our service to seafarers.

It is important to note that the changes have come about not because volunteers weren't happy or didn't feel fulfilled in their efforts, but due to the aging process. Many of the volunteers who can no longer serve were devastated to leave, but health issues have made that a necessity.

In addition to helping mariners, SCW volunteers gain a great deal themselves. They get to learn about people from many cultures, and they provide a sense of freedom to the men and women who have been cooped up on their ships for, in many cases, months at a time. They also have the pleasure of helping others during some of life's most meaningful moments. For example, not too long ago one volunteer helped a seaman pick out an engagement ring for his girlfriend, and the Center recently facilitated a Skype call so another mariner could see his brand new baby for the first time. These are treasured memories that few other volunteer opportunities can offer.

We continue to recruit and have recently added several eager volunteers. But we feel the need to reach out to the Delaware River maritime community to ask you to see how you or your business could help us better serve the arriving mariners. Perhaps a group could help with a project for the building or garden, or individual employees might want to become engaged with this opportunity to meet people from around the world right here in their own backyard.

Please consider a corporate message notifying employees about the Center and its need for volunteers or sponsoring your employees to volunteer as part of your community service program.

Please feel free to give us a call for a tour of the facility and to learn how you can make a difference in the life of a stranger in a strange land.

Visit www.scwde.org or call (302) 575-1300 to learn more!

Paulsboro Refinery Celebrates 100 Years

This year marks the 100th anniversary of operations at the Paulsboro Refinery.

The plant traces its history back to 1916, when Vacuum Oil of Rochester, N.Y. purchased approximately 950 acres on the Delaware River in what is now Gibbstown in Greenwich Township, N.J. The refinery was commissioned in 1917 and came to be known as the Paulsboro Refinery for a neighboring community where many employees lived. The new plant was designed primarily to refine base oils for lubricants, rather than manufacturing fuels, which were still emerging products at the time.

In 1931, Vacuum Oil merged with Standard Oil of New York (Socony) to create Socony-Vacuum Corp, the largest oil company in the world at the time. In 1955, the company became Socony Mobil Oil Company, later to become simply, Mobil. The refinery remained under Mobil's ownership until 1998, when it was acquired by Valero.

The Paulsboro Refinery was sold to PBF Energy in December 2010 and became part of one of the largest independent petroleum refiners and suppliers of unbranded transportation fuels, heating oil, lubricants, and other petroleum products in the U.S.



Today, the refinery employs nearly 500 workers and several hundred contractors. Products produced at the refinery are shipped via barge, truck, and pipeline to destinations in the Northeast and Midwest, as well as other regions of the U.S. and Canada.

The Paulsboro Refinery's success over the past 100 years can be credited to good leadership, a dedicated and highly skilled workforce, and a focus on being a good community partner. The employees look forward to operating for another century along the Delaware River, making the products that provide area residents with the highest standards of living and mobility.

Please join the Exchange in congratulating the Paulsboro Refinery for achieving this important milestone!



THE Alliance calls Port of Philadelphia

The arrival of the "M/V YM Essence" marks the maiden voyage

THE Alliance made its first call to the Port of Philadelphia's Packer Avenue Marine Terminal on April 19 as part of its Northern European, Atlantic Loop service. THE Alliance, short for Transport High-Efficiency Alliance, is one of three major shipping alliances and is comprised of Hapag-Lloyd, K-Line, Mitsui OSK, NYK, and Yang Ming.

"This is extremely significant," said Philadelphia Regional Port Authority CEO Jeff Theobald. "It gives Pennsylvania and regional exporters more options to get to Europe. Most of these lines have never had direct container service into the Port of Philadelphia."

The arrival of the "M/V YM Essence" with a capacity 4,600 TEUs is the first call by these lines under the vessel sharing agreement. Shippers now have additional options for cargos originating to and from North Europe. Years of growth in the number of distribution/fulfillment centers located in the Lehigh Valley and central Pennsylvania, South Jersey, and Delaware have resulted in a major distribution hub in the Port of Philadelphia's backyard.

In November 2016, Pennsylvania Gov. Tom Wolf announced a $300 million Port Development Plan, which will more than double the container volumes moving through Philadelphia. "This new service validates what we have known for a long time. Philadelphia is a more efficient supply chain option for major beneficial cargo owners," said Jerry Sweeney, PRPA's Chairman.

Ports of call in the Atlantic Loop include Philadelphia, New York, Halifax, Bremerhaven, Antwerp, London Gateway, and Norfolk.

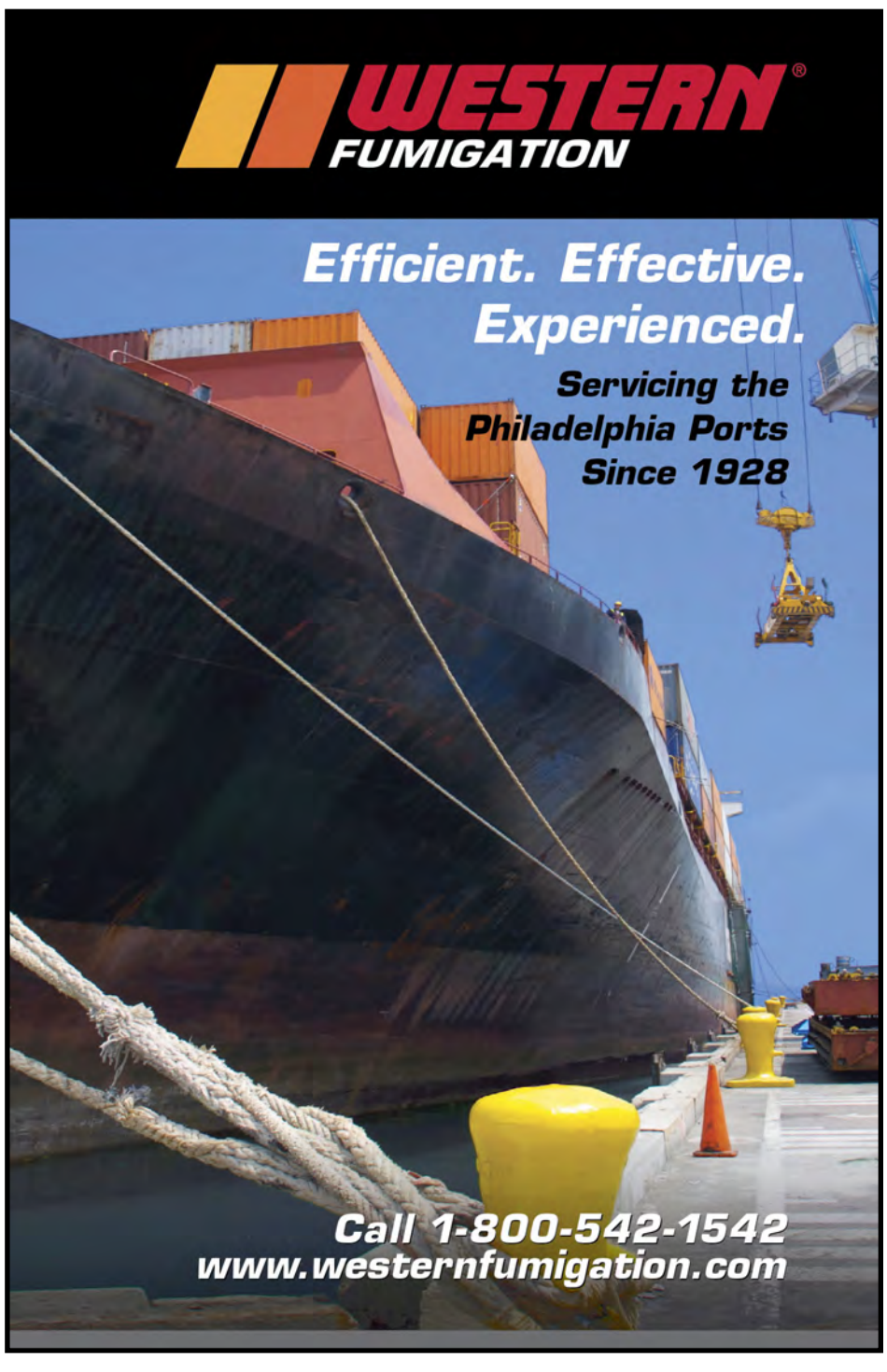
"Every Wednesday, Philadelphia area shippers can now depend on competitive weekly service to/from North Europe," said Thomas Holt Jr., President of Astro Holdings, Inc., which leases the Packer Avenue Terminal. "It's great to have a carrier like Hapag-Lloyd and the partners calling the Port of Philadelphia again from Europe." The last time Hapag-Lloyd called the Port of Philadelphia with a European service was the late 1980s. "It's important to note that Hapag-Lloyd and Yang Ming are current customers of the PAMT from other trade lanes. This new string will solidify them as main stay customers in the port and bring new carriers into the community."



Officials from Holt Logistics, Yang Ming (America) Corp., and the Philadelphia Regional Port Authority celebrate THE Alliance's first call to Philadelphia in April.







Changing of the Watch



After two terms at the helm of the Pilots' Association for the Bay and River Delaware, Capt. J. Ward Guilday (left) turned the watch over to newly elected President Capt. Jonathan Kemmerley. Kemmerley, who until last December chaired the Mariners' Advisory Committee, began his new duties on May 4.

Evergas dragon vessel named in Philadelphia



On January 9, Evergas held a ceremony at Tioga Marine Terminal in Philadelphia to name its fifth dragon class 27,500 cbm multigas LNG carrier, the "JS Ineos Innovation." The vessel transports ethane from the U.S. Mariner East project to Europe under a 15-year shipping deal Evergas signed with Ineos in 2013. Since January, the vessel has been making monthly calls to the Sunoco facility at Marcus Hook, Pennsylvania.

PMT bringing jobs to region

continued from page 1

divert truck traffic away from residential areas. Over 300,000 cubic feet of dredged material was used to raise the terminal landscape and protect it against a 100-year flood, and PMT has dock-side rail augmented by millions of dollars in regional rail upgrades and improved rail access. A federal TIGER grant and a NJDOT Rail Freight Assistance grant provided a portion of the funding for the rail upgrades.

The other partner key to making this happen was BP, which entered into a 99-year lease for the 190 acres of land with Paulsboro for $1.00. In 2007, BP agreed to remediate the brownfield and provide early funding for feasibility studies and planning. "After 70 years of operation in Paulsboro, we wanted to do the right thing to help the community, said BP Portfolio Manager Patricia Galloway. SJPC broke ground for the site in 2009.

"The Delaware River is a highway to the world," Castagnola said. "We had to overcome many obstacles to make this happen. It's a great day not just for SJPC, but for the entire maritime community,"

Rob Herb, President of Terminal Shipping, which represents NMLK, is just one of the many members of the port community excited by this development. "We're off to a great start at PMT," he said. "We've already had several ships carrying over 100,000 tons each since the facility started up operations, and we're poised for more to come."

"These are real jobs — it's not a cliché or a campaign promise, it's a reality," Holt said. "We'll take these slabs, turn them into coils, and bring them back to this river." NMLK currently expects to move 1.1 million tons of slabs per year through PMT and plans to grow that number to 2 million in the near future.

Rochford noted that the terminal is also already prepared for a 45-foot ship channel. "With the deepening project slated for completion next year, PMT will be one of the first facilities to be able to take advantage of it."

The opening of Paulsboro Marine Terminal completes the first phase of construction and the beginning of a continued expansion to grow waterborne cargo business. Phase Two will extend the wharf to 2,200 feet to accommodate up to four ships, a 500-foot barge berth, and upland improvements to accommodate future cargo customer needs.

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Q&A with Sunoco Logistics' Chalson

continued from page 1

Hook, our customers can market these valuable products to local, regional and international markets.

Mariner East 1 was the first project to facilitate the export of ethane from the U.S., and one of our customers, Ineos, is building a fleet of eight "Dragon Class" ships specifically to bring ethane to Scotland and Norway for use in the petrochemical industry there. These new ships use both LNG and ethane for fuel.

The Mariner East 2 pipeline system, now under construction, is the next phase. At full expandable capacity, Mariner East 2 could increase the pipeline capacity for NGLs into Marcus Hook from approximately 70,000 barrels of propane and ethane a day to approximately 800,000 barrels a day of propane, ethane, and butane. This positions the port as a major hub that offers domestic manufacturing opportunities in addition to the existing export market. The key is to get the natural gas liquids, the molecules of which are the building blocks of the petrochemical industry, to the Marcus Hook Industrial Complex. Once that happens we envision various other plants to make propylene, ethylene and also polypropylene and polyethene, creating significant employment opportunities and revitalization of the entire port community. The combined investment in the Mariner projects is more than $3 billion.

Q: What's involved with the Mariner East 2 construction project, and when do you expect to complete work?

A: In addition to the two new tanks with a combined capacity of 800,000 barrels that were built for Mariner East 1, current construction at the Marcus Hook Industrial Complex involves building four additional tanks for propane, butane, and ethane. As many as 2,300 construction contractors have been on site daily to build the tanks and associated processing units, which separate and then chill the materials being delivered via the pipeline. With our underground cavern system to store propane and butane, Marcus Hook already can store approximately three million barrels of natural gas liquids. We're also building the two pipelines across Pennsylvania. There is a lot of support for this infrastructure, but there is also opposition. Much of the opposition appears to be focused on hydrocarbons and environmental impact. The fact that these products serve a completely different manufacturing base is an important message that we're trying to communicate.

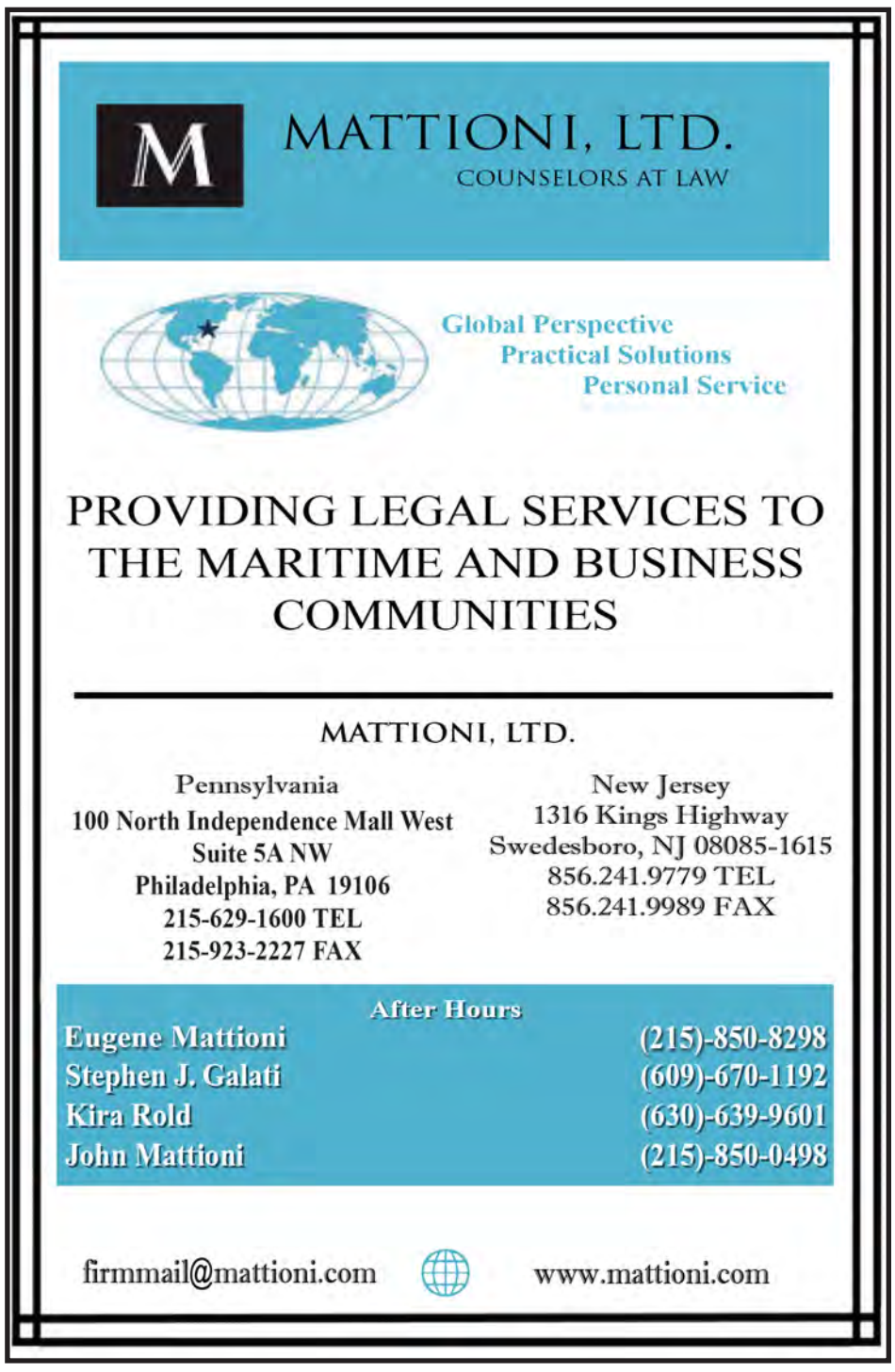
Q: When Mariner East 1 and 2 are fully operational, what shipping activity can the port expect to see?

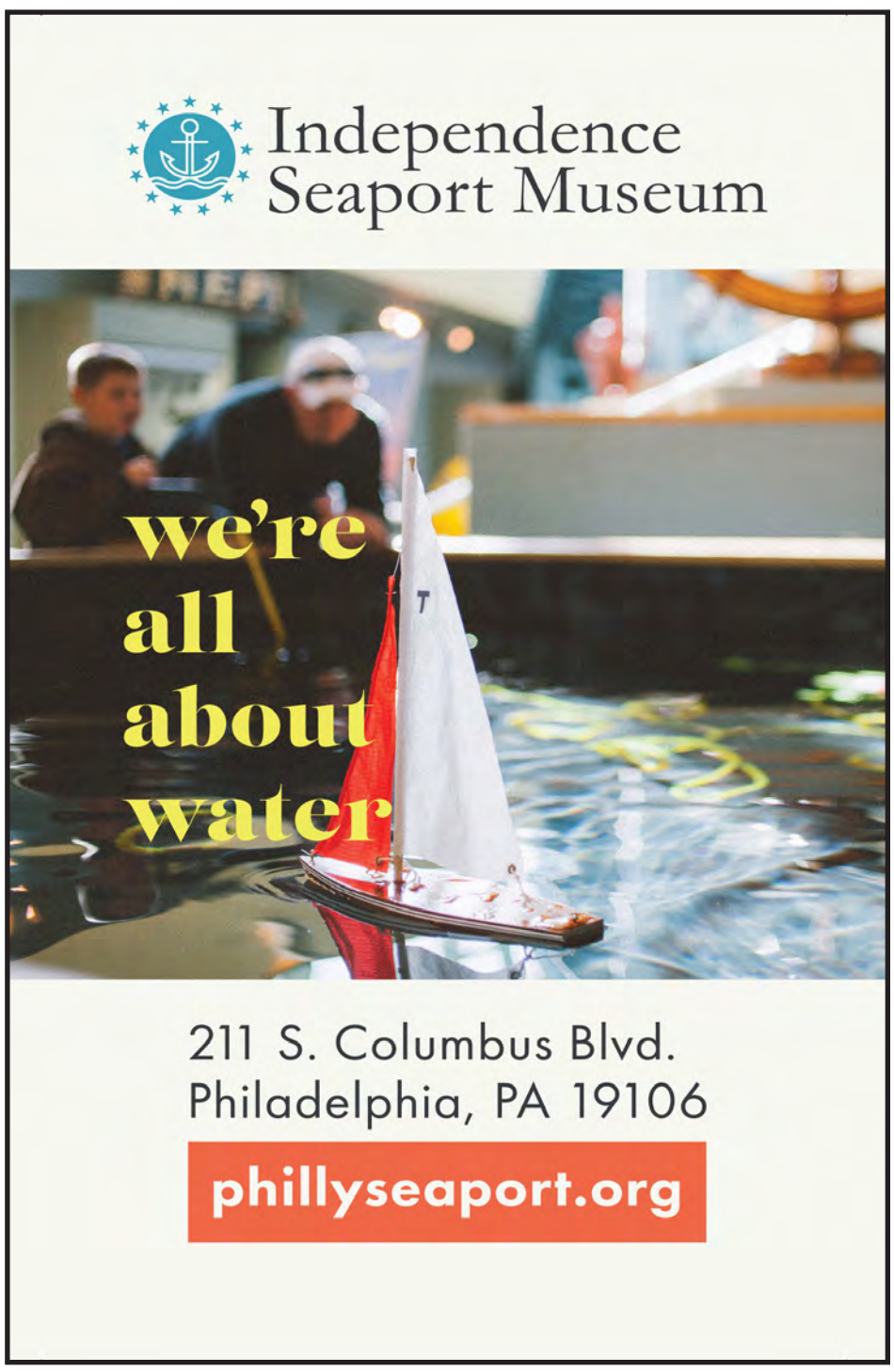
A: To put it in perspective, in 2013 we had about 20 ships moving natural gas liquids out of Marcus Hook; in 2017 we expect more than 100. And these projections were made before we confirmed the second pipeline for Mariner East 2, so that number should continue to climb in 2018 and 2019. In response, the Pilot's association brought on some new apprentices. As an ex-mariner, I'm really excited about these opportunities.

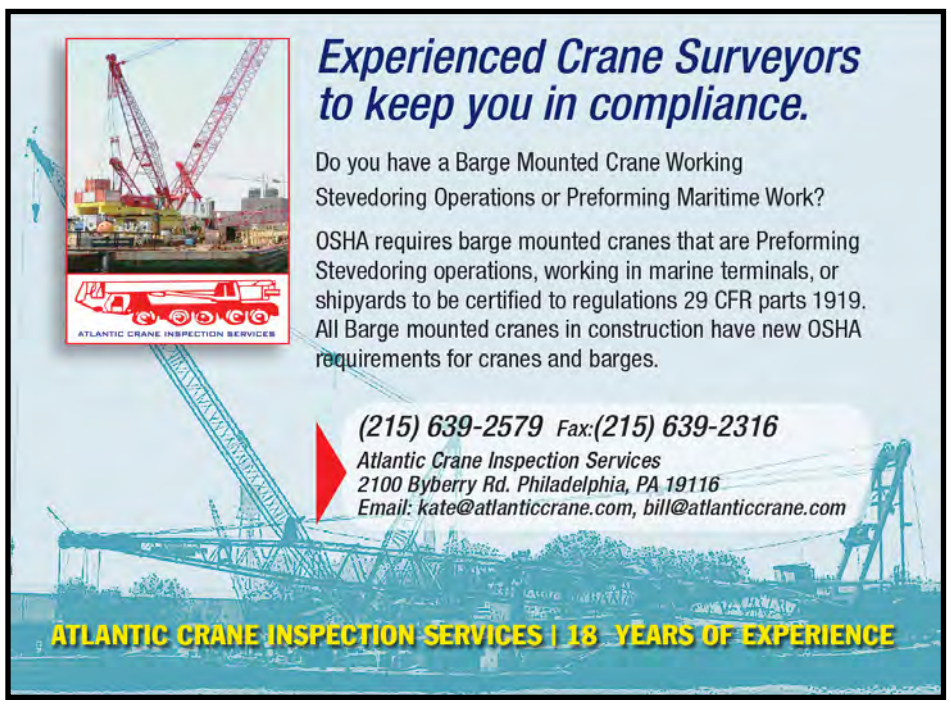
Q: With the new administration comes an opportunity for change. What, if any, regulatory or legislative actions would help Sunoco Logistics enhance its marine operations and/or continue to generate new business?

A: We are committed to public safety and environmental stewardship. We are philosophically and morally committed; after all, we live and work and raise our families here. But there are also strong business drivers. Our customers expect that we will deliver their products on time. A disruption caused by any kind of product release negatively impacts our company and the community in any number of ways, so safety and environmental performance is our number one priority. Many of the regulations in place define in great detail the requirements, standards, and inspections that support safe operations, and we support that.

What we really need is regulatory certainty. It's easy to see that when you invest $3 billion in a project, you have to get that project completed in order to recoup the capital outlay and realize the benefits that motivated the project in the first place. The industry will find it challenging to justify infrastructure investment if permits are pulled for political rather than regulatory reasons or when governmental entities attempt to make regulatory changes mid-stream without going through an administrative process.







Exchange hosts LNG Bunkering Summit

Nearly 100 members of the maritime community came out on April 7 to talk about using LNG as bunker fuel at Delaware River ports. Organized by the Maritime Exchange and the U.S. Coast Guard, the event provided an overview of LNG properties, transportation methods, fire-fighting requirements, and handling hazards. Participants learned about the past, present, and future of LNG bunkering projects in North America and in Europe. Additionally, regulators, policy makers, and industry leaders discussed current U.S. LNG bunkering operations, best practices, and lessons learned.

Speaker bios and summit presentations are available at www.maritimedelriv.com\lng.



At the end of a long and productive day, Captain of the Port Benjamin Cooper (above) challenged the participants to ask "what's next?" and to keep the conversation moving forward.

Thanks to the sponsors which helped make the summit such a success!

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VANE BROTHERS

Eileen Bartlomiejus is PPMS "Person of the Year"



Ports of Philadelphia Maritime Society board member William Anderson (left) and Society President James Roche bestow the Person of the Year award on Eileen Bartlomiejus at the event held in her honor in April.

The Ports of Philadelphia Maritime Society honored Eileen Bartlomiejus with its Person of the Year Award at its Annual Dinner on April 25. PPMS recognized Eileen for her many years of devoted service to the Philadelphia port community.

Eileen became part of the port community in 1988 when she joined the staff of the Maritime Exchange as secretary to then-Executive Director William Harrison. In 1999, Eileen joined the General Marine Refrigeration Corporation as administrative assistant to Bill Anderson. She is responsible for all administrative functions of the business, from human resources to accounting.

A former PPMS board member, Eileen currently serves as the society's treasurer. She was also a member of the Women's International Trade Association and served as its president. In 2012, WITA honored Eileen with its Woman of the Year Award. Eileen has also served as secretary to the Mariners' Advisory Committee. For more years than she can remember, she has been assisting in the planning and organization of the bi-annual Vessel Owners' and Captains' Association dinner meetings.

Eileen and her husband Richard will celebrate their 50th wedding anniversary next February. They are the parents of a daughter Dawn Marie and the grandparents of two loving granddaughters, Dana Lynn and Nicole Lynn. Eileen and Richard reside in Longport, New Jersey where they plan to spend their retirement years.

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Advertising Opportunities Available

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Philadelphia Mayor Kenney visits MACHS

By: Ed Poznek, MACHS CEO

The Maritime Academy Charter High School, or MACHS, hosted the Mayor of Philadelphia James Kenney, on March 28, 2017. The Dante Mattioni Division of the Sea Cadets piped the mayor onboard in military fashion upon his arrival. Mayor Kenney met with the Board of Directors, where MACHS Board Chairman Gene Mattioni presented the mayor with a port directory emphasizing the importance of the Port of Philadelphia to the citizens of the city.

The mayor toured the school, visiting the maritime, art, and social studies classrooms. Mayor Kenney impressed the cadets with his detailed historical knowledge of Philadelphia's maritime history. After his tour, the third grade cadets entertained Mayor Kenney by singing sea chanties followed by a demonstration of the Sea Perch underwater robotics program. The school finished second in the region, allowing the Maritime Academy to participate in the national competition in Atlanta on May 19, 2017.

With our 820 students, referred to as "cadets," MACHS is the largest combined maritime middle and high school in the country. The middle school curriculum teaches basic maritime subjects such as



Philadelphia Mayor Jim Kenney poses with the MACHS Sea Cadets.

GPS, nautical terminology, and career opportunities for young aspiring mariners. The high school teaches cadets marine engineering, deck seamanship, and maritime entrepreneurship.

Established in 2003, the strong leadership of the Board of Trustees and school leadership are the basis for the success of the school. As interest in academy programs grows, the school is looking to expand the student population and nurture the needs of students seeking to participate in the unique and innovative education provided to each cadet.

A maritime speaker series is provided to the junior and senior cadets monthly. The school welcomes all members of the maritime community to speak to the students about their areas of expertise. The school also invites members and friends of the port to join the Maritime School Advisory Council and help recruit and train our next generation of maritime professionals.

Visit www.maritimecharter.org or call (215) 535-4555 for more information.

Unravelling Blockchain

continued from page 4

higher authority or neutral third party. Plus, for the reasons discussed above, it is hard to hack and easy to detect if anyone is attempting to do so.

In terms of waterborne commerce, this would mean that information such as bills of lading, container movements, and customs documents would be much more easily visible to participants than allowed by today's technology. It may, however, be a while before federal authorities adopt such technology, having already spent billions of dollars on their existing secure systems.

Regardless, blockchain technology has the potential of vastly reducing the cost and complexity of online commerce.

Pat d'Entremont is a Senior Partner at Nicom Maritime, an IT firm providing professional advisory services and software products to the seaport industry. He can be reached at pat@nicommaritime.com.

Port welcomes new COTP

continued from page 6

he worked with federal, state, and local agencies, as well as two Canadian provinces to prevent the movement of invasive species from the Western Rivers into the Great Lakes. He also helped form a bi-national working group to identify ways to coordinate Canadian and U.S. regulatory oversight of commercial vessels operating on the Great Lakes.

His personal awards include three Meritorious Service Medals with "O" Device, a Coast Guard Commendation Medal with "O" Device, a Coast Guard Achievement Medal, and a Letter of Commendation as well as other personal, unit, and service awards. He also holds a Coast Guard Rifleman Excellence in Competition Badge (Bronze).

The Exchange looks forward to continuing to work with Capt. Anderson as he assumes his new duties.

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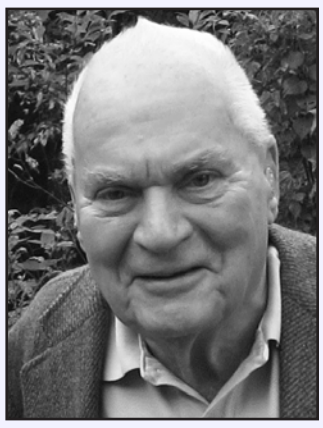
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In Memoriam



Henry H. Reichner, Jr.

Sheltered child of the Roaring Twenties, callow youth of the Great Depression, career Marine of three wars, and business and civic leader, Col. Henry H. Reichner, Jr. died on April 12, 2017 at the age of 98.

He joined the Exchange board in 1970 and served as an emeritus member up until the time of his death.

A graduate of Germantown Academy and the University of Pennsylvania, Col. Reichner volunteered for service in the U.S. Marine Corps in February 1941. After Pearl Harbor, he served as an artillery officer in the Pacific Theatre, and he saw action on Guadalcanal and in the Central Solomon Islands. Within weeks of the dropping of the H-bomb, he flew into Nagasaki as part of the Allied occupation of Japan.

Col. Reichner went on to serve in the Korean War and received the Bronze Star with Combat "V" and a Silver Star in Lieu of Second Bronze Star with Combat "V." In the following years, he attended and taught at the Naval War College, participated in atmospheric nuclear weapon testing at Sandia Base in New Mexico, served as the Chief of the U.S. Naval Mission to Haiti during the regime of "Papa Doc" Duvalier, and was stationed aboard ship for the blockade of Cuba during the Cuban Missile Crisis. In the mid-1960s, he served with the Joint Chiefs of Staff, assigned to the J-5 Far East Division, and then concluded his career with a year in Vietnam and was awarded the Legion of Merit.

Upon his retirement from active service in 1968, he joined the Philadelphia Chamber of Commerce staff and rose to executive vice-president of that organization. In 1986, he retired for the second time and received the 38th annual William Penn Award. Among other activities, he served as director and chair of the Philadelphia Port Corporation, director of the Penn's Landing Corporation, director and officer of the Philadelphia Belt Line Railroad, director of the Philadelphia Industrial Development Corporation, and director and officer of the PENJERDEL Council.

He is survived by his beloved wife of 64 years, the former Julia "Judy" Ann Spencer, and his three children, John, Robin Franklin, and Hank, and his four grandchildren and two step-grandchildren.

A memorial service will be held at 11:00 a.m. on June 3, 2017, at St. Thomas' Episcopal Church in Whitemarsh. Donations in his memory may be made to the Pennsylvania Horticultural Society.

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Spotlight on DRS

continued from page 4

Last year, DRS employed 1,102 workers. Palaima takes great satisfaction from the fact that this number reflects "well over a thousand families that derived a good portion of their incomes" from DRS activities. It is also an important consideration when advocating for port-related infrastructure and other investments.

Given that ports dot the mid-Atlantic coastline every 80 to 100 miles, staying ahead of the competition can be a daunting challenge. Palaima believes that with the entire world as the marketplace, the Delaware River maritime community needs to focus on promoting the region as a whole. "Our river is divided just like the Atlantic coast, and it's important that we be ecumenical, not parochial, to achieve success. We all benefit by working together," he said. "The way everyone comes together under the Maritime Exchange to solve common problems is a perfect example of an ecumenical, inclusive approach. We need to apply that same approach to marketing the port complex."

As a case in point, Palaima noted that Philadelphia is the fifth largest city in the U.S. "How many people can name the 5th largest city in South Korea? We need to work as a team, as a region, to educate our overseas shippers and customers about our port." To help emphasize the advantages the Delaware River ports offer, he believes the marketing message has to be consistent, and it has to be regional.

Other key challenges include a number of factors outside the port executive's control. "Carrier consolidations, political events, border adjustment taxes, technical disruptions, and a host of others . . . all can tax our ability to remain agile and responsive," Palaima said. "The key is to ensure we keep our customers' goals at heart."

To counter these challenges, DRS works to remain "encyclopedic," willing to handle all cargo modes and cargo types. "It's like talking about 'energy solutions.' When presented with options such as nuclear, gas, solar, wind, or coal, the answer is 'yes.' The same is true with cargo. There is never just one right solution. It depends on the time and place," Palaima said.

He also noted that the port also enjoys the benefits of having access to a large federal Congressional delegation and three statehouses. "This broad government support provides us with numerous tools to address the obstacles we face, such as shrinking federal resources."

Yet Palaima is most concerned with local events and how they affect employees. In an industry that works around the clock and in the foulest weather conditions, keeping employees safe, motivated, and attentive can be a considerable challenge. "Tragedy can strike at any time," Palaima said, and DRS spends substantial effort to ensure workers are continually trained to avoid injury to themselves and damage to cargo and equipment. "For example, employees need to understand that while a stainless steel coil may not look valuable, it may be worth as much as the car it's going to help make. They need to ensure they treat cargo the same way they take care of their own belongings, and they need to pay attention to not only their own tasks but also their surroundings.

"Our number one goal is to make sure our people go home in the same shape as they arrive."







Editorial

Two events can revolutionize ocean shipping

In this issue of The Beacon are two unrelated articles about emerging topics of interest to maritime stakeholders. Yet when viewed together, these two events have the potential to transform international waterborne commerce.

First is the implementation of the WTO Trade Facilitation Agreement.

Clearing cargo through U.S. Customs and Border Protection today requires at least 40 separate documents, many of which repeat the same information. Individual data elements presented to CBP number as many as 200, of which 60 to 70 percent, according to a recent Journal of Commerce article, is rekeyed at least once. We'd be surprised if those numbers weren't higher.

The Trade Facilitation Agreement is expected to dramatically reduce that data flow. As you'll read on page XX, the agreement sets out broad measures to "simplify, modernize, and harmonize import and export processes." Ultimately, the agreement is projected to reduce global trade costs by an average of 14.3 percent annually. When fully implemented, the TFA could increase world GDP by nearly $1 trillion per year.

By itself, the TFA, if effectively put into practice, will radically change processes for carriers in all modes, importers and exporters, brokers and forwarders, ship agents, port authorities and terminal operators — every one of the parties to global trade transactions.

But the TFA is not the only factor at play.

You'll also read about new technology that is beginning to appear in maritime applications. Known as blockchain, this technology allows digital information to be distributed but not copied. It was originally developed for Bitcoin digital currency, and the technology is now finding its way into numerous other applications.

In early March, for example, Maersk and IBM announced a project based on blockchain technology that is expected to help manage the paper trail of tens of millions of shipping containers across the world. IBM claims that digitizing the supply chain process from end-to-end enhances transparency and the highly secure sharing of information among trading partners and has the potential to save the industry billions of dollars. IBM also says its solution "will be made available to" the shipping industry, though it's not entirely clear what that means.

The bottom line: the goal of the IBM-Maersk project is to minimize fraud and errors, reduce the time products spend in transit, improve inventory management, and ultimately reduce waste and cost.

So between these two events, it's clear the maritime industry is poised for a revolution of a magnitude unseen since the advent of the shipping container.

The challenges, however, will be difficult and may prove to be insurmountable.

The first — and greatest — of these is our own customs agency. Historically, CBP has tended to automate forms, not processes. This does not bode well for implementing the vision of the TFA. And, it may be one of the reasons that nearly a quarter century since the passage of the Customs Modernization Act, the agency still has not completed ACE development.

Adapting the TFA to CBP processes will mean a major cultural shift within the agency. Program managers will need to think completely differently. And to ensure the process is effective and meets the TFA goals, both CBP and the Congress will need to ensure funding is available and work progresses quickly.

But CBP isn't the only group who will need to be bold in its approach to change. Ocean carriers, especially the smaller non-container lines, will need convincing to adopt new technology. Between 1986, the advent of the Automated Manifest System, and 2004, when CBP made use of the system mandatory, a substantial number of carriers had not automated their manifest submissions. To this day, many are still highly paper intensive.

Taking advantage of new policies and new technologies simultaneously requires a great deal of planning, funding, common sense, and pluck. Let's hope these are in larger supply moving forward than they have been in the past.

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

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

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240 Cherry Street, Philadelphia, PA 19106

Moving On . . .

By: CAPT Benjamin Cooper
USCG, Outgoing Commander Sector Delaware Bay

It is amazing how quickly two years goes by. On June 23rd, CAPT Scott Anderson will become the Commander of Coast Guard Sector Delaware Bay. Scott is a very capable leader, and he brings a wealth of experience in marine safety, security operations, and policy. He is a native of the great nautical state of Nevada and has served in Seattle, Houston, New Orleans, Washington, D.C., Memphis, and the Great Lakes. I hope you welcome and support him as warmly as you have treated me for these past few years.

I have had the pleasure to be stationed in Philadelphia for eight of the last 11 years. It has been a remarkable experience getting to learn the region and meet many members of the maritime community. I will certainly miss the many friendships we've developed. My family and I will transfer to Washington, D.C., where I will serve as the Deputy to the Assistant Commandant for Capability (CG-7D). I am certain it will be a challenging job providing capabilities and developing standards to meet Coast Guard missions, but I am pretty sure it just won't be as much fun as conducting marine safety, security, and environmental response operations.

One of my key objectives over the past two years was to ensure that the Coast Guard and the port community were *Semper Paratus*-Always Ready for whatever could come our way. We all know that is not an easy task. We live in a dynamic environment, and there are many threats and risks to the maritime community and to our nation. Thank you for all of your collective efforts to share information and to ensure we are prepared to defend our borders, mitigate risks to our waterways, critical infrastructure, and coastline, and are ready to respond effectively if and when something does happen. Be *Semper Paratus*!

On April 7, 2017, the Maritime Exchange hosted a ground-breaking LNG Bunkering Conference and worked with my staff to build an informative panel of speakers to look at burgeoning changes to worldwide shipping and the impacts to our region. It was a very successful event thanks to the Maritime Exchange, the sponsors, and the nearly 100 attendees. From my D.C. office, I'll be closely monitoring the progress of safe and economically viable LNG bunkering operations on the Delaware River in the future.

Thank you again for your support and the strong relationships we've developed. I hope our Sector Delaware Bay team has served you well, treated you with courtesy, professionalism, and respect at all times, and you are proud of your U.S. Coast Guard.



Letters

A word from Delaware City Refinery

Dear Beacon Editor:

The Winter 2017 issue of The Beacon included articles that were comprehensive and reflective of the Exchange's mission to protect and promote the Delaware River's commercial maritime industry and related businesses.

I would like to thank you and your editorial team for addressing some of the challenges that the Delaware City Refinery and industry face in Delaware. The article, "How soon they forget: Looking to stifle DCR activity again?" provides your readership with a firsthand look at the encounters that we face in this ultra-competitive business and the many roadblocks that we face largely due to the need to modernize past Delaware legislation.

As you may be aware, on February 27, the Coastal Zone Industrial Control Board voted 5-1 to grant the Delaware City Refining Company's motion to dismiss the appeal to our ethanol permit for lack of standing. This reinforces our previously-stated position that DNREC clearly acted within its legal authority when the agency granted the refinery a permit to ship ethanol across its docks.

Thank you again for taking the time to provide your readership with the facts on the state of industry in Delaware.

José Domínguez, Refinery Manager
Delaware City Refining Company

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Navigating state and federal control of the Delaware River through cooperation and communication

Legal Ease

By: Lisa Reeves, Esq.
Reeves McEwing, LLC

All ports are subject to regulation by various federal agencies, but most are within the jurisdiction of only one state or commonwealth. Our port includes facilities located within Pennsylvania, New Jersey, and Delaware, each of which has an interest in maritime activity along its shores.

In addition to compliance with federal regulations, private stakeholders must be prepared to navigate the requirements of each state or local authority with jurisdiction over the activity or geographic location in question. Organizations such as the Maritime Exchange and Mariner's Advisory Committee (MAC) play a key role in facilitating communications between the private and public sectors as issues arise so that our port continues to run smoothly.

Federal, state, and local authorities can only exercise enforcement powers if they have jurisdiction over the targeted activity, individual, corporation, or real property. In some cases, the jurisdiction of the government agencies is concurrent, while in others the federal authority preempts any contrary action by the state. Disputes over jurisdiction are often resolved by agreements between agencies — the Coast Guard and OSHA have entered into memoranda of agreement on workplace safety, and there are compacts between New Jersey, Delaware, and Pennsylvania.

Earlier articles in The Beacon discussed some of the jurisdictional issues affecting our port. In the case of a proposed LNG terminal in New Jersey, the U.S. Supreme Court sustained Delaware's right to prohibit this project, ending a legal battle between Delaware and New Jersey. (Winter 2013, Vol. 23, No. 4 "Muddy Waters: Jurisdiction over the Delaware River and Bay").

Jurisdictional issues also arise amongst federal agencies, in which case the parties may call upon the federal courts to resolve the question. Surprisingly, such disputes may even arise within the federal court system itself.

A local case study

Last summer, a large tanker was arrested while alongside a berth in Pennsylvania. The federal court's order permitted the vessel to shift to another berth or anchorage as long as she remained within the Eastern District of Pennsylvania (standard in arrest cases). Within a day or two of the arrest, the vessel moved to Marcus Hook Anchorage, where she remained for several weeks.

The arrest of a vessel is governed by special rules; these stipulate that the custody of the vessel be transferred to the U.S. Marshal. The ship thus remains under the control of the federal court that issued the order for arrest — in this case the Eastern District of Pennsylvania.

Because of the vessel's size, her continued presence in the anchorage raised safety concerns for vessels transiting the area. The Coast Guard relayed this concern to the U.S. Marshal and the attorneys for the claimant and shipowner. Efforts to find a suitable lay berth or anchorage on the Pennsylvania side of the river were unsuccessful, and the court's order prohibited the vessel from journeying outside of the Eastern District of Pennsylvania.

Eventually, the Coast Guard directed the master to move the vessel to Big Stone Beach Anchorage. This put the master and shipowner in an impossible position. If they complied with the Coast Guard, they would be in contempt of the federal court. If the ship failed to shift to the Delaware Bay anchorage, they were subject to civil and criminal penalties for violating the Coast Guard directive. This gave rise to an interesting question as to whose authority trumped whose, but that is a question for another day/article.

An open question

Fortunately, for the parties involved, security was posted and the arrest vacated shortly thereafter. Yet this left the central issue unresolved: where in the Delaware River is the boundary between the Eastern District of Pennsylvania and the District of New Jersey?

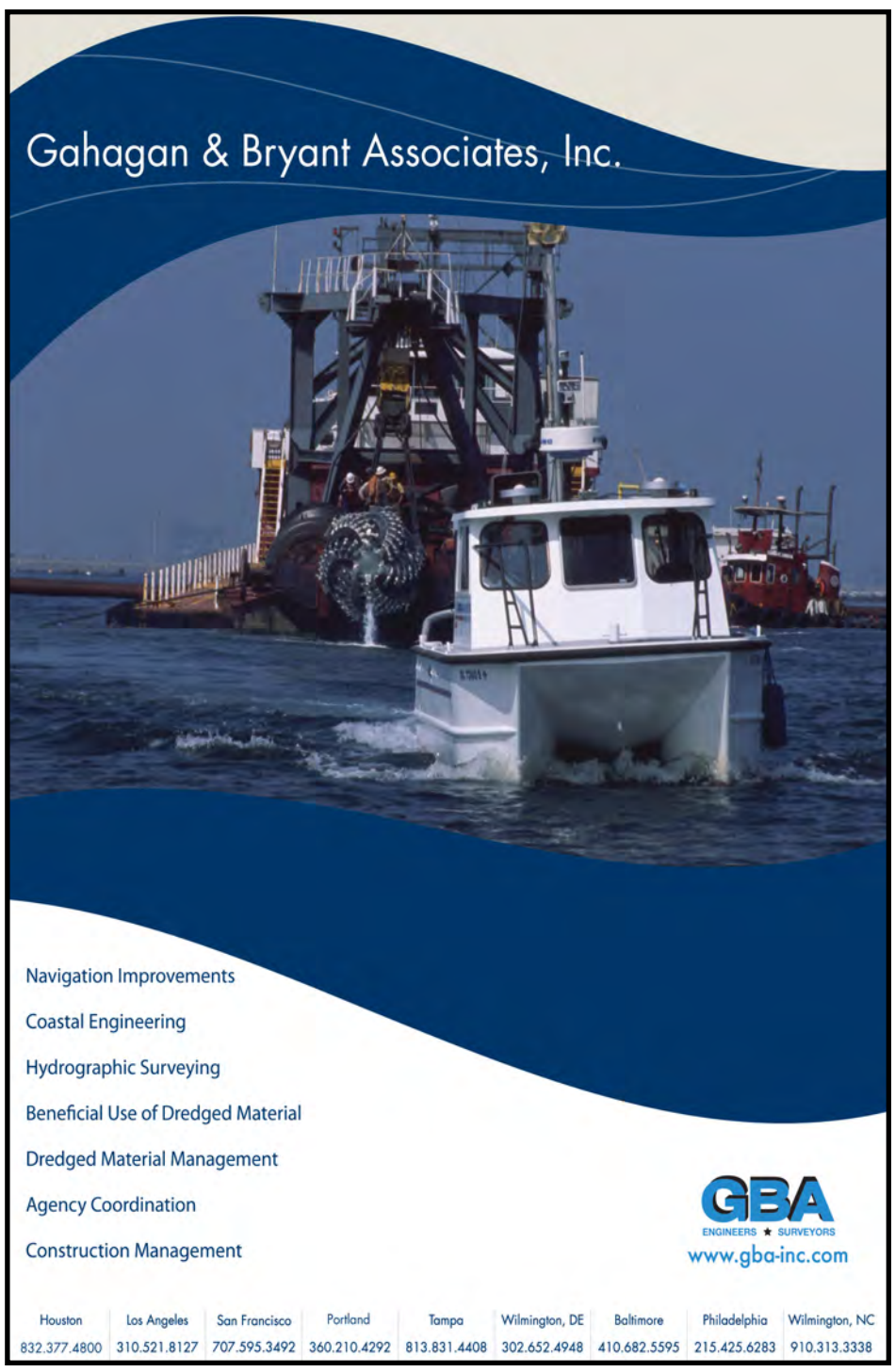
The geographic reach of the federal district courts is generally organized by states, but the boundary between Pennsylvania and New Jersey is not clearly delineated within the Delaware River. Some would argue that each district's jurisdiction is concurrent; others insist the boundary is along the center of the shipping channel (under the doctrine of "Thalwag"). A group of local maritime lawyers has formed an ad hoc committee to develop a practical solution, which can then be presented to the district courts.

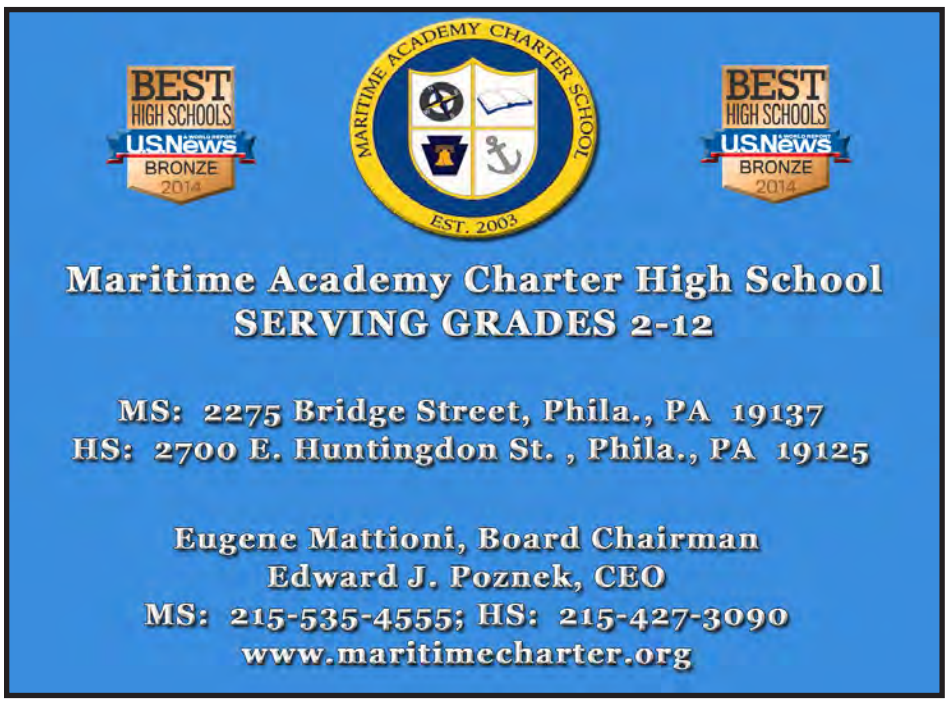
Our port community takes a proactive approach to head off potential problems. Earlier this year, the Maritime Exchange and MAC negotiated a solution to address congestion at Marcus Hook Anchorage. Because maintenance dredging of Marcus Hook range was delayed due to Army Corps of Engineers budget issues, deep draft vessels had difficulty transiting the area without entering into the top of the busy anchor-



age. Unless a resolution was found, it was feared that the Coast Guard would close the entire anchorage for several months. Under the umbrella of the MAC, port stakeholders agreed to voluntarily forgo the use of the center part of the anchorage until maintenance dredging could be completed. This voluntary restriction was acceptable to the Coast Guard, and thus by working collaboratively, the maritime community was able to ensure that this important anchorage remained open.

The Maritime Exchange, the MAC, the Area Committee, and other local organizations bring stakeholders together to solve commercial, safety, and environmental problems as they arise. In that same spirit, our local admiralty law community will work in partnership to try to resolve concerns surrounding overlapping jurisdictions.





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Calendar of Events

05/16	PRPA Board Meeting
05/17	DRPA/PATCO Board Meeting
05/20	Chapel of Four Chaplains Lost At Sea Anchor Memorial Dedication Philadelphia Navy Yard Contact Christine Beady, christinebeady@fourchaplains.org 215-218-1943
05/22	National Maritime Day
05/24	Seamen's Center of Wilmington Board Meeting
06/03	Seamen's Center of Wilmington Annual Tug Boat Cruise Port of Wilmington Contact Joan Lyons, jylons@scwde.org, 302-575-1300
06/08	Mariners' Advisory Committee Meeting
06/09	AMSC Main Meeting, USCG Sector Delaware Bay, Philadelphia Contact Glena Tredinnick, glena.t.tredinnick@uscg.mil
06/12	World Trade Association Annual Golf Outing Philmont Country Club, Huntington Valley, Pa. Contact Deborah Ingravallo, wtaphila@comcast.net, 856-642-3957
06/14	Maritime Exchange Executive Committee Meeting
06/15	Maritime Exchange Member Appreciation Event Corinthian Yacht Club, Essington, Pa. Contact Beverly Ford, bford@maritimedelriv.com, 267-670-7946
06/20	PRPA Board Meeting
06/21	DRPA/PATCO Board Meeting
07/12	Maritime Exchange Board Meeting Delaware Valley Regional Planning Commission Freight Advisory Committee meeting
07/18	Philadelphia Regional Port Authority Board Meeting
07/19	DRPA/PATCO Board Meeting
07/26	Seamen's Center of Wilmington Board Meeting
08/04	AMSC Managing Board Meeting, USCG Sector Delaware Bay Contact Glena Tredinnick, glena.t.tredinnick@uscg.mil
08/09	Maritime Exchange Executive Committee Meeting
08/10	Chapel of Four Chaplains Phillies vs. Mets Phunraiser Contact Christine Beady, christinebeady@fourchaplains.org 215-218-1943
08/15	Philadelphia Regional Port Authority Board Meeting
08/16	DRPA/PATCO Board Meeting
09/13	Maritime Exchange Board Meeting
09/14	Mariners' Advisory Committee Meeting
09/15	AMSC Main Meeting, USCG Sector Delaware Bay Contact Glena Tredinnick, glena.t.tredinnick@uscg.mil

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

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