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Summer 2016
Volume 26, No. 2

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Barge movement data now a need more than a want

For Delaware River maritime stakeholders, the Maritime Exchange has been the "easy button" for ship movement information since 1872. Over the years, members and government agencies have periodically asked for similar data for barge activity, but demand was limited. Which is a good thing, because so is the information.

"Data calls from mariners, port and city authorities, and government agencies have increased substantially in recent years," said Exchange Director of Operations Paul Myhre. "They're looking for info to support water and air studies, economic studies, daily operational decision-making, and a host of other uses."

Just last month, the Philadelphia Local Emergency Planning Committee requested barge information for a hazardous materials study which will help emergency managers and first responders better understand chemical storage and transportation risks and develop a plan to mitigate them.

The Exchange hates to say no to a legitimate data request.

Unfortunately, for the Delaware River region — and at most other ports across the U.S. — tug/barge movement information has long been a missing piece. "To get that data, someone would have to go to multiple sources and piece everything together," Myhre said.

Local Coast Guard remains concerned that a lack of barge information makes it difficult to determine how its actions influence the maritime community. "When we need to establish a safety or security zone, we can gauge the effect on ship traffic and commerce because vessel schedule information is available from the Exchange," said LT Brennan Dougherty, Chief of Waterways Management for Sector Delaware Bay. "If we had consistent and reliable barge movement schedules, we could plan non-emergency activities around the traffic."

This would dramatically lessen the impact to operations by avoiding or at least limiting delays for boats entering the zones. Dougherty also said that the information would be beneficial in determining whether to grant anchorage extension requests. "Today, we have to contact each operator individually, and we aren't always able to reach everyone," he said.

This is not to say that no information is available. Through the Mariners' Advisory Committee for the Bay

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Austin Assumes Command at D5



The Delaware River port community was well represented as RDML Meredith L. Austin relieved RDML Stephen P. Metruck as Commander of the Coast Guard Fifth District. Austin, a past captain of the port for Sector Delaware Bay, took the helm at D5 during an April 22 ceremony in Norfolk, Va. and found a few moments during the busy day to reconnect with *(l-r)* Delaware River pilots Jon Kemmerley and Steve Roberts, Andrew Dinsmore of Del. Sen. Chris Coons' staff, Exchange President Dennis Rochford, and Rich Gaudiosi, Executive Director of the Delaware River and Bay Cooperative.

Himber Keynotes at Tel Aviv Security Workshop

Exchange works to bring members together with Israeli providers

With a mission specific to the Delaware River region, Exchange staff are rarely called upon to travel overseas. So it was somewhat of a surprise when Exchange Vice President Lisa Himber was recently asked to serve as one of two keynote speakers at a workshop in Tel Aviv, Israel.

"The event was designed to give Israeli security technology providers insight into some of the security challenges we're facing on the Delaware River. It was extremely flattering to be invited," Himber said.

Sponsored by the Israel Export Institute, the March 22 workshop included presentations on Delaware River security threats and challenges and Hurricane Sandy response. "Lisa has an extensive security background in the U.S. from both operational and policy perspectives, and we were pleased she was able to meet with us," said Gilles Perez, Manager of Homeland Security & Aerospace for the Israel Export Institute.

The workshop prefaced a visit by a delegation of 12 Israeli presenters to the Philadelphia area on May 19. The Israeli Security Technologies Summit was co-sponsored locally by the Exchange, the Philadelphia-Israel Chamber of Commerce, and the Israeli Economic Mission in New York.

"The event provided a venue to create lasting partnerships between Delaware River port businesses and Israeli companies," said PICC Executive Director Vered Nohi. "Israel enjoys strong commercial and R&D ties with the Greater Philadelphia, Southern New Jersey, and Delaware region. The homeland security summit on May 19 facilitated substantial collaborations resulting in safer and

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Good news for deepening funding

President Obama's FY17 proposed budget includes $33 million for the Delaware River 45-foot deepening project. In addition to the administration's funding, the Corps of Engineers included an additional $22 million in its FY16 work plan. This combined funding of $55 million and a 35% match from the Commonwealth of Pennsylvania will move this project toward completion by the end of calendar year 2017.

Interview with

Philip Rinaldi

Chairman, CEO
Philadelphia Energy



Philadelphia Energy Solutions, PES, owns the oil-refining complex that straddles the Schuylkill River between the Philadelphia International Airport and Center City. Philip Rinaldi, often referred to as the architect of the regional energy hub concept, also chairs the Greater Philadelphia Energy Action Team. Mr. Rinaldi recently shared with The Beacon *some thoughts concerning development of the area's energy resources.*

Q: Please tell our readers about Philadelphia Energy Solutions and your work as Chairman of the Greater Philadelphia Energy Action Team.

A: PES was formed to acquire Sunoco's Philadelphia oil refining complex in September 2012, preventing Sunoco's planned closure of that facility and the resulting loss of good, family-sustaining jobs. Since that time, PES has reinvigorated the business and expanded its workforce from 850 to more than 1,200. PES developed the fastest and most efficient crude-by-rail delivery system and substantially improved the business' crude-buying effectiveness.

The PES facility is the largest oil-refining complex on the Eastern Seaboard of North America, refining 330,000 barrels of crude oil per day into 12 million gallons of transportation fuels on a daily basis.

GPEAT, formed under the umbrella of the Greater Philadelphia Chamber of Commerce, has grown into a coalition of more than 100 member companies dedicated to turning Philadelphia into a regional energy hub distributing Marcellus and Utica natural gas for the direct economic benefit of the commonwealth.

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Confusion, controversy, and questions reign on VGM

Maritime stakeholders are frequently challenged whenever the federal government promulgates wide sweeping new regulations. Think Oil Pollution Act of 1990 or the Maritime Transportation Security Act of 2002.

Usually, we're much more stoic when the regulatory changes are minor. Yet the commotion over what has become known as VGM — verified gross mass, a new International Maritime Organization requirement that shippers provide verified container weights to carriers and terminal operators — has been staggering.

The "new" requirement dates from 2014, when the IMO amended the Safety of Life at Sea, or SOLAS, Convention. But last fall when the July 1, 2016 implementation date began to loom near, maritime stakeholders woke up to the fact that they had no mechanism to implement the amendment.

This has sparked confusion, controversy, and questions among key players throughout the supply chain.

Shippers claim they can only be held responsible for the weight of the cargo, not the container itself. In addition, a shipper generally has no business relationship with the terminal operator, with whom the amendment requires direct communication.

Most carriers support the requirement, as they have no other way to validate the weight of the loaded containers. Some ocean carriers would simply prefer that Coast Guard issue fines for non-compliance, which would eliminate the ambiguity.

Some terminal operators will weigh containers, others will not allow cargo through the gates without proof of verified weights. No doubt some terminals will do neither.

The Coast Guard contends that the U.S. has been in compliance with this requirement since regulations requiring weight reporting were finalized in 1994. In late April, the Coast Guard reiterated to the IMO that current U.S. regulations allow for other entities within the container export chain to work in combination with the shipper to determine and verify container weights. Coast Guard will also allow for "equivalent" methodologies to verify weights beyond the two outlined in the SOLAS amendment.

The amendment makes sense. It is designed to prohibit ship operators from stowing overloaded containers or improperly weight balancing containers based on faulty information. Anecdotal information suggests that the incidence is high, though fortunately major disasters have been rare. But when they happen, these practices contribute to vessel instability, potentially endangering crew and others nearby, the ship, and the environment in the event of a catastrophic event.

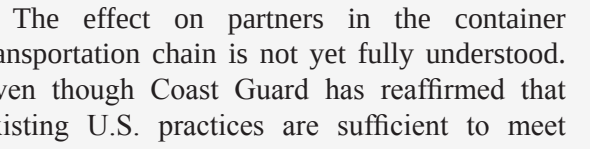
While expected that 162 signatories to the SOLAS convention will enforce this amendment, it is interesting to note that only a handful of these countries have mechanisms in place that comply with the requirement.

The effect on partners in the container transportation chain is not yet fully understood. Even though Coast Guard has reaffirmed that existing U.S. practices are sufficient to meet the requirement, unaddressed worldwide considerations remain. For example, verifying properly-calibrated weighing equipment here in the U.S. and other developed countries — let alone in the third world — is a significant challenge.

However, there is one ray of sunshine breaking through this overcast sky: Coast Guard does not expect to add a new inspection regime to enforce the amendment. Bottom line, the agency has no authority to regulate domestic shippers, and data to support starting a domestic rulemaking process simply isn't available.

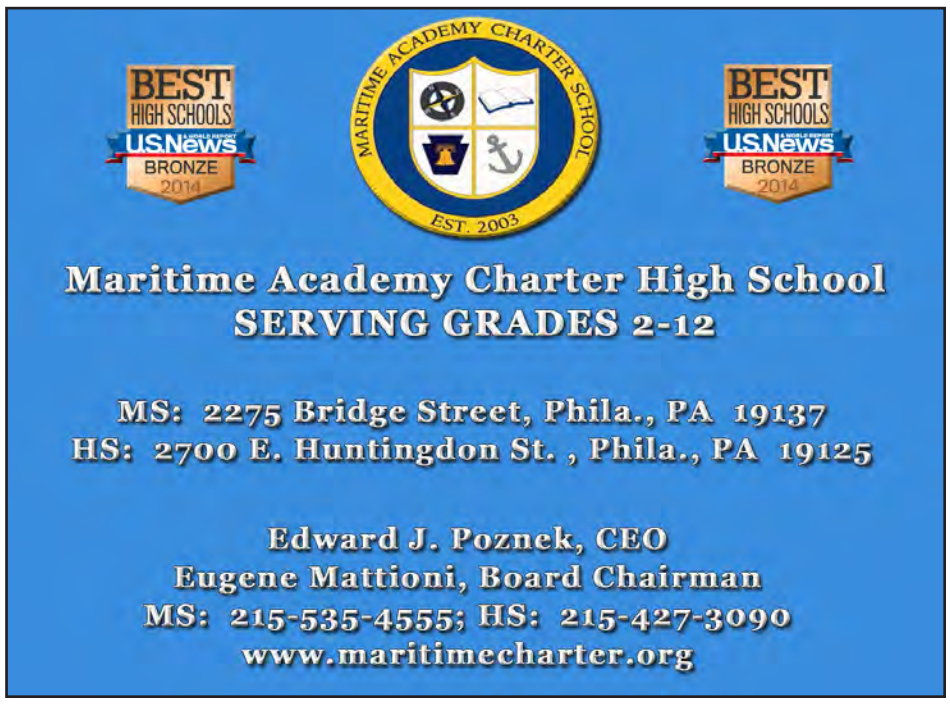
Though it essentially lets U.S. shippers off the hook, the Coast Guard's position will not make compliance easier for carriers operating worldwide.

We recognize that Coast Guard doesn't have the resources to ascertain whether carriers have received verified container weights from shippers. We agree this ought not to be a high priority given Coast Guard's other important missions. But some in industry believe the agency has fallen short of the mark in facilitating industry's compliance with international requirements.









Exchange addresses USDA treatment fees

When the USDA Animal and Plant Health Inspection Service finalized a rule last December that included a new fee for conducting and monitoring AQI — agricultural quarantine and inspection — treatments, most agriculture stakeholders believed the discussion about alternatives was at an end.

But as Exchange members who have an interest in agricultural products recently learned, APHIS is willing to further the dialogue.

While in town to accept the Chilean & American Chamber of Commerce Visionary Award on behalf of USDA, APHIS Deputy Administrator Osama El-Lissy took the opportunity to meet with the Exchange and its members to discuss possible changes to the fee structure published last year.

"We recognize that APHIS spent two years developing the user fee rules and worked closely with industry to try to respond to concerns," said Exchange Vice President Lisa Himber. "But the bottom line is that it was impossible to make everyone happy, and the agency was pressed to implement changes to its fee structure in order to meet costs. We're very appreciative that Dr. El-Lissy remains willing to engage on this issue."

Originally proposed at $375 per treatment, the final rule created a phased-in approach, with fees starting at $47 in the first year and increasing annually until capping at $237 in year five.

APHIS plans to evaluate a year's worth of data to determine if the new fee scale is appropriate or further adjustments are needed. El-Lissy said that if the agency's expenses are less than revenues generated by the fee, APHIS will adjust the rate downward. Yet if costs are greater, he said APHIS will not increase the rate beyond that outlined in the final rule.

"Both Western Fumigation and our customers value the efforts of USDA in protecting our domestic fruits and vegetables. We agree that the agency needs to be fairly compensated for these efforts, but we want to make sure that these charges are equitable and not overly burdensome," said Kurt S. Reichert, Fumigation Director for Western Fumigation.

The rate itself is not the only issue on the table. Another question surrounds the term "treatment unit," which was not defined in the rule and fluctuates from shipment to shipment. Also of concern to both APHIS and industry is the fact that varying costs in different regions of the country increase APHIS's challenges in determining the most appropriate fee schedule nationwide.

El-Lissy also acknowledged that there may be a better mechanism to implement the treatment fees and suggested that his goal is to make further decisions collectively with industry.

Stakeholders were encouraged by the frank and open tenor of the meeting. "Those of us who provide the treatments are in a unique position to advise USDA on how certain measures will affect customers," said Anne Bookout, who serves as Vice President and General Counsel at Royal Pest Solutions. "We look forward to working toward a fair and efficient system."

Himber said the Exchange will coordinate a national working group in conjunction with the National Pest Management Association to formalize the structure for the ongoing discussion. "Though the fees affect our port more than most others due to the sheer volume of agricultural products we handle, this is not just a Delaware River issue. It concerns importers of agricultural products at ports throughout the U.S.," she said.

GPEAT feels the energy!

With all eyes on the Delaware River's energy renaissance, port stakeholders and business leaders from many sectors were eagerly awaiting the results of a Greater Philadelphia Energy Action Team study.

On March 30, to a standing room only crowd, GPEAT released its report, "A Pipeline for Growth – Fueling Economic Revitalization with Marcellus and Utica Shale Gas." The report described key aspects associated with creating a natural gas and natural gas liquids energy hub in the Greater Philadelphia region.

In a nutshell, GPEAT found that the Delaware River region is ripe for further development as an energy hub.

"Needless to say, our members are keenly interested in gains on the energy front," said Exchange President Dennis Rochford. "After so many years of decreased oil and gas cargo volumes, the GPEAT findings are cause for significant optimism."

As he discusses in his interview with *The Beacon*, GPEAT Chairman Phil Rinaldi, who is the CEO of Philadelphia Energy Solutions, is convinced of the benefits of the regional energy hub concept. Specifically, it will spur a sustained resurgence in manufacturing and employment opportunities throughout southeastern Pennsylvania, southern New Jersey, and northern Delaware.

Delaware River ports are expected to see substantial benefits through the export of natural gas liquids to overseas markets.

For over a century, Delaware River's shoreline has served as an energy hub, acting as host to oil refineries and other petrochemical facilities and terminals that process and distribute energy related products throughout the eastern U.S.

"A little more than a decade ago, over a million barrels of crude oil a day transited the Delaware River to supply the six operating oil refineries," Rochford said. "These vessel movements bolstered the port complex in ways that were beneficial to shipping activity throughout the region."

In recent years, however, a transformation in both the scope and diversity of energy cargos handled on the river has occurred. Crude oil continues to arrive at the region's oil refineries by tanker and rail car. What has changed is the addition of natural gas liquids to the overall cargo mix.

The Marcus Hook Industrial Complex, operated by Sunoco Logistics and now in its second year of operations, is the first facility on the Delaware River to process and export these natural gas liquids to European markets. The trajectory of shipping activity at this former oil refinery continues to grow. The number of tank vessels loaded in the first four months of 2016 was 50 percent higher than for the same period in 2014.

"Mariner East is really taking off at Marcus Hook from a marine perspective, with new ship traffic from the new Dragon-class ethane carriers and Very Large Gas Carriers for propane," said Michael P. Nesbitt, Marine Operations Manager for Sunoco Logistics. "Our efficiency has improved dramatically — today we can load marine vessels at world class loading rates. The addition of Mariner East 2 will further increase distribution capabilities from Marcus Hook. The addition of at least 275,000 barrels a day of propane, butane, and ethane has the potential to add manufacturing and further processing facilities, which would create more jobs and establish a market for advantaged feedstocks such as propylene, cumene, and alkylate."

The potential for expanded exports of natural gas liquids, as well as domestic and Canadian crude oil, is an opportunity well suited for the Delaware River region.

According to Ward Guilday, President of the Pilots' Association for the Bay and River Delaware, "With the pending completion of the deepening of the main shipping channel to 45 feet in 2017, our port will be more than prepared to handle the additional tanker activity associated with growth in energy exports."

"The Exchange applauds GPEAT and looks forward to working with all industry sectors in the Delaware Valley to ensure the region can live up to — and exceed — its energy potential," Rochford said.





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Philadelphia, PA 19102
marc.tepper@bipc.com
www.bipc.com

Compliance Management International
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North Wales, PA 19454
215-699-4800
info@complianceplace.com
www.complianceplace.com

D2 Management, LLC
2933 West Germantown Pike
Building 3, Suite 304
Norristown, PA 19403
484-322-5440
kdelaney@d2mgmt.net

Mariners' Advisory Committee
c/o 240 Cherry Street
Philadelphia, PA 19106
215-925-1524
marinersadvisory@yahoo.com
www.macdelriv.org

TFMarine, Inc.
290 King of Prussia Road
Building 2
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Radnor, PA 19087
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BIRD Foundation: Supporting U.S.-Israel Partnerships

The web is literally teeming with dating sites, but it is not often that maritime industry members come across professional matchmakers. And one that provides grant funding to boot.

Enter the BIRD Foundation.

BIRD is an acronym for Binational Industrial Research and Development. Established by the U.S. and Israeli governments in 1977, the foundation's mission is to stimulate, promote, and support industrial R&D of mutual benefit to the U.S. and Israel.

The watchword is innovation. The BIRD Foundation encourages cooperation between Israeli and American companies in a wide range of technology sectors by providing funding for developing joint products or technologies. In short, the BIRD Foundation is a matchmaker.

BIRD's scope extends to communications, electronics, software, homeland security, renewable and alternative energy, and other sectors of the hi-tech industry. The foundation supports approximately 20 projects annually, and the cumulative sales of products developed through BIRD projects have exceeded $8 billion.

Last year, the foundation awarded grants of $10 million, and it has provided nearly $330 million in funding since its inception.

In December 2015, the BIRD Foundation launched a new program sponsored by the U.S. Department of Homeland Security and the Israel Ministry of Public Security. "NextGen First Responder Technologies" focuses on advanced, innovative technologies for first responders, including firefighters, law enforcement, and emergency medical services.

In addition, the foundation manages the BIRD Energy Program focused on U.S.-Israel joint projects relating to renewable energy and energy efficiency industrial research and development.

BIRD approves projects twice a year. Projects are evaluated by reviewers appointed by the Office of the Chief Scientist at the Israel Ministry of Economy and Industry and by the U.S. National Institute of Standards and Technology.

Any eligible pair of companies, one Israeli and one U.S.-based, may jointly apply. The foundation funds up to 50% of the combined project budget of full-scale projects. The maximum BIRD can fund is $1 million, for a project with combined project budget of $2 million or more. Recognizing that partners sometimes want to start small, awards for "mini-projects" are limited to combined project budgets of $400,000, also at the 50% rate, where the maximum award is $200,000.

True to its status as a matchmaker, the foundation will also help interested organizations find strategic partners.

For additional information, contact Vered Nohi, Executive Director of the Philadelphia-Israel Chamber of Commerce and Representative of the BIRD Foundation at picc@phillyisraelchamber.com or visit www.birdf.com.

Exchange co-sponsors Israeli tech summit

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more secure seaports and other critical infrastructure sites, as well as attracting Israeli companies to name our region their U.S. home."

Nili Shalev, the Israeli Economic Minister to North America said at the conference that strengthening economic ties between Israel and the U.S. is a strategic goal, and securing critical infrastructure is a natural area of collaboration.

The summit brought together area first responders and critical infrastructure owners — including marine terminals, airports, and bridges — with presenters who spoke on access control, communications, explosive detection, and a host of other technologies.

"Israel's homeland security companies arguably have an important advantage over companies from other countries, due to their ability to field-test their technologies with some of the world's most recognized security agencies and organizations, which continuously face new threats and therefore are in a constant need for innovative solutions," Perez said. "The ongoing and direct dialogue between Israeli manufacturers and expert end-users enables the creation of customized technologies of the highest standards."

The technologies essential to Israel's security have evolved over three generations, addressing a broad spectrum of threats. Today, Israel's security relies mostly on domestically developed, matured and tested capabilities, maintaining high level of security while ensuring quality of life for ordinary citizens.

Representatives of about 35 local agencies and businesses attended the summit, including Kurt Ferry, Director of Security for Greenwich Terminals. "While I was certainly interested in hearing about the technologies, to me the event was as much about learning about the cultural ideologies. Israelis have been subject to an intense security regimen for many more years than we have, and I wanted to learn about their approach to dealing with both policy makers and citizens groups," he said.

"The Exchange greatly appreciated the opportunity to work with these co-sponsors, and we're extremely pleased with the new relationships we've formed, with the information we've gained, and by being able to bring these resources to our members," Himber said.

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Phase I channel deepening at Marcus Hook a success

Concerns about rock removal never materialize

Most of the Delaware River bottom is mud, which makes channel deepening relatively simple. But where it is adjacent to Marcus Hook, Pa., the ship channel has a rocky bottom, a situation that can complicate matters.

Despite concerns about the work needed to remove the rock, all parties involved in this phase of the 45-foot Main Channel Deepening Project — the Corps of Engineers, which manages the work, the dredging contractor, the Coast Guard, which enforces the safety zone, and the mariners who have to navigate around the work — agree that it went off exceptionally well.

"All the players were at the top of their game. We were able to ensure effective communications about work schedules so that ships were not unnecessarily delayed, and Great Lakes performed exactly as promised. In all, the work was completed in the most professional manner possible," said Mariners' Advisory Committee Chairman Jon Kemmerley.

In July of last year, the Corps issued its request for proposals for the work near Marcus Hook. In September, it awarded a nearly $77 million contract to Great Lakes Dredge & Dock Company.

Deepening in the area between Marcus Hook and Eddystone, Pa. began on December 4. Great Lakes, the Coast Guard, the Mariners' Advisory Committee, the Pilots' Association, the Corps, and the Exchange worked together to ensure vessel safety during the temporary channel closures necessary during rock removal and dredging operations. While work was underway, Coast Guard established a safety zone in the work area from December 4, 2015 through March 15, 2016. The safety zone covered all navigable waters in the Delaware River within 500 yards of vessels and machinery conducting the work.

Because of regulations protecting the local sturgeon population, the work could only take place from December to March. During these four months, a significant amount of rock was removed from the Marcus Hook range. Operations will resume during the next dredging window beginning in December of this year.

"With the completion of this section of the deepening of the Delaware, we are 85% of the way towards the finish line of a road long traveled. At the end of this road awaits the potential to generate approximately $1 billion in regional port infrastructure projects," Exchange President Dennis Rochford said.

CBP to pilot e-export manifests

By: Edward T. Moriarty, Assistant Port Director
U.S. Customs and Border Protection, Philadelphia

The Trade Act of 2002 mandated the electronic collection of manifest information in all modes of transportation for inbound and outbound cargo. The act also requires that U.S. Customs and Border Protection consult with the trade on the actions to be taken toward the drafting of regulations for implementation.

CBP has issued three *Federal Register* notices announcing pilots to test the functionality of the electronic export manifest system in the ocean, air, and rail environments. The announcements provide an outline for manifest submission, the entities that may participate in the pilot, the participant selection process, and the data elements that will be required for the pilot.

CBP has worked with the COAC, the Advisory Committee on Customs Operations, and individual industry groups such as the Association of American Railroads, Airlines for America, and the World Shipping Council on the development of the first three pilots.

Each pilot is limited to a total of nine participants, including at least three carriers and three freight forwarders. The remaining three participants will be selected based on various factors that will be used to assess the impact of the pilot before implementation of final regulations. CBP expects to publish future notices to expand the pilots to allow for additional participants.

The export manifest pilots will include multiple phases where participants can progress through each phase at their own pace in consultation with CBP. We will work closely with the participants to determine how the pilots will operate, analyze the timeframes for the submission of data, assess required data elements, and evaluate the method by which CBP should target high-risk shipments. CBP will continue discussions with the various industry groups to address various aspects of each pilot specific to each mode of transportation throughout the life of each pilot until the publication of final implementing regulations.

Our ultimate end goal is to develop a well-integrated multi-modal model for exports, while being mindful that any final rule related to export manifest must balance our security, compliance, and enforcement responsibilities along with our responsibility to foster and enable international trade.

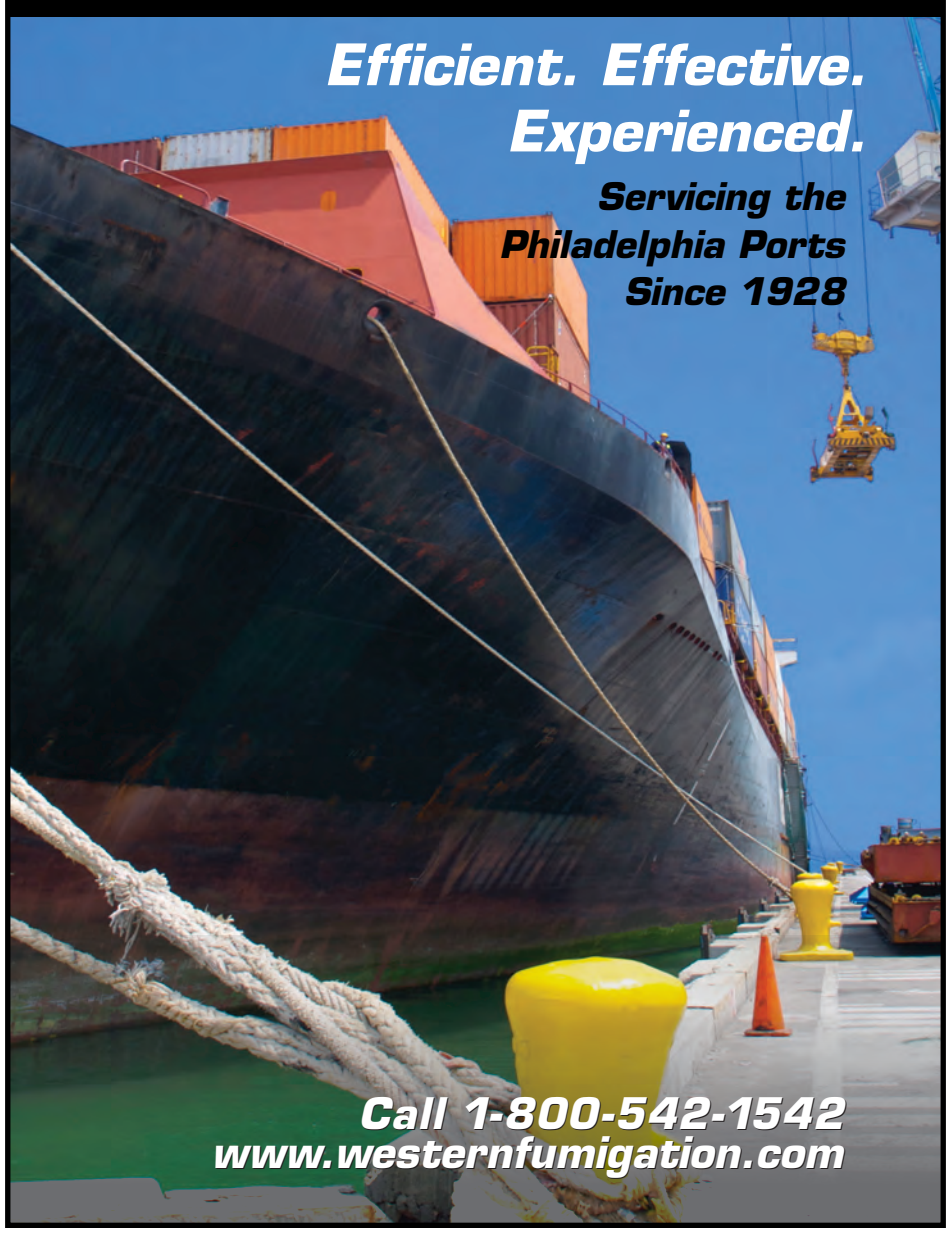
For more information on the ACE export manifest pilots, please visit www.CBP.gov.

Coons visits Sector Delaware Bay



Back in February, Delaware Sen. Christopher Coons joined Coast Guard RDML Stephen Metruck, then-5th District Commander, and Coast Guard Captain of the Port Benjamin Cooper for a tour of operations. The three also had the opportunity to discuss aids to navigation and ice-breaking capabilities. Coons (r) and Metruck are shown here along the Delaware during the tour of the station.









CBP to further align with international data model

After decades of doing its own thing, U.S. Customs and Border Protection recently announced it is working with the World Customs Organization, or WCO, to align with an international data model. This could replace many of the existing standards in use by CBP and the trade.

Currently, CBP supports over 19 different types of electronic data interchange message formats, commonly referred to as EDI, to process international cargo information through ACE, the Automated Commercial Environment. The agency hopes that by switching to an international standard, it can reduce the number of formats it must support.

"The Maritime Exchange applauds federal agency efforts to streamline internal operations and reduce costs," said IT Director Michael Fink. "And in theory it makes sense for CBP to adopt international standards as filers who trade in multiple countries would benefit. As usual, though, the devil will be in the details."

Established in 1952 as the Customs Cooperation Council, the WCO is an independent intergovernmental body with a mission to enhance the efficiency of customs administrations. It represents 180 customs administrations across the globe that collectively process approximately 98 percent of world trade.

The WCO Data Model provides a global standard for the release and clearance of goods that includes a common operational vocabulary, language, and syntax for trade data. The Data Model Project Team meets several times a year to consider changing data exchange requirements and reports that nearly 70 percent of its members use the international standard in some way.

While the March announcement at a Customs Electronic Systems Action Committee meeting surprised many trade participants, the utilization of the international data model is not a new concept. The SAFE Port Act of 2006 calls for the secretary of homeland security, acting through CBP, to "work with the WCO to facilitate the efficient flow of international trade . . . develop, to the extent practicable, transparent standards for the release of cargo by WCO members."

During the past two years, CBP reviewed the WCO Data Model for compatibility with existing U.S. data formats. The agency is also seeking to include more of the U.S. information in the model.

"Some of our existing data sets are very compatible with the WCO Data Model," said Randy Slusher, Technical Architect at the CBP Cargo Systems Program Directorate. "Generally, message formats in the ocean, rail, and air cargo manifest environments have a high affinity with the international standard, but the post-release side of the house does not at the moment."

CBP will plan to convert ocean and air import manifest (CAMIR and X12 formats) as a likely first step. It is also studying the feasibility of automating CBP paper forms 1300, 1303, and 1304 during this phase. Other formats and modes would follow in a phased-in approach.

Slusher cautioned stakeholders not to panic. "These are early recommendations, and we are at least two years away from any impact on current ACE implementation." He said that testing and pilot programs could happen sooner than that.

While not all data sets might be compatible, CBP believes it could save substantial resources by converting at least some of the modules to the international standard. As an example under the current environment, CBP must program three different data formats — CAMIR, X12, and EDIFACT — to accommodate changes to the ocean import cargo manifest. The same burden applies to all of the transportation modes including air, ocean, rail, and truck.

"We can certainly understand why CBP wants, or even needs, to move in this direction," Fink said. "The cost to maintain one rather than several standards makes fiscal sense and does open the door for quicker turn-around times for bug fixes and enhancements. But CBP will face some level of challenge from an industry that spent significant resources to migrate from the Automated Commercial System to ACE."

CBP expects to adopt a roadmap for import/export data using the international standard later this year.

Exchange Board Election Results

The Maritime Exchange extends its appreciation to members who voted in the 141st annual election held in March. The following were elected to three-year terms:

William Anderson
General Marine Refrigeration Corporation

David Chenowith
T. Parker Host, Inc.

Richard DeGennaro
Consultant

Edward Hazzouri, Esq.
Hazzouri & Associates

Michael Holt
Holt Logistics Corporation

Thomas Johnston
Norton Lilly International, Inc.

James Lyons
J. R. Stevedoring Company, Inc.

Mary Elisa Reeves, Esq.
Reeves McEwing LLP

John Reynolds
Atlantic Logistics

H. Hickman Rowland
Wilmington Tug, Inc.

James Schine
CSC Sugar

In May, the new board then elected the following officers, who will serve for one-year:

John T. Reynolds, Chairman
Uwe Schulz, Vice Chairman
A. Robert Degen, Esq., Secretary/Solicitor
Robert A. Herb, Treasurer



Barge traffic a critical need

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and River Delaware, the local harbor safety committee, mariners agreed that barge and tug operators would report in to the Exchange when they move in and out of the region's two deep draft anchorages. "We have some visibility into these movements through our Automatic Identification System as well," Myhre said.

This limited information is no longer sufficient. According to Timothy J. Rooney, Project Manager, Operations Division at the U. S. Army Corps Philadelphia District Office, "Making maintenance dredging quicker and more efficient is always a key goal, and having tug and barge schedule information helps make that goal a reality."

Recently the Corps had to postpone maintenance dredging due to unknown congestion. Rooney would much rather have regional cooperation than force anchorage closures. "Schedule information becomes even more important once the main channel deepening project is complete. When the channel is at 45 feet, the only anchorage deep enough for the larger vessels in the Philadelphia area will be the southern end of Marcus Hook," he said.

The Coast Guard is working with the MAC to address anchorage congestion issues. A new anchorage at the former Navy Yard will soon be open to vessel traffic, and the agency is investigating modifications to a handful of other anchorages to provide more usable space for shallow draft vessels.

The Exchange has started to reach out to area barge operators to assess the feasibility of incorporating tug/barge moves into its scheduling database. Initial reaction has been positive.

"We are happy to provide our schedules to the Exchange," said Kenneth L. Peterson, Operations Manager for Harley Marine. "Our business in the Delaware River waterway is growing, and we expect it will continue to do so. While certainly there is commercial sensitivity to some information, everyone benefits by sharing movement information."

Collecting barge and ship information together through a single system will provide both private and public stakeholders with a better understanding of port activity, and it is something the community can improve together.

Contact Paul Myhre at pmyhre@maritimedelriv.com or 267-670-7954 to become engaged in this important conversation.



Over 140 years and still going strong

Chairman John Reynolds delivered the Report of the Board of Directors at the Exchange's 141st annual meeting on March 9, 2016. Following is an extract of that report.

Overall, the maritime industry experienced a whirlwind year on several fronts during 2015, and the Maritime Exchange for the Delaware River and Bay stepped up its game to keep pace with a stream of regulatory issues and concerns. Working closely with regional congressional members and federal agencies and delving further into the worlds of technology and cybersecurity, the Exchange made substantial progress on several key projects and initiatives last year.

Public Policy/Government Affairs: Engaged with Members and Policy Makers

The Exchange's role as advocate for the port proved to be more valuable than ever in 2015.

First, we took crucial steps toward completing the Delaware River 45-foot deepening project. More than 80% of the work is now complete. In early December, Great Lakes Dredge & Dock began the dredging and rock removal in the area adjacent to Marcus Hook, Pa. Funding for the remaining work looks very positive as well. President Obama's proposed FY17 budget includes $33 million to continue deepening the channel. Beyond that, the Army Corps of Engineers included an additional $22 million for the project in its FY16 current fiscal year work plan. This combined funding of $55 million, coupled with a 35% match from the Commonwealth of Pennsylvania, will help ensure work is finalized by the end of calendar year 2017. We welcome the opportunity to celebrate this long-awaited and critical economic development priority.

At Broadkill Beach in southern Delaware, the Army Corps of Engineers oversaw a successful beach restoration with almost two million cubic yards of sand removed from the channel as a result of the deepening project. The project will protect the shore from erosion and reduce the economic damages brought about by waves, storm surges, and coastal flooding. It is scheduled for completion in April 2016.

In addition, Customs and Border Protection agriculture inspections held a prominent position on our 2015 agenda. Working to improve processes at Delaware River ports, the Exchange coordinated discussions with agency personnel at the local, regional, and national levels as well as with members of the regional congressional delegation. Among other improvements, such as implementation of national standards and increased inspector training, the Exchange developed a new working group specifically for stakeholders and regional CBP officials to discuss agriculture-specific matters. Into the new year, we continue to work collaboratively toward additional changes to overall procedures and processes.

In 2015, strong and repeated industry objections did not stop the U.S. Department of Agriculture Animal and Plant Health Inspection Service from implementing fee increases for overtime services. The rule became effective November 1. The agency also finalized a rule on October 29, 2015 that adjusted Agricultural Quarantine and Inspection Program user fees to recoup the costs of conducting inspections. That rule became effective December 28, 2015. [*Editor's note: The Exchange met with USDA/APHIS Deputy Administrator Osama El-Lissy in April to continue the dialogue regarding the new cargo treatment fees. Stay tuned for updates*.]

Last August, we were pleased to announce that for the third consecutive year, the Philadelphia Regional Port Authority, the Port of Wilmington, and the South Jersey Port Corporation again committed to providing $100,000 each to funding the Physical Oceanographic Real-Time System maintenance and operation expenses.

Earlier in the year, the U.S. Coast Guard requested comments regarding maritime cybersecurity practices. This provided the Exchange with an opportunity to recommend that Coast Guard does not allocate resources to address cyber-related vulnerabilities given its other important missions, lack of maritime-specific risk, and limited resources. Coast Guard efforts to raise industry awareness and to ensure implementation of appropriate cybersecurity measures are important. Making industry aware of some of the threats it is facing, many of which are currently unknown, can go a long way toward providing port businesses with information they need to make informed decisions on how best to spend their security dollars.

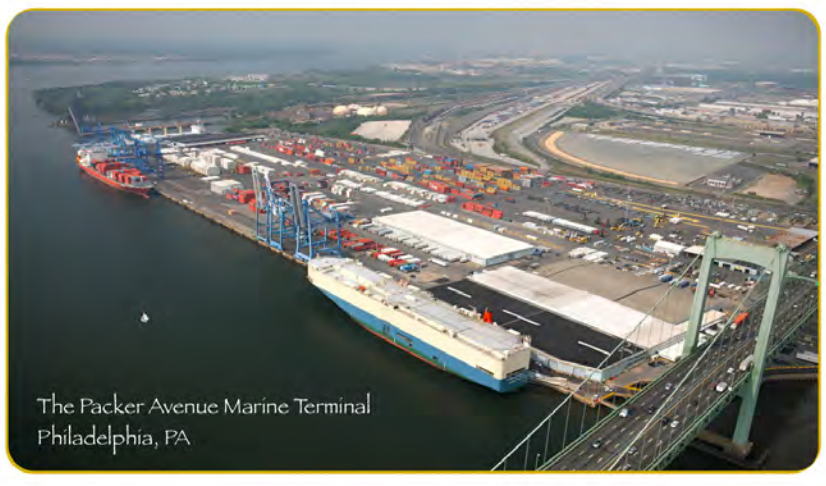
These are just the highlights among the many initiatives the Exchange undertook on behalf of members in 2015, and they underscore the importance of the Exchange's work as the voice of the maritime community.

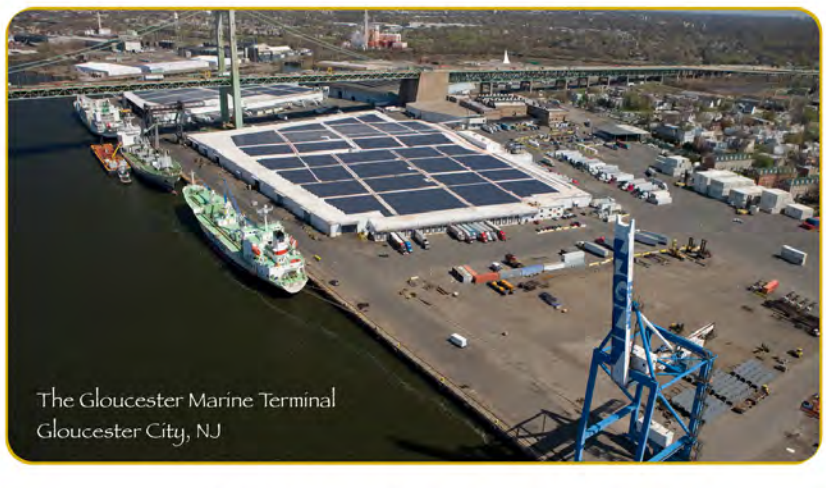
Operations/IT as Busy as Ever

As always, our information technology and operations staffs focused on supporting and improving the Maritime On-Line® system and addressing ever-increasing security challenges throughout the course of 2015. With the financial support of

continued on page 13

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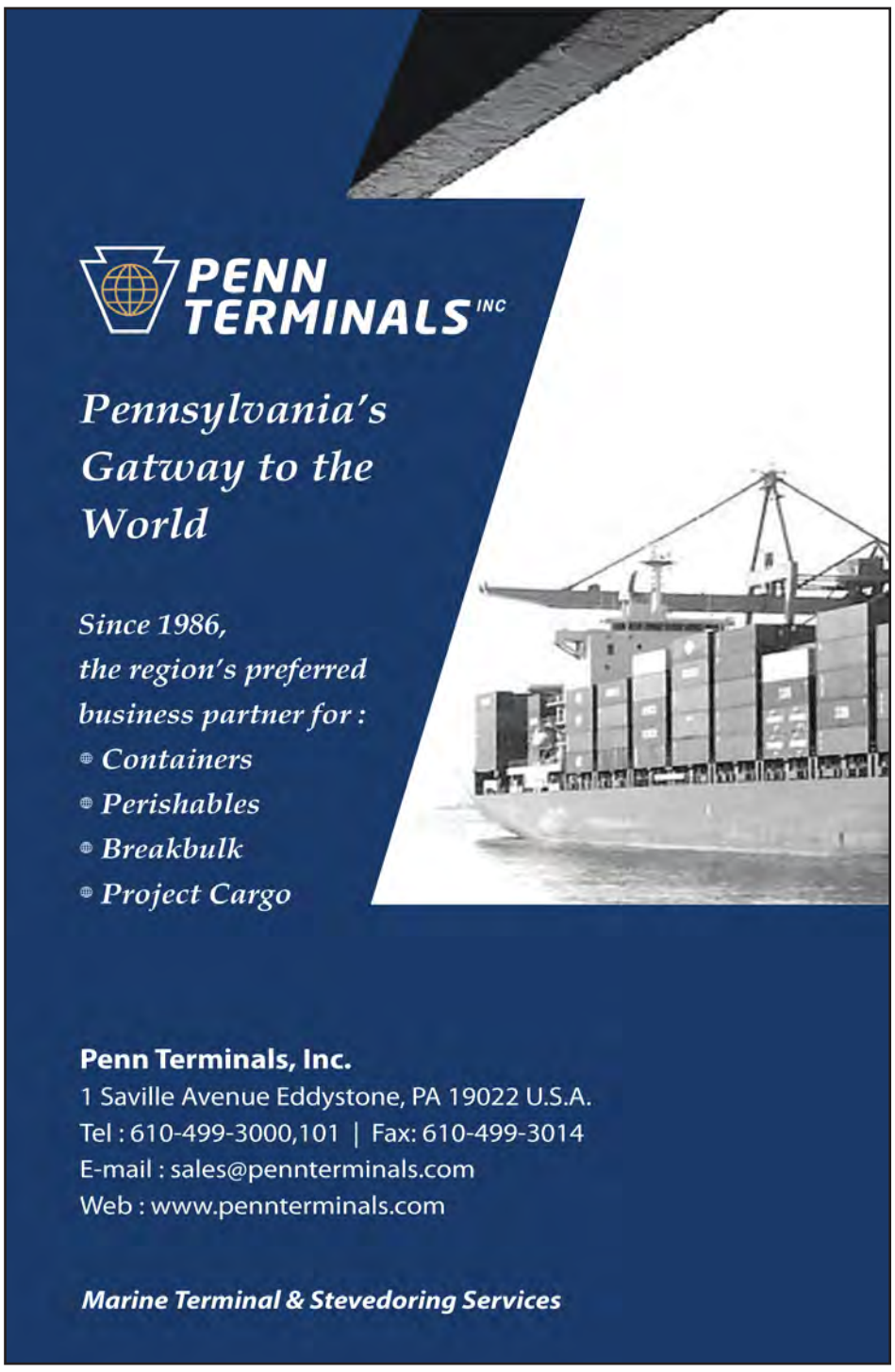
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Phila. 2015 cargo figures indicate continued growth

For the first time, more than six million tons of cargo handled in a single year

The Philadelphia Regional Port Authority reports that for the sixth consecutive year, cargo volumes have grown at Philadelphia facilities, and for the first time in its history, total cargo tonnage has surpassed six million tons.

With 6,092,787 metric tons of cargo handled at Philadelphia facilities in 2015 compared to the 5,951,240 tons handled in 2014, total cargo tonnage increased by 2.38 percent. Further, when collectively examining cargo figures over the past six years, overall tonnage handled has increased by 68 percent.

"I'm very proud of this authority and the private terminal operators that work in conjunction with it," said PRPA Chairman Gerard H. Sweeney. "Our effective public/private partnership, championed by Pennsylvania Governor Tom Wolf from the earliest days of his administration, has once again resulted in another year of cargo growth. Truly, great things have been happening here."

Breakbulk cargos were the particular standouts in 2015, with overall breakbulk tonnage up 15.64 percent.

Cargo gains in 2015 occurred during a particularly busy and dynamic era for the Port of Philadelphia, with the Delaware River 45-foot channel deepening project nearing completion and the Southport Marine Terminal Project now in its request for proposal phase. Southport could ultimately result in up to three new business operations at the port by 2017.

PRPA cargo volume highlights

- Steel was up 7.12 percent with 423,321 tons handled in 2015 compared to the 395,200 tons handled in 2014.
- Fruit increased 19.10 percent with 268,319 tons handled in 2015 compared to the 225,294 tons handled the year before.
- Cocoa beans experienced a 5.56 percent gain, with 103,121 tons arriving at the port in 2015 compared to 2014's 97,688 tons. This increase, in conjunction with terminal operator Dependable Distribution Services consolidating its regional cocoa cargos at Pier 84, has catapulted the Port of Philadelphia to the number one cocoa bean-handling port in the nation, according to the Journal of Commerce PIERS data service.
- Forest products were up a healthy 26.58 percent. These included high-quality coated paper from Scandinavia used to print magazines and catalogs and wood pulp from South America used in the manufacture of household items like facial tissues and paper towels. Philadelphia ports handled 778,271 tons in 2015 compared to the 614,844 tons handled in 2014.
- Roll-On/Roll-Off, or Ro/Ro, cargos also had healthy gains in 2015. Ro/Ro cargos primarily consist of new Hyundai and Kia automobiles that regularly arrive at South Philadelphia's Packer Avenue Marine Terminal from South Korea. Counted as individual units, automobiles were up 3.39 percent, with 155,745 automobiles arriving in 2015 compared to the 150,637 in 2014. As tonnage, the increase jumped to 8.18 percent, with 231,016 tons of automobiles moving through the port in 2015 compared to the 213,546 tons handled in 2014.
- Containers, with 427,630 TEUs handled in 2015, and liquid bulk cargos, with 1,331,772 tons moved last year, performed at about 2014 levels.

All tonnage figures listed here are in metric tons.

Source: Philadelphia Regional Port Authority

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POW, Trans Global Shipping sign new long-term agreement for Chilean fruit

The Diamond State Port Corporation and Trans Global Shipping NV recently reached an agreement by which Trans Global will continue to use the Port of Wilmington as its mid-Atlantic import Chilean fruit distribution hub for the next five years. The agreement also includes an ongoing two-year lease renewal option that effectively creates a continuing port service agreement. This formally extends a relationship that dates back to 1994 and promises service continuity into the foreseeable future.

"We are ever grateful to our Chilean partners for their faith in Delaware and its port and their willingness to continue this valuable trade relationship that has produced substantial benefits for everyone involved," said Delaware Gov. Jack Markell. "In today's world, our ability to engage with the world, to take advantage of economic growth opportunities, is vital to build on our record of having the best job growth in the region. We can be proud that Delaware is well-positioned to ably support and grow this important partnership going forward."

Port of Wilmington Executive Director Gene Bailey is excited about the new contract. "Trans Global is a vital customer, especially with respect to man-hours worked and, as a result, produces a significant economic impact to not only the port but also the state and region," he said.

"The Port of Wilmington is our destination — critical not only to our organization but also to our customers," according to Francisco Labarca, Managing Director of Global Reefers. "We are very pleased that we have concluded this agreement that will enable us to grow with Wilmington in the many years to come."

Chilean fruit is stored in the port's 800,000 sf. on-dock refrigerated warehouse complex before distribution throughout Canada and the eastern region of the U.S. The port handled over 18,650,000 boxes of Chilean fruit in the 2014-15 season — a 10 percent increase over the previous season. This trade supports over 916 family-sustaining jobs and annually generates $50 million in personal income, $54 million in business revenue, and $5 million in tax revenue for the state and the region.

WTA honors McDermott for lifetime achievement



The World Trade Association of Philadelphia celebrated its 85th Anniversary honoring James T. McDermott, Jr., who retired in April as Executive Director of the Philadelphia Regional Port Authority. Joining in the celebration were (l-r) Tom Holt, Jr. of Holt Logistics Corp, CEO of SeaLand Services Craig Mygatt, Exchange President Dennis Rochford, Jaime and Susan McDermott, and WTA President Miriam Borja-Fisher.

Happy Anniversary Philadelphia District!

On June 15, the U.S. Army Corps of Engineers Philadelphia District will host an event at the Independence Seaport Museum in celebration of its 150th anniversary. The ceremony takes place at 11:15 a.m., and guests are also encouraged to register for the luncheon that immediately follows.

Major Meghann E. Sullivan, Philadelphia Deputy District Commander, is looking forward to the event. "There will be numerous displays to visit and view, and tours of the Dredge 'McFarland' will also be available," Sullivan said. "This will be a great event at a great venue!"

For more information, contact Major Sullivan at Meghann.E.Sullivan@usace.army.mil or Rose McMullen at 215-656-6502 or Rosemary.I.McMullen@usace.army.mil.



Sector Delaware Bay's Marine Firefighting Seminar

By: LCDR Jereme Altendorf and
CAPT Benjamin Cooper

This is a story of good news and bad news.

There once was a time when maritime fires on the Delaware River were fairly common. In the 1960s and 70s, multiple fires on tank ships in the region darkened the skies with black smoke that polluted our air and poisoned our waterways, and unfortunately lives were tragically lost.

Thankfully, even though today's cargos are bigger and the marine traffic continues to grow, vessel and facility fires along our vital maritime artery are not common. Regulations, improved communications, training, inspections, better design, more reliable equipment, and safe work practices have helped to limit these catastrophic events.

The good news: today there are fewer marine fires. The bad news: regional responders are less familiar with fighting a marine fire, but they still need to be ready when a fire occurs.

To address this problem, on March 30, 2016, U. S. Coast Guard Sector Delaware Bay sponsored a Marine Firefighting Seminar, bringing together responders from across the tri-state region to discuss the roles, responsibilities, and regulations associated with marine firefighting and to introduce or re-introduce local firefighters to the challenges of maritime fires.

The morning included a series of presentations followed by a tabletop exercise in the afternoon.

Presentation topics included a brief history of vessel fires on the Delaware River, marine firefighting and salvage regulations, vessel response plans, vessel design and stability concerns, and the responsibilities of various responders, owners, agents, and ships' crews. Participants heard from representatives from four local incident management companies, the four nationally certified marine firefighting/salvage companies, the region's Marine Firefighting Task Force, and the Delaware Bay and River Cooperative's industrial firefighting group.

The information exchange allowed attendees to explore the important differences between traditional landside firefighting and marine firefighting aboard vessels.

The afternoon session included an interactive tabletop exercise, where personnel who would assume specific roles during a marine fire described their responsibilities and concerns for a notional fire along the river. Retired ship's Master Tom Garrett presented an overview of the initial firefighting actions conducted by a ship's crew. His recommendations to local firefighters focused on vessel stability and how firefighting water can quickly change a vessel's buoyancy and center of gravity.

Following this, key exercise players described what notification actions they would take, what emergency plans they would activate, and how they would coordinate with the Incident Commander, the vessel crew, owner, agent, incident management team, marine firefighting/salvage experts, the Coast Guard, and waterfront facility operators.

The exercise concluded with the sharing of lessons learned and recommendations to improve marine firefighting capabilities in the port. This event represents an important step towards ensuring that the port community is ready to respond to a fire in the maritime environment — a step towards turning this into a story of good news and better news.

For more information, please contact Jerry Conrad at Gerald.a.conrad@uscg.mil or Emilio Mercado at Emilio.j.mercado@uscg.mil.

Markell Receives Rabin Public Service Award



On April 18, Delaware Governor Jack Markell, an ardent supporter of the Port of Wilmington and the Delaware River port business community, accepted the Philadelphia-Israel Chamber of Commerce 2016 Yitzhak Rabin Public Service Award. The award recognized Markell's work in forming powerful and productive commercial and research ties between Israel and Delaware.

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Q&A with Rinaldi

continued from page 1

Q: Our readers understand what oil refineries do and why they are vital to our way of life, but just what exactly is a regional energy hub? And why do we need one?

A: An energy hub is a system where multiple buyers, sellers, and transporters engage with one another commercially to facilitate various energy streams entering and then leaving the system. Sometimes these energy streams are unchanged but rerouted. Other times they are transmuted into another form before exiting the system. It is the marketplace for the associated energy streams.

Often asked why Philadelphia should become an energy hub, I should first clarify a misconception . . . Philadelphia *already is* a major energy hub — an oil-based energy hub thanks to the active presence of oil refineries operated by my company, by Monroe Energy, and by PBF Energy. On an aggregate basis, these companies refine more than 70 percent of all the crude oil refined on the U.S. east coast. And Philadelphia is a nascent natural gas liquids, or NGL, hub thanks to the pioneering work of Sunoco Logistics and its repurposing of the Marcus Hook site.

The regional energy hub advocated by GPEAT is first and foremost a natural gas and NGL hub able to take advantage of the enormous reserves in the Marcellus and Utica shale formations. Today, commercial exploitation of these reserves is negligible due to lack of market. This energy hub can be economically transformational throughout the commonwealth, particularly in the Philadelphia/Southern New Jersey/Northern Delaware region.

Often asked why Philadelphia should become an energy hub, I should first clarify a misconception . . . Philadelphia already is a major energy hub.

Q: Who are the beneficiaries of this energy hub? Equally important, is there anyone disadvantaged by its creation?

A: The natural gas producers in northern and western Pennsylvania will thrive as new markets open for their products. The greater Philadelphia region will experience enormous economic growth as abundant availability of natural gas spurs a manufacturing renaissance that will spawn thousands of great jobs and stimulate export commerce. The gas flowing from the Marcellus/Utica to a new and modern Philadelphia area industrial center is truly a river of wealth, a flowing river that can provide substantial new revenue for the commonwealth.

No one in Pennsylvania would be disadvantaged by such development. While some might have to put up with modest inconvenience as the pipeline network key to the energy hub development is laid, such inconvenience would be temporary. There are hundreds if not thousands of natural gas pipelines in service in America, covering hundreds of thousands of miles. The safety and environmental performance of these pipelines enjoy an enviable reputation.

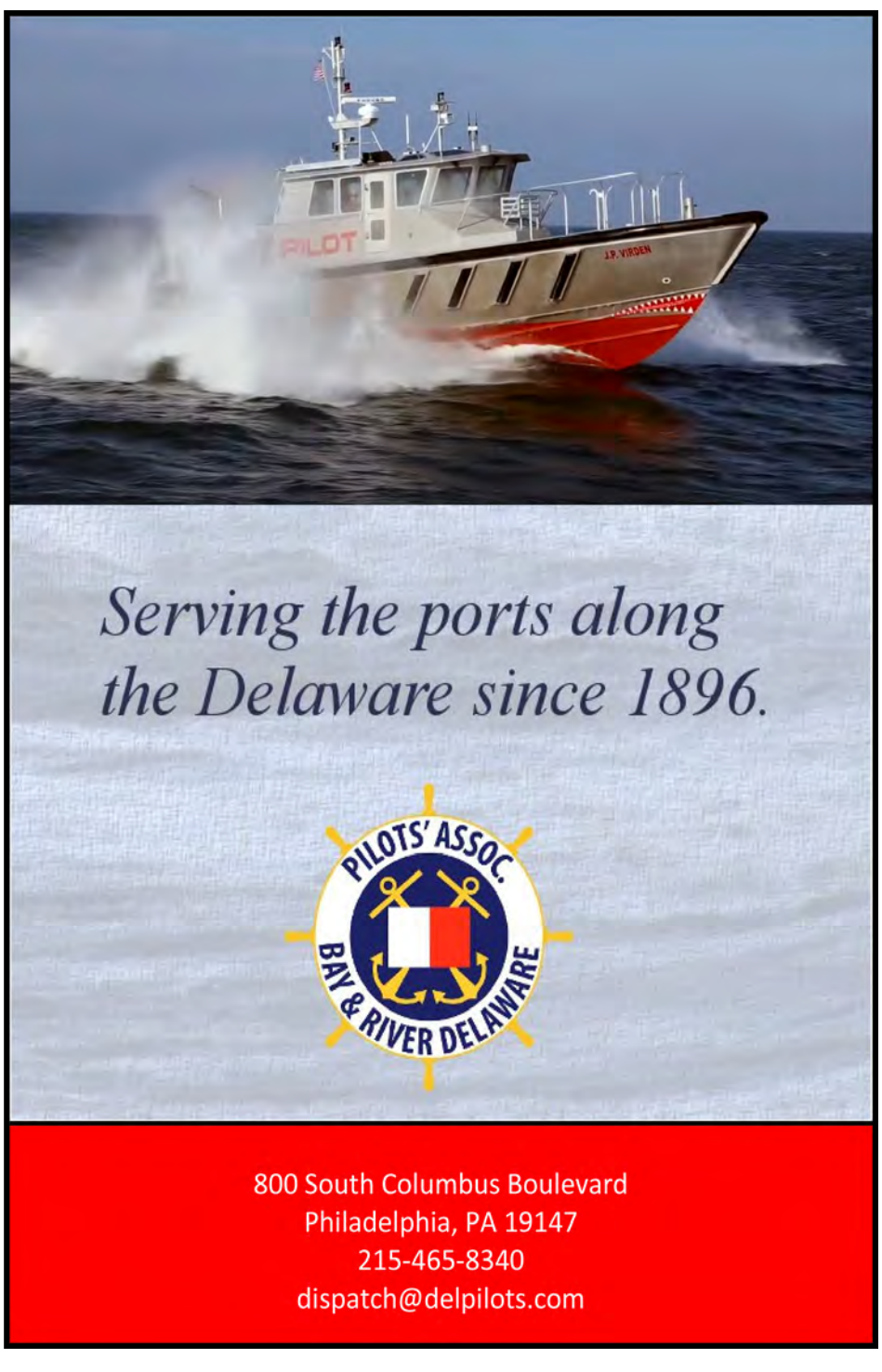
The only "loser" in this energy renaissance is the Gulf coast region. If we do not act and create a greater Philadelphia energy hub, businesses in the Gulf will suck the Marcellus and Utica resources out of Pennsylvania and build the industrial might that can be ours. Why let that region be the principal beneficiary of this precious Pennsylvania resource?

Q: What are the obstacles to creating an energy hub?

A: We need to build large capacity natural gas pipelines to effectively move the shale gas point of sale from the Marcellus/Utica fields to the Philadelphia regional hub. At present, pipelines can be difficult to site and permit in Pennsylvania. GPEAT is trying to develop modalities to help make pipeline siting more efficient.

Q: We have also heard that PES has been involved in the development of an energy port at the Philadelphia Regional Port Authority's Southport site. How do you see an energy port coexisting at that new site with facilities for processing other cargos? How does an energy port at Southport relate to the energy hub?

A: A truly vibrant port capitalizes on opportunities for all cargo growth, including energy products, containers, breakbulk, dry bulk, and a host of others. Given its three separate parcels, Southport is well situated to accommodate diverse activities. Further, the energy hub can develop without an energy port at Southport. However, the hub would be less robust minus the modern import/export marine facilities that an energy port would bring. The energy port could develop without a regional, natural gas-based energy hub coming to fruition, but with substantially fewer goods moved through the energy port. From an energy perspective, full economic vitality can happen only when both the energy hub and the energy port are developed. In this case, one plus one will equal way more than two!





Donate to SCW through online shopping

The Seamen's Center of Wilmington is taking advantage of an exciting new way to donate that costs nothing for either donors or the center.

Amazon offers a program called AmazonSmile (www.smile.amazon.com), a website that allows shoppers to enjoy the same wide selection of products, low prices, and convenient shopping features as Amazon.com. But shoppers using AmazonSmile can designate .05% of their eligible purchases for donation to charities of their choice. When the Seamen's Center is selected, the AmazonSmile Foundation gives 100% of the donations directly to the center.

The Seamen's Center mission is to meet the needs of the seafarers who visit the ports in the State of Delaware by offering personal, practical, and spiritual assistance. Other ways to help SCW accomplish its mission include donating used men's clothing or supplies such as coffee, tea, or puzzles and games, becoming a volunteer, or attending SCW events.

Upcoming Events

Tug Cruise on the Delaware: Sign up for the Center's annual Tug Boat Cruise, leaving from the Port of Wilmington on June 4. Call (302) 575-1300 for more information.

Fall Fun(d)raiser: Planning is underway for the September 13 event. Contact Exchange VP Lisa Himber (267) 670-7949 to join the event committee or to learn about sponsorship opportunities.

Good times at SCI golf outing



The Seamen's Church Institute's held its 6th Annual Golf Classic on May 2, 2016 at Talamore Country Club in Ambler, Pa. Congratulations to the winning foursome from Philadelphia Energy Solutions *(l-r)* Greg Corley, Jack Marnie, Pat Felix, and Ed Charlier.

"Patriots and Pirates" set sail for the Independence Seaport Museum

Maritime community members and local residents alike are captivated by maritime lore and history. Recently, this has been most visibly seen by the collective fascination with the "SS United States."

From the Lewes Historical Society to the Kalmar Nyckel Foundation, the Lightship Overfalls, and a host of other organizations dedicated to preserving maritime history and showcasing its traditions, the Delaware Valley enjoys a veritable bounty of venues to celebrate the maritime industry.

Among the most brilliant of these gems is the Independence Seaport Museum. ISM offers an array of exhibits that document the diverse maritime history of major regional urban ports.

On April 13, the museum unveiled the newest member in its gallery of permanent exhibits, "Patriots and Pirates." The exhibit explores the connection between Philadelphia and the founding of the U.S. Navy and includes rare artifacts, interactive displays, models, art, and games.

The centerpiece of this eye-opening exhibit is a full-size waterline replica of the famous American schooner, "Diligence of 1797." Reconstructed and built by ISM staff and volunteers at the museum's traditional boat shop, the schooner is a stationary 102-foot vessel with masts soaring above a 62-foot deck.

"After the Revolutionary War, U.S. merchant sailors were no longer protected by the British Navy, leaving Americans open to pirate attacks, looting, and kidnapping for ransom," said John Brady, ISM Executive Director. "To protect U.S. sailors, a fleet of ships was built in Philadelphia. This was the birth of the U.S. Navy."

Founded in 1960 as the Philadelphia Maritime Museum, the Independence Seaport Museum has been located at Penn's Landing since 1995. It is the Delaware River's very own storehouse of art, artifacts, and archival materials. Dedicated to exploring local maritime history with its collection of sextants, compasses, maps, and numerous other navigation objects from the colonial era to the present, the museum documents the critical role of navigation technology to maritime history.

"Patriots and Pirates" features curated objects never, or rarely, seen before by the public and is located on the museum's first floor. Access is included with regular admission, which is $16 for adults, $12 for seniors, children, college students, and military personnel, and free for children two and under.

Exchange President Dennis Rochford, who recently visited the exhibit, found it to be thoroughly enjoyable and informative. "We are fortunate to have a unique museum of this caliber on our waterfront," Rochford said.

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Castagnola Honored as PPMS 2016 Person of the Year



The Ports of Philadelphia Maritime Society honored South Jersey Port Corporation Executive Director Kevin Castagnola as its 2016 Person of the Year at the society's annual dinner at the Cescaphe Ballroom. PPMS President Capt. James Roche *(right)* presented the prestigious award to Castagnola at the April 28 banquet.

Words to live by

Perfection is not attainable, but if we chase perfection we can catch excellence.

~ Vince Lombardi

Maritme Exchange - 2015 was a good year

continued from page 7

the three states and the private sector, the Exchange upgraded the software and infrastructure that serve the hundreds of private- and public-sector port businesses and agencies, law enforcement, and first responders who depend on the system to fill a diverse array of information needs.

Among the software improvements made in 2015, the Exchange enhanced port lookup functionality within NOA/D On-Line, increasing efficiency for users. Further, we also updated the entire NOA/D module to be compatible with changing U.S. Coast Guard notice of arrival/departure regulations. Redesigning the TRACS cargo screen enhanced data grouping and transmissions to CBP and a major overhaul of the TRACS security model improved system response time for all users.

Like many other organizations, the Exchange has focused increasing attention on improving its cybersecurity and redundancy posture. We secured a port security grant to conduct a network-wide cybersecurity vulnerability study, implemented new security policies, and expanded staff training to raise awareness of current and emerging cyber threats. We also implemented new procedures, hardware, and software to augment our existing security measures and protect the critical systems in use by our many port partners and customers.

The Exchange also worked with our internet service provider to make significant changes to circuit configurations that have improved system redundancy and upgraded key servers to enhance system stability and increase performance. In November of last year, the board approved a 2016 budget that will allow the Exchange to continue to improve Maritime On-Line performance, functionality, and security.

In Summary

It is difficult to capture the totality of Exchange accomplishments during 2015. Clearly, this brief review of activities does not begin to scratch the surface of issues addressed and problems solved.

We look to our membership to give voice to industry concerns, to share with us the day-to-day intricacies, challenges, and successes of regional commerce. They never disappoint. We in turn provide them a voice before decision- and policy-makers locally and in Washington, D.C.

The continued loyalty shown by our membership base is a clear indication that we are doing something right. We look forward to continuing to effectively represent our members and Delaware River ports as we work together to face the challenges of 2016.



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New York Metro Operations
1300 Shames Drive
Westbury, NY 11590
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516.876.7946 Fax
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Coast Guard turns 226

Admiral Zukunft to celebrate in Philadelphia

Save the Date! Please join the Exchange in welcoming U.S. Coast Guard Commandant Admiral Paul F. Zukunft to the Union League for a celebration of the Coast Guard's 226th birthday. The August 2 luncheon will be hosted by the League's Arms Services Council.

The Coast Guard traces its founding to Aug. 4, 1790, when the first Congress authorized the construction of 10 vessels to enforce tariff and trade laws, prevent smuggling, and protect the collection of federal revenue. Responsibilities added over the years included humanitarian duties such as aiding mariners in distress.

The Coast Guard assumed its present name in 1915 when the Revenue Cutter Service merged with the U.S. Life-Saving Service to form a single maritime entity dedicated to the safety of life at sea and enforcing the nation's maritime laws.

The Coast Guard is a multi-mission, maritime, military service and the smallest of the armed services. Its mission is to protect the public, the environment, and U.S. economic interests in the nation's waterways, along the coast, on international waters, or in any maritime region supporting national security.

DBRC responds to more than just oil spills

By: Rich Gaudiosi, President
Delaware River and Bay Cooperative, Inc.



Planning for industrial firefighting on the Delaware River — especially as it relates to combustible liquids such as oil — has been an ongoing challenge for decades.

From the late-1970s to the mid-1990s, the Tri State Mutual Aid Group worked to coordinate local firefighting resources in the region. This group had a wide range of capabilities. However, it lacked focus, and local support dwindled. Reenergized in 1995 by the region's refineries, the group focused on fire response and concerns of the petroleum industry operating within the port complex.

The Tri State Mutual Aid Group functioned well for many years, but as refinery ownership changed and consolidations occurred, it became more difficult for members to rely on a true firefighting mutual aid capability.

During this time, the Delaware Bay and River Cooperative, Inc. was primarily a spill response organization. Funded by its members, the DBRC operates as a nonprofit entity serving the Delaware River from the Betsy Ross Bridge to the mouth of the Delaware Bay, tidal portion of the Schuylkill River, and the Chesapeake and Delaware Canal from the Delaware River to Elkton, Md.

Incorporated in 1994, the DBRC formed out of the consolidation of the Delaware Bay and the Delaware River cooperatives to mitigate against and provide prompt and efficient response to oil spills. Since that time, it has developed a significant inventory of equipment and a robust logistics capability.

This capability is what caused the cooperative's refinery members to approach its board of directors for help. The refineries were trying to maintain their firefighting mutual aid agreement. However, it was becoming increasingly apparent that the diversity of business interests within the group made it difficult to sustain.

The Delaware Bay and River Cooperative was the obvious solution to the problem. The refinery members of the Tri State Mutual Aid Group were already DBRC members, each having adopted the existing indemnification provisions. Further, the members were already coordinated under the umbrella of the DBRC and took advantage of its collectively owned assets.

In 2014, the board authorized the creation of an Industrial Fire Group Committee, or IFG, as a standing committee along with the existing Operations Committee. This committee is comprised of two groups of representatives from all members of DBRC: active and voting, and non-active and non-voting. Only active and voting members are eligible to participate in the firefighting mutual aid.

Designed to support combustible liquid fire emergencies, members of the IFG provide aid through rapid deployment of pre-designated equipment and staff while the DBRC helps with logistics support and facilitates readiness and response of IFG Members.

DBRC provides a coordinator to assist the IFG Committee Chairman, and its members meet quarterly to discuss coordination, preparedness, and equipment compatibility issues. The group also conducts functional drills annually to ensure readiness.

The IFG held its first functional exercise in May of 2015, exercising a Tier One response at the Eagle Point Terminal. The exercise successfully demonstrated the integration of equipment and operations and the transparent and cohesive performance by IFG team members to achieve a specific objective.

The Industrial Fire Group Committee plans to conduct a firefighting exercise annually, with the next one likely in late 2016, and hopes to utilize on water assets from DBRC and the local fire companies.

For more information about the DBRC or the IFG, please contact Montrell Haldeman (DBRC) at montrell_haldeman@dbrcinc.org or Bill Kelly (IFG Chairman) at wckelly@sunocologistics.com.

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PPMS Crab Feast finds a new home

Like crabs and beer? If you do, chances are you generally join the other 800 maritime industry members who collectively let their hair down each year at the annual Ports of Philadelphia Maritime Society Crab Feast. After 45 years, the crab feast has become the company picnic for the port.

One of the most anticipated — and certainly the most well attended — events of the year, this year's crab feast is set for September 16, 2016 from noon until 6:00 p.m.

But in a departure from its traditional venue, the 2016 event will take place at the Corinthian Yacht Club. Located at 300 W. 2nd Street in Essington, Pa, the yacht club is right next door to the festival's home for the last 15 years at the Deck at Harbor Pointe, which ceased operating last year. It was important to the organizers that the crab feast remain on the water.

This year's event will again feature the betting wheel, and the crabs will be cooked on site.

Also on the schedule again this year is the "Russ Larsen Memorial Golf Outing," which started in 2009 and is named for its founder and organizer.

This is the second major move for the crab feast. The first annual event took place in 1970 at Canstatter's in Northeast Philadelphia. It remained there for over 30 years.

For tickets or information, visit www.portsofphilamaritimesociety.com/index.html or contact Theresa Penot at theresap1@verizon.net or 215-783-9484.

HudsonAnalytix becomes first U.S. green award incentive provider



The Green Award Foundation honored HudsonAnalytix in March. Shown here are (l-r) *Keita Shinohara, Green Award Foundation Certification Manager, Per W. Christensen, HudsonAnalytix Chairman, Cynthia A. Hudson, HudsonAnalytix CEO, Capt. Dimitrios Mattheou, Green Award Foundation Chairman, Jan Fransen, Green Award Foundation Executive Director, and Marc E. Smith, HudsonAnalytix COO.*

Exchange member HudsonAnalytix, an international marine risk management consultancy, has become the first U.S. company named an Incentive Provider for the International Green Award. The Green Award Foundation certifies maritime shipping companies and vessels that exceed legally required standards in environment, safety, and quality of operations. Incentive Providers recognize and reward the efforts of Green Award certificate holders by offering them exclusive savings on services.

The designation became official on March 3 at a ceremony held in HudsonAnalytix's office in Camden, N.J.

"At HudsonAnalytix, we help our clients navigate the technical, operational, commercial, regulatory, and environmental challenges facing our industry," said CEO Cynthia A. Hudson. "The Green Award fits perfectly with our mission and demonstrates the commitment to high operational standards of clean and safe shipping that we and our clients support."

Green Award certified companies and ships are entitled to a 10 percent savings on selected services provided by HudsonAnalytix, Inc. or any of its five divisions: Hudson Marine Management Services, HudsonTrident, HudsonSystems, HudsonTactix, and HudsonDynamix.

"We congratulate HudsonAnalytix for having the vision to become the first Incentive Provider in the U.S.," said Capt. Dimitrios Mattheou, Chairman of the Green Award Foundation. "We hope this will encourage other U.S. maritime shippers and service providers to embrace the Green Award program and its benefits of cleaner, safer, and environmentally sound shipping."

Vessels eligible for Green Award certification include oil tankers, chemical tankers and dry bulk carriers from 20.000 dwt and upwards, liquid natural gas ships, container carriers, and inland navigation vessels. The certification procedure consists of an office audit and an audit of each individual ship applying for certification.

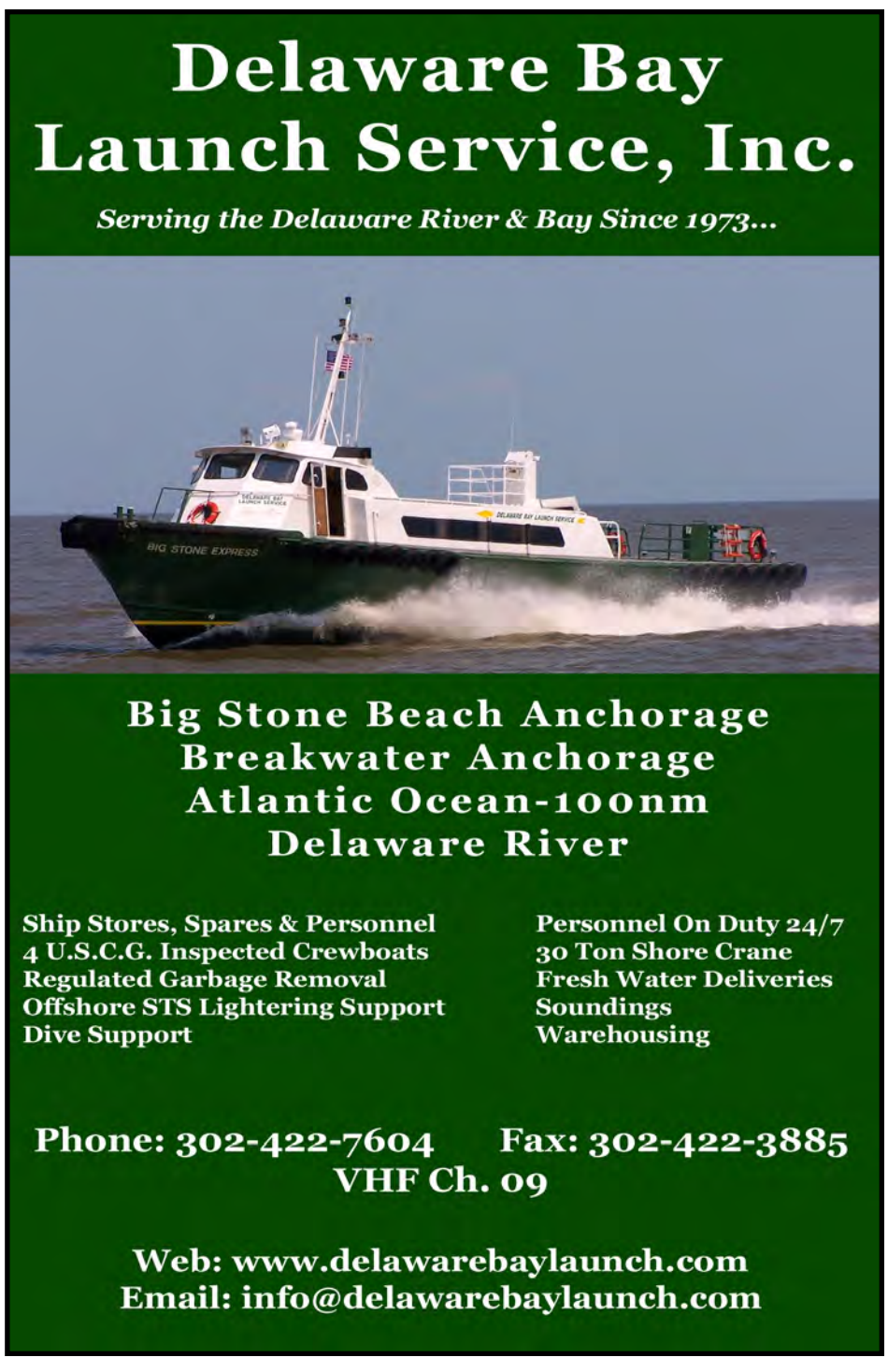
Cynthia Hudson Named Outstanding Woman in Maritime Port Protection and Security

In other HudsonAnalytix news, CEO Cynthia Hudson recently received the Outstanding Woman in the Port Protection and Security of the 2016 Maritime Award of the Americas. Presented by the Inter-American Committee on Ports of the Organization of American States, the award ceremony was held in Panama at the "First Hemispheric Seminar on Corporate Social Responsibility and Gender Equality in the Port Sector: From Awareness to Action." Hudson was recognized for the measurable outcome and sustainable impact of her professional achievements.

Information contained in this article was taken from HudsonAnalytix press releases.







Editorial

Guest Editorial

Drones in the maritime environment



Scott A. Green
Executive Director
Delaware River and Bay Authority

It is often said that unmanned aircraft systems, commonly known as drones, are most useful in situations that are dangerous, dirty and dull – the three Ds. Since the three Ds are inherent in the maritime environment, those of us who make our living in and around the Delaware River and Bay should not be surprised that the age of drones is upon us.

Some examples . . .

The Office of Naval Research has given a grant to Rutgers University Professor Javier Diez to develop a drone that swims and flies — think of a duck. The drone will be tested for use in scenarios such as search and rescue, environmental spill response, bridge and ship inspections. Check out the video at https://www.youtube.com/watch?v=FC9EJhs0pc0.

The best way to assess damage immediately after a major storm may be by deploying drones. In testing along the Italian coast, University of Delaware Professor Art Trembanis demonstrated the ability to carefully assess over a mile of coastline in less than one hour in an area where roads were impassable. See the video at https://youtu.be/bi0T7NlGD3Y.

Organizations such as the Audubon Society have done side-by-side examinations of endangered species using drones alongside traditional means that required people on site. The use of drones in such situations provided more accurate counts — the ability to see things not visible in real time — with far less interference.

The United States Coast Guard has a full array of drone programs under development, from border patrol and homeland security to search and rescue to fisheries management. Drones are seen, at a minimum, as a cost-effective way to provide expanded airborne surveillance capability.

Recently, Maersk delivered a box of freshly baked cookies to one of its ships via drone.

Imagine all the needs of the maritime industry, from spare parts to fresh food, being provided more safely and more quickly. Watch the cookie delivery video at http://www.maersk.com/en/hardware/2016/03/flown-out-by-drone.

It is too early to tell whether drones will live up to the hype. Are they the next "big thing?" Will they be as paradigm shifting as the automobile? The cellphone? The personal computer? This remains to be seen. What is clear is that the maritime industry, replete with situations that exemplify the three Ds, will be a significant testing ground for the commercial use of drones.

Many impediments to a reality with ubiquitous drone home delivery service from Amazon or Walgreens remain, but not the idea that drones will impact our everyday lives. It is not at all far-fetched to imagine the following — as soon as the next year or so — on a trip down the Delaware River to the Atlantic: traffic drones over major interstate highways and bridges helping to regulate speeds and lane closing or drones with photo, video, and infrared sensors doing inspections on bridges, rooftops, fuel farms, vessel hulls and holds, power lines, and pipelines. We will also see drones over agricultural lands directing irrigation and fertilization, drones enhancing security over key public and private installations, and drones monitoring the health of our waterways and wildlife.

Today, the fact that a drone is being used for any of these purposes is news. Soon, very soon, it will be a fact of life, just like the personal computer and other technological advances that have made us more efficient and productive.

National Maritime Day celebrates America's trade

National Maritime Day honors the contributions of the American Merchant Marine, civilians who have defended the freedom of the United States since 1775 and who executed the largest sealift the modern world has ever known during World War II. Observance of National Maritime Day also honors the maritime industry and the benefits it brings Americans in terms of transportation, jobs, and goods.

National Transportation Week, the week of May 16-20, and National Maritime Day on May 22 provide Americans with additional opportunities to better understand and appreciate the nation's maritime industry and how trade and transportation affect our lives. These two back-to-back celebrations reinforce how the coffee we drink, the cars we drive, and the clothes we wear depend on a secure and efficient maritime system that can only exist if we are paying attention to its needs.

In 1933, the U.S. Congress decreed May 22 as National Maritime Day. Each year since then, May 22 has become the day the United States observes its proud maritime heritage, honors the men and women who serve or have served as merchant mariners, and recognizes the many benefits today's maritime industry provides.

The U.S. maritime industry is a critical part of the transportation network that moves goods worldwide from where they are grown, mined, or manufactured to where they are ultimately consumed. America's maritime transportation system is an economic generator, attracting private and public investment in plant and equipment. These investments create economic activity, sustain family-wage jobs, supply critical energy lines, and facilitate world exports.



Our maritime industry and the transportation network in the U.S. are unparalleled in the world. It is important that we celebrate it.

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:

Email: exchange@maritimedelriv.com

Mail:
Maritime Exchange
Attn: Beacon Editor
240 Cherry Street
Philadelphia, PA 19106

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The Customs Facilitation and Trade Enforcement Act of 2015 – what's in it, and why

Legal Ease

By: John P. Donohue, Esq., Reed Smith LLP

On February 24 of this year, the Customs Facilitation and Trade Act of 2015 was enacted into law. The Act is in six titles, but two warrant attention because they address continuing enforcement problems — evasion of antidumping duties and the import of goods in violation of intellectual property rights, including the importation of counterfeit goods.

Counterfeit goods and other IPR violations

The most egregious violation of intellectual property rights is the importation of counterfeit goods. These are often imported by the creation of fictitious companies acting as legitimate importers of record, or they are goods imported under the name of often reputable companies whose identities have been hijacked without their knowledge.

Section 114 of the act establishes a two-pronged attack on illegitimate companies. First, it establishes a program mandating the minimum amount of information before a corporation will be assigned an importer of record number. It also establishes a protocol that will prohibit the assignment of one importer of record number to multiple companies and the assignment of multiple numbers to only one importer.

The law also requires that new risk assessment programs be established to better calculate the amount of any bond that must be posted when goods are imported. To date, the overwhelming criterion for the determination of the bond amount is the estimated duties payable in the upcoming year, but under the new law, Customs must take into consideration, for example, whether the importer, either corporate or personal, is a U.S. resident, or if a company is new to the business of importing.

Experience tells us that when attempts to import counterfeit merchandise are detected, there are frequently overlooked warning signals that brokers might have identified to them to illegal shipments. Consequently, much of the due diligence surrounding the more serious vetting of the importer of record will fall on the customs broker, as will the adverse consequences if the vetting is poorly done.

Section 116 of the Act directs the Secretary of Homeland Security to publish regulations setting "reasonable procedures" the broker must employ to verify the authenticity of new-importer information supplied to the broker, and it requires that the broker maintain those records for review on audit. Brokers who fail to undertake the due diligence that will be required face fines of $10,000 per incident and are subject to a revocation of both their license and business permits.

Antidumping duty evasion

Title IV of the act addresses the evasion of antidumping and countervailing duties — a persistent problem largely originating from goods produced in China, where the bulk of the allegations of dumping and government subsidies are lodged.

The act establishes within the Office of Trade at Customs a new Trade Remedy Law Enforcement Division. The act does several more things.

First, it directs that trade remedy enforcement assistance be included in any new customs cooperation agreements, law enforcement assistance agreements, and even bilateral trade agreements. It includes stated rights of verification by U.S. law enforcement officers of books and records of foreign sellers of antidumping and countervailing duty product that may be illegally imported, and it authorizes foreign governments to make similar investigations in the United States.

Perhaps the most important provisions are the mandatory investigations of antidumping duty evasion allegations and mandatory timetable for completing such investigations. All such investigations are fast-tracked from the moment of the referral. Section 421 (b) of the new act provides that any allegation of antidumping duty evasion shall be commenced by the Department of Commerce within 15 days from the date of the receipt of the referral and, absent good cause, such investigations shall be completed within 300 days from the date on which the investigation is initiated.



Surprisingly, however, the new law does not take the most obvious enforcement step — an increase in penalties. The law creates no new penalties (as it does in the case of brokerage misconduct), does not increase the maximum penalties now available under the civil statutes. Neither does it create new criminal offense or increase existing criminal penalties in either criminal fines or terms of incarceration.

Only time will tell whether the changes in the act will have the enforcement effects that are intended.

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Calendar of Events

05/17/16	World Trade Center Delaware Breakfast Meeting, Trade with Cuba Hotel duPont, Wilmington, DE Register at http://www.wtcde.com/events
	Philadelphia Regional Port Authority Board Meeting
	Traffic Club of Philadelphia National Transportation Week Event CertainTeed North America HQ, Malvern, PA Contact Maureen Waddington, 215-393-3144 or tcphila@gmail.com
05/18/16	DRPA/PATCO Board Meeting
05/19/16	Maritime Exchange/Philadelphia-Israel Chamber of Commerce Israeli Security Technologies for Securing our Ports Seminar Independence Seaport Museum Contact Lisa Himber, lisa.himber@maritimedelriv.com or Vered Nohi, picc@phillyisraelchamber.com
05/24/16	U.S. Department of Homeland Security Delaware River Ports Supply Chain Security & Resilience Workshop Independence Seaport Museum, Philadelphia, PA
05/25/16	Seamen's Center of Wilmington Board Meeting
06/02/16	Traffic Club of Philadelphia Summer Social Independence Beer Garden, Philadelphia, PA Contact Maureen Waddington, 215-393-3144 or tcphila@gmail.com
06/04/16	Seamen's Center of Wilmington Tug Boat Cruise Port of Wilmington, DE Call 302-575-1300
06/13/16	World Trade Association of Philadelphia Annual Golf Outing Philmont Country Club, Huntingdon Valley, PA Contact Deborah Ingravallo, wtaphila@comcast.net or 856-642-3957
06/15/16	DRPA/PATCO Board Meeting
	U.S. Army Corps of Engineers 150th Anniversary Celebration for the Philadelphia District, Independence Seaport Museum, Philadelphia, PA Contact Rosemary McMullen, CENAP-EXECOFFICE@usace.army.mil
06/21/16	Philadelphia Regional Port Authority Board Meeting
07/12/16	Tri-State Maritime Safety Association Board Meeting
07/13/16	Maritime Exchange Board Meeting

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

