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Renewable fuel standards threaten area refineries

Costs of EPA-mandated program skyrocketing

The viability of the refining industry on the Delaware River is in jeopardy as a result of federal mandates. At issue are Clean Air Act requirements related to biofuel volume requirements, known as Renewable Fuel Standards, in gasoline and diesel fuel production.

"This issue has resulted in a crippling financial impact for the four independent oil refineries operating within our tristate port," said Exchange President Dennis Rochford. "They are defenseless against unregulated market speculators."



More than 500 workers from Delaware City Refinery, PBF Paulsboro Refinery, Monroe Energy LLC, and Philadelphia Energy Solutions participated in the November 2017 rally to raise awareness of the problems associated with renewable fuel standard requirements.

If refiners do not have the capability to blend renewable fuels, such as ethanol, into their products, the Clean Air Act requires them to buy credits from large integrated oil refineries or other market participants. These credits are designed to demonstrate that renewable fuels are blended into the nation's gasoline supply.

The costs of these Renewable Identification Numbers, the program used to purchase the credits, have skyrocketed from 3 to 5 cents to over 90 cents per gallon in recent years.

Last October, the Environmental Protection Agency announced it would not reduce 2018 biofuel volume requirements or agree to other changes to reduce RINs costs.

"There is no limit on what providers can charge, and it's clear they are taking advantage of a captive market," Rochford said. "The negative effect of these price increases has been staggering."

Philadelphia Energy Solutions, which owns and operates the former Sunoco Philadelphia refinery, announced in January it would undergo a debt refinancing and restructuring under Chapter 11, largely as a result of RINs expenses. "The skyrocketing costs of RINs coupled with an extended downturn in refining margins have made a financial restructuring necessary. In 2017 alone, PES' RINs expense . . . totaled approximately $218 million, representing more than twice the company's payroll, nearly one and one-half times its average annual capital expenditures, approximately four times its interest expense and is now its single largest expense after crude oil," according to a company statement.

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Section 232 and the Steel Industry — "And the Days Dwindle Down To a Precious Few"

By: John P. Donohue and Daniel K. Astin
Partners, Ciardi Ciardi & Astin

On April 19, 2017 Secretary of Commerce Wilbur Ross, acting upon the instructions of President Trump, commenced an investigation under Section 232 of the Trade Expansion Act of 1962 to determine the effects on the national security of the United States of the imports of steel products.

By law, the Secretary of Commerce conducts such an investigation, and, by the provisions of the same law, the investigation must be completed within 270 days. Shortly after the commencement of the investigation, Secretary Ross stated that he believed that he could conclude the investigation expeditiously, in light of the substantial experience the Department of Commerce had acquired in its numerous antidumping and countervailing duty investigations of steel products (over which the Department of Commerce has concurrent jurisdiction with the International Trade Commission) but, in the end, the investigation was not accelerated by the earlier steel cases as the Secretary hinted it would. The Secretary submitted his report to the president on January 11.

In the G-20 Summit in July 2017 in Hamburg (held less than three months after the U.S. commenced its investigation of steel imports), the question of steel capacity was elevated to a singularly important place on the delegate agenda. Whether the issue made its way to the agenda on its own or as an attempt to find an alternative to the U.S. investigation then in progress can be debated.

Yet at the conclusion of the Hamburg summit the members collectively noted the risks to the worldwide steel industry occasioned by the twin evils of overcapacity and state subsidization and directed that a committee be formed to investigate the issue and produce a report to the members by November 2017 — a date well in advance of the date fixed by statute for the conclusion of the Commerce Department investigation.

Many of us hoped that the G-20 Committee (known as the Global Forum on Excess Steel Capacity, or GFESC) might act as a counterpoint to the planned unilateral action by the U.S. But any such expectation was short lived when the U.S. announced that its delegate to the forum would not be the U.S. Trade Representative — who would have been the logical participant, especially with his deep and long-term experience in the steel industry — but the USTR's chief of staff, an administrator.

And the hopes that the recommendations from the report might be substantial enough to offset or even quash the 232 investigation were dashed when, following its publication on November 30, 2017, the USTR issued a

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Interview with

Delaware Congresswoman

Lisa Blunt Rochester



Congresswoman Lisa Blunt Rochester began her professional career as a problem-solver and advocate. A caseworker for then-Congressman Tom Carper, Rep. Blunt Rochester helped people during challenging times with their Social Security benefits, disability insurance claims, IRS disputes, and housing needs. She served in the cabinets of two Delaware governors as the first female African-American Secretary of Labor and the first African-American Deputy Secretary of Health and Social Services and State Personnel Director. As Secretary of Labor, Rep. Blunt Rochester managed 500 employees and an $87 million budget. As State Personnel Director, she was commissioned to investigate the Delaware State Police for racial and sexual discrimination.

Rep. Blunt Rochester made history yet again in 2016 when Delaware voters elected her to represent them in Congress. She is the first woman and the first person of color to represent the State of Delaware in such a role.

Q: You sit on the House Committee on Education and the Workforce. How does workforce development impact port jobs?

A: It plays an enormous role. In looking at the future of work, we know that we will need a vibrant maritime industry and that the strength of ports comes from a talented workforce.

We succeed in Delaware because we have a world-class group of men and women performing in such significant ways that the Port of Wilmington is looking into expansion. Given that the port is reaching capacity in its current state, we have hopes that we will need to fill new positions sometime in the future.

Some of those jobs may require additional training, so our state and fed-

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Unsung Hero Awards long overdue

The Exchange has received many positive comments following publication of the article in the last issue of *The Beacon* about its newest member program, the Unsung Hero Awards, which launched on January 16. In fact, we've received so many comments that it seems appropriate to talk about it a little more here.

An amazing pool of candidates

Turns out that Exchange members believe that countless numbers of their employees, co-workers, and colleagues are well deserving of recognition. We have no doubt this is true, which is one of the reasons we decided to pursue this new program.

Over many years, our crew has worked with thousands of members of the Delaware River port community, and we've seen firsthand how hard most individuals in the port community work week in and week out, year in and year out. These are people who meet the ships on arrival at all hours and in all weather conditions. They often go to extreme lengths to provide superior service to their customers — and to ours — who choose the Delaware River ports as an efficient place to do business.

They participate in training courses on their personal time, and many of them recognize that working 9-5 only simply isn't an option. They take their haphazard work schedules in stride, feeling pride in the knowledge that they're helping not only their own companies, but they're making the port region as a whole a better place for our industry.

They bring new and innovative ideas to the table. They're a creative lot who understand that sometimes "but we've always done it that way" simply isn't the right approach.

Our port community enjoys a dedicated and talented workforce, and members are excited about the idea of shining a spotlight on it.

Not another banquet

Members have expressed appreciation that the Exchange is not creating an award event to be used as a fundraising vehicle. We couldn't agree more. Our port already supports a number of worthy organizations through their luncheon and dinner events, and we're not looking to compete with any of them. The Unsung Hero Awards program is solely committed to focusing on the people who make this port hum!

Members only

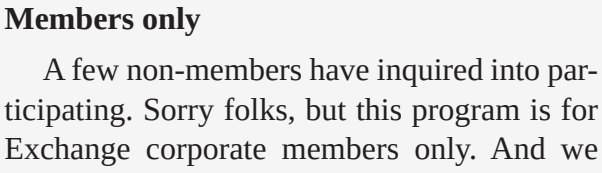
A few non-members have inquired into participating. Sorry folks, but this program is for Exchange corporate members only. And we might note here that if you're interested in participating in this process, you obviously have an interest in the port industry and therefore should be interested in joining the Exchange as a member. Rates are reasonable, and the benefits are numerous. Visit our website or give us a call to learn more.

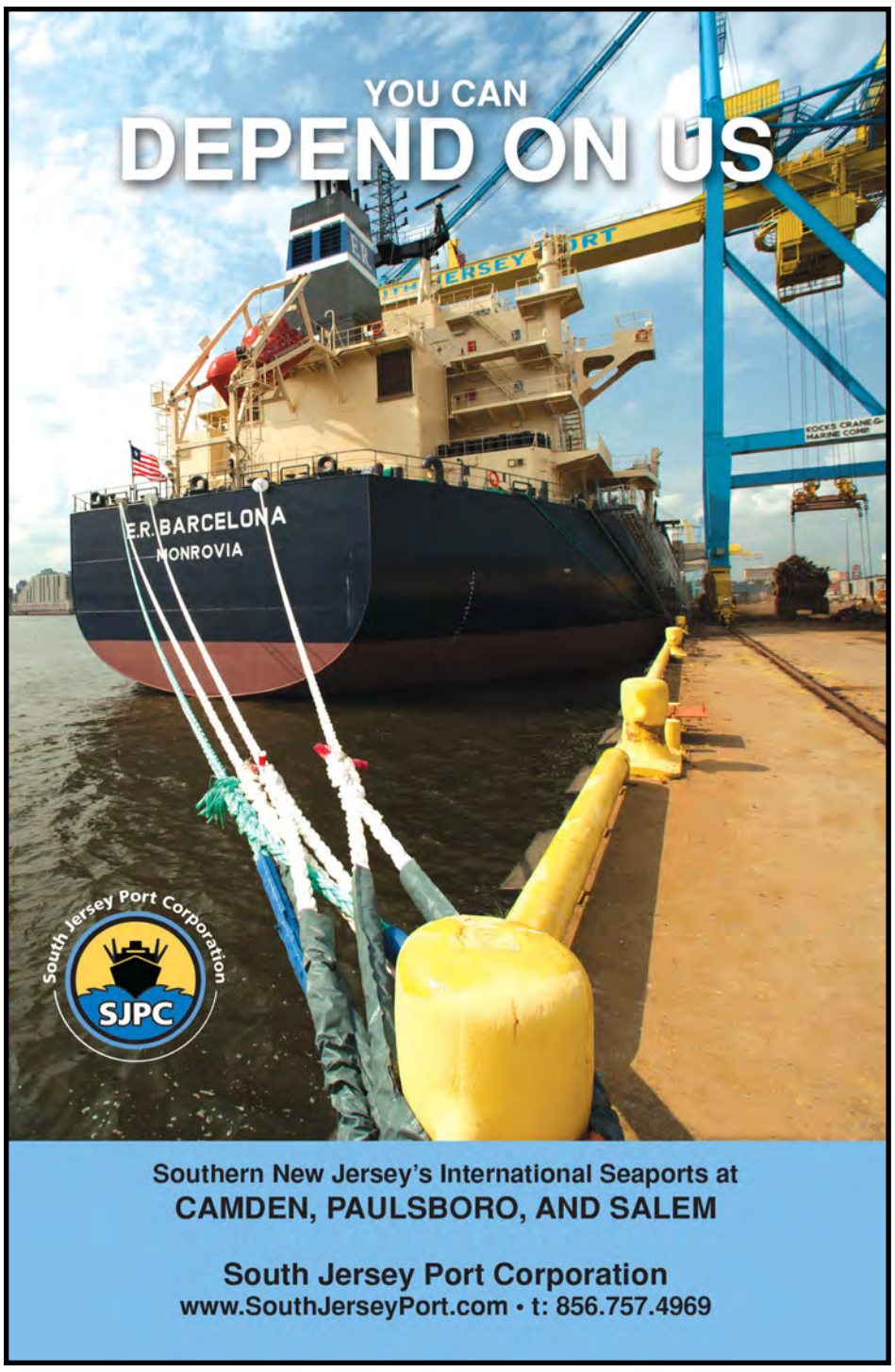
Timing is everything

Lastly, we've heard from some folks that they are excited about participating but are unsure they have time to do it. We get it. That's why we've tried to make the process as easy as possible. Nominations are made through a standardized, one-page form submitted to a general email account. No web sites requiring registration, no complex paperwork. Just tell us who you want to nominate and why. Our testing found that completing the form takes anywhere from 5 to 15 minutes.

And no doubt we will learn from our first time out of the gate and find ways to improve the process going forward.

Thanks for participating!







Exchange wins security grant to aid in recovery efforts

The Maritime Exchange recently announced it has received a federal port security grant to fund a recovery priority assessment of Delaware River ports. "We've learned over the years that one of the most important assets needed to bring the port back to full operation after an emergency is information," said Exchange Vice President Lisa B. Himber.

The grant will fund a study of the cargos handled at area marine terminals, their volumes, and the associated economic valuations.

"In the event of a natural disaster or marine casualty that impacts port operations, this assessment will help responders prioritize port recovery efforts," said Captain Scott Anderson, Commander of Coast Guard Sector Delaware Bay. "Having accurate pre-incident port information is critical to making informed and effective decisions during an event."

Anyone involved in incident response knows that effective communication is critical. After an oil spill, incident commanders and others involved in the response and recovery need to know how soon boom can be deployed, who serves as the qualified individual to make key decisions, and who will handle clean up activities. To fight a fire, responders need to know who has the training, equipment, and foam. And for weather events such as hurricanes, the key is determining whether debris in the channel may prevent safe vessel transits and which vessels and facilities may be damaged.

Yet during and immediately following nearly all emergency events, decision makers need to know what ships are on the river, which need to start cargo operations, and which are due to sail. Equally important is determining the number of ships scheduled to arrive in the immediate future and the cargos they carry.

The Maritime Exchange, operating as a part of the Maritime Transportation System Recovery Unit housed under the Coast Guard, has historically been able to provide key vessel movement information. In 2009, the Exchange, in its capacity as fiduciary agent for the Sector Delaware Bay port community, com-

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Exchange revamps AIS

Aging infrastructure updated and replaced

While it can be hard to imagine operating in the maritime environment without a common picture of real-time ship movement activity, it was only just over 10 years ago that the Exchange first installed its Automatic Identification System. In January of this year, the system received a much-needed upgrade to improve or replace aging equipment.

We've come a long way, baby. In 2005, the Exchange started with a single four-foot whip antenna, an off-the-shelf $100 AIS receiver, and a free AIS plotter to test whether adding real-time ship positions to the existing suite of Maritime On-Line programs would be beneficial.

It quickly became obvious that not only would AIS help Exchange staff maintain vessel schedules, but the system would also be invaluable to the many subscribers who plan and coordinate ship and cargo operations.

"The early maps and interface were pretty basic," said Scott Anderson, Maritime On-Line Account Manager. "But for the first time, we could see the actual positions of the ships, and that was a game changer."

With the concept successfully validated, the Exchange installed three AIS antennas and receivers — one each in Lewes and Reedy Point, Del. and a third in Camden, N.J.

Since then, the Exchange has upgraded the AIS interface and its integration into the Maritime On-Line suite of applications, but until recently AIS has run on the original infrastructure put in place more than a decade ago.

Through a grant with the Pennsylvania Department of Transportation, the Exchange completed an infrastructure improvement project which included replacing aging AIS antennas and cabling and upgrading the receivers. In addition, a new AIS site was added in Marcus Hook, Pa. to provide coverage redundancy for the middle portion of the river.

"The Exchange's AIS system is integral to our daily operations," said BJ Moran, Manager at Hueber Launch Services. "The ship schedules, combined with the real-time positions in AIS, paint a complete operating picture of the river for us."

System users noticed an immediate improvement after the receivers were upgraded to a high sensitivity model. "We saw an increased operational range in the Delaware Bay and seaward of approximately 30 to 50 miles. We also got an additional 20 to 30 miles of visibility from the equipment in the Philadelphia/Camden area," Anderson said.

Greater visibility is a major advantage of the new equipment, but it is not the only benefit. Exchange IT Director Michael Fink said that, "Just as important, the extended ranges provide more overlap between the receivers, and with the addition of the Marcus Hook site, we can better provide coverage of the region in the event of a failure at any one of the sites."

In addition to PennDOT, the Exchange thanks its partners at the Army Corps of Engineers, the Delaware River Port Authority, and Energy Transfer Partners for working with us through the upgrade project. Each hosts one of the AIS receiver sites that provides coverage of the region and helps contribute to the continued economic success, safety, and security of the Delaware River ports.

Software to get complete overhaul

In a true case of turning lemons into lemonade, the Maritime Exchange has taken some bad news from Microsoft and turned it into an opportunity to dramatically improve its Automatic Identification System.

"The current AIS platform utilizes Microsoft Silverlight, a browser plugin that provides a rich graphic experience to the user," said Exchange Director of Operations Paul Myhre. "But Microsoft will not support Silverlight after 2021, and any website using the technology will no longer function." With the demise of Silverlight looming, the Exchange did not want to wait until the 11th hour to replace the system.

In November of last year, the Exchange signed an agreement with ICI Innovations, based in St. Johns, New Foundland, to complete the work. The project, funded in part by a grant from the New Jersey Department of Transportation, will not only change the user interface, but it will also usher in new features requested by the maritime community. "Together with the recently completed AIS hardware project, Exchange AIS users will enjoy a dramatically improved experience," said Myhre.

"We are excited to work with the Maritime Exchange to provide its users with valuable AIS information within a highly accessible and easy-to-use application," said ICI President Corey Tucker. "We are also happy to become a member of the Exchange and look forward to supporting its AIS services once the application becomes available."

The Exchange has partnered with the Pilots' Association for the Bay & River Delaware on some of the changes. "This project will enhance the Association's current capabilities, supplementing the features the dispatchers have today," said President Jonathan Kemmerley.

The new application will provide an updated look and feel, allow users to view the AIS from mobile devices, and provide new features such as vector, density maps, and the capability to track specific vessels of interest and fleets. Like the legacy system, the new platform will include data from the other modules of Maritime On-Line, including linking the real-time vessel position with schedule information, cargo manifest data, and crew information from a single interface.

"A grant from the New Jersey Department of Transportationi is funding part of the work," Myhre said. "It allows us to meet changing user requirements and provide them with an overall improved experience." As a non-profit organization, the Exchange has partnered with various state agencies which provide grant funding for numerous software and infrastructure upgrades.

"NJDOT is committed to our region's transportation sectors and supports technology research and development that makes New Jersey's maritime industry safer, stronger, and more competitive," said Genevieve Clifton, Manager of the Office of Maritime Resources. "The Exchange's automated systems —especially its AIS — provide such a valuable service to the maritime community."

The updated AIS is due for release in late spring.

Contact Paul Myhre at pmyhre@maritimedelriv.com for more information about Maritime On-Line or its Automatic Identification System.



Welcome New Members

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Individual

James McGee

Lori Slason

Pilots ready for the big ships

Deeper channel, larger vessels, greater challenges

For the men and women who navigate the large commercial cargo ships through the Delaware River and Bay and bring them securely to dock, safety is always the number one priority.

So when conditions change, local pilots do not want to be surprised. "Our goal is to train for events before they take place so we're prepared when they do," said Jonathan Kemmerley, President of the Pilots' Association for the Bay and River Delaware. "Whether it's a nor'easter, ice in the water, a new technology, or unexpected work boat activity in and around the channel, our pilots want the most up-to-date training possible."

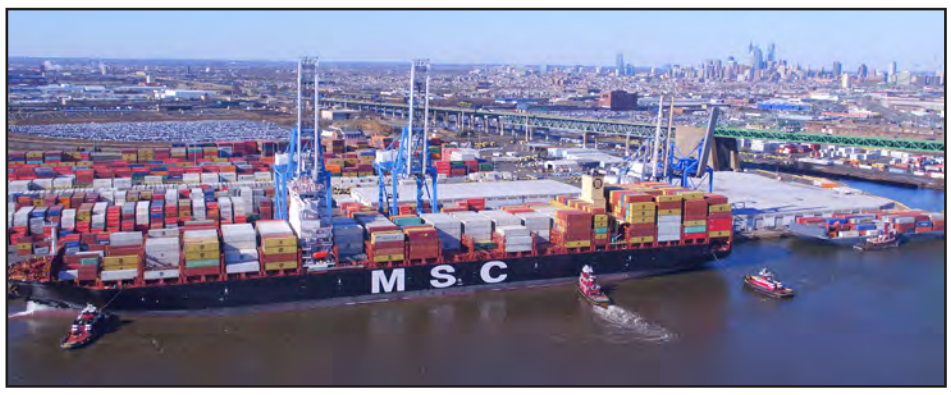
It was in that spirit that a group of eight river pilots and docking pilots from McAllister Towing of Philadelphia, Moran Philadelphia, and Wilmington Tug recently underwent a rigorous five-day training workshop at the Maritime Institute of Technology & Graduate Studies.

Situated on a 40-acre conference and training center in Linthicum Heights, Md., MITAGS is a non-profit vocational training center for individuals seeking to enter the maritime profession and for professional mariners looking to advance their careers.

Executive Director Glen Paine is extremely proud of the programs and equipment available at MITAGS. "The simulators allow participants to go through the 'what ifs' of any given situation ahead of time," he said. "This training focused on the final approach to the Packer Avenue Marine Terminal, use of assist tugs, berthing and unberthing, and turning the vessel."



Inside the wheelhouse of the MITAGS full-mission bridge simulator



Training at MITAGS helped prepare river pilots and docking pilots for the arrival of the MSC "Anvi" at the Packer Avenue Marine Terminal on January 14. The 11,000 TEU "Anvi" was the largest cargo ship to call the Port of Philadelphia to that date, but it was quickly surpassed by the MSC "Shuba B," which arrived in port on Feb. 11.

"The simulators at MITAGS are state-of-the-art and are light years away from the equipment we used when I was a midshipman at Kings Point. It's like going from Atari to Xbox," Kemmerley said.

As local sponsor of the 45-foot channel deepening project, PhilaPort agreed to fund the training. "We have a lot of exciting developments all occurring at the same time — record cargo growth, arrival of super post-Panamax vessels (12,200 TEUs), new cranes, and most importantly the preparations for the newly deepened channel," said Jeff Theobald, PhilaPort's CEO and Executive Director. "It's all very good news, and we want to make sure we support the surge in cargo and vessel size with the proper training for the pilots and tug operators."

To date, the Commonwealth of Pennsylvania has spent $137 million in matching funds to deepen the channel. Last fall Gov. Wolf announced a further $300 million investment to improve PhilaPort

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You're going to see one eventually — know what to do

By: CAPT Scott E. Anderson, Commander
Sector Delaware Bay, U.S. Coast Guard



Unless you have been living under a rock for the last few years, you have doubtless noticed the increasing ubiquity of unmanned aircraft systems (UAS), more commonly referred to as "drones." From drone racing to high quality aerial footage of just about everything, from the drone swarm at the Super Bowl to overseas military operations, and from bridge and building inspections to tuna fishing (I'm not making this up), people are finding more and more uses for this quickly evolving technology. I recently saw drones being used in Australia to drop floatation devices to struggling swimmers at the beach — what a great idea!

I do not have the space or the expertise to cover the spectrum of potential drone uses in the maritime domain, but I do want to take a few moments to highlight some security issues based on recent and persistent UAS activity around the Delaware River.

Drone sightings in the Delaware Bay Captain of the Port zone have steadily risen since 2010. UAS operating around vessels and waterfront facilities could be hazardous, and in many cases, illegal. As legal UAS operations expand, illicit drone use may become more common, and sightings of UAS may also indicate potential criminal or terrorist activity.

Several examples of drone footage of port critical infrastructure and vessels have been posted as social media content over the past year. While none has been evaluated as a threat, increased reporting can enhance the likelihood of early detection of UAS-related illicit actors. Unauthorized operators may be subject to hefty fines and criminal charges.

An owner or operator of a vessel or facility that is required to maintain an approved security plan in accordance with parts 104, 105, or 106 of Title 33, Code of Federal Regulations, Subchapter H shall, without delay, report UAS Breaches of Security and/or Suspicious Activity to the National Response Center at 1-800-424-8802. Reports should also be made to local law enforcement.

Reporting helps promote security, information sharing, and situational awareness throughout the port. The Coast Guard will work with the reporting source and with other appropriate authorities to assess and respond to the report. The FAA also works closely with industry, through the "Know Before You Fly" campaign, to educate unmanned aircraft users about where they can operate within the rules. To learn more about USCG's policy on Reporting Suspicious Activity and Breaches of Security, visit: https://Homeport.uscg.mil (Navigate to "Missions," then "Maritime Security," then "Policy" section).

Now if you'll excuse me, I have to go meet the pizza delivery drone.

Himber to lead SCW board

The Seamen's Center of Wilmington board has elected Exchange Vice President Lisa B. Himber as the organization's president. She is only the second person to serve in this capacity, following in the shoes of founding President H. Hickman Rowland, Jr., who passed away in November of 2017.

Himber has been a member of the SCW board for over 20 years. "I am deeply honored that the board has chosen me as its next president," Himber said. "Any time an organization loses its leader unexpectedly is a time of great challenge — and usually substantial change. I look forward to continuing our work to meet the Center's important mission while at the same time shepherding the board, staff, and volunteers through the transition and into the next phase of its evolution."

The Seamen's Center of Wilmington was established in 1990 and is dedicated to meeting the needs of seafarers who visit the ports in the State of Delaware. Its goal is to make their time in port a rewarding one by providing personal, practical, and spiritual assistance.

For more information, including how to donate or volunteer, contact SCW Executive Director Joan Lyons at (302) 575-1300 or scw@scwde.org.



In Memoriam

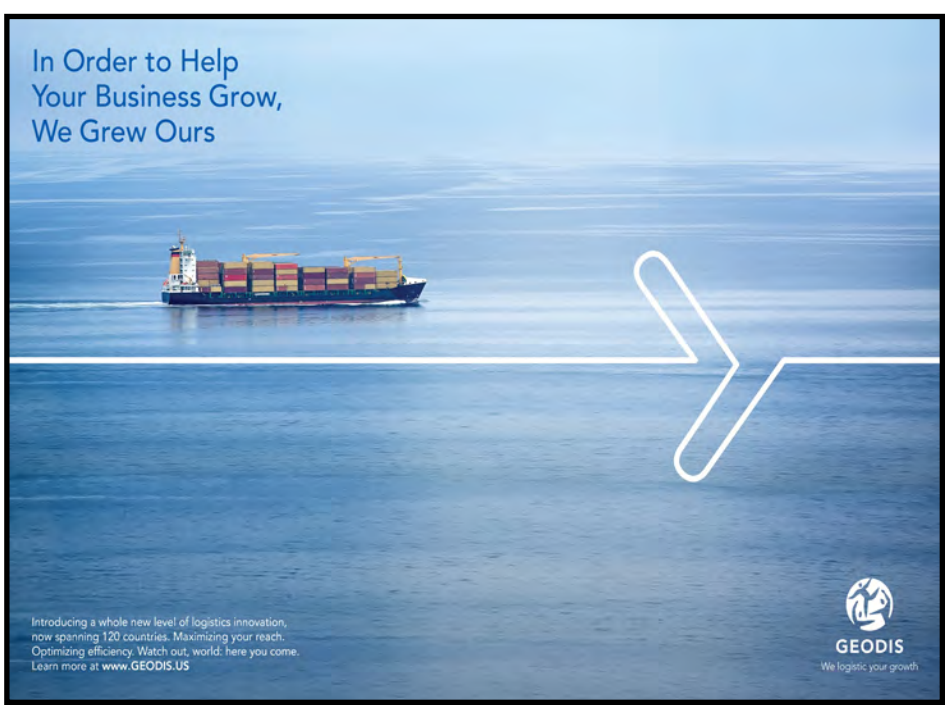
The Reverend Neale A. Secor

The Exchange is saddened to report that The Reverend Neale A. Secor, former executive director of the Seamen's Church Institute, passed away on November 14, 2017.

Under Father Secor, the Seamen's Church Institute of Philadelphia dramatically expanded to visit more ships at more maritime terminals on both sides of the Delaware River and to provide a broader range of services to seafarers.

"Father Secor was compassionate, smart, and extremely hard working. He cared about people, period," said Mesfin Ghebreweldi, a former seafarer who has been a ship visitor for Seamen's Church Institute for more than 35 years.

Father Secor is survived by his husband Ricardo Liriano, sons Jonathan and Thomas, their wives Ana Maria Harkins and Carla Buranelli-Secor, his four grandchildren, and his brother Philip Secor.



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CBP delays in-bond implementation

In January, Customs and Border Protection delayed the implementation of the new in-bond rules promulgated last September. The new regulations originally took effect November 27, 2017 and included a 90-day enforcement period during which carriers were required to demonstrate good-faith efforts and satisfactory progress toward compliance. The enforcement period is now slated to continue through July of this year.

The regulation is the culmination of nearly 10 years of work by CBP to update the in-bond rules and mandate electronic filing. While it includes some new mandatory data elements such as the Facility Information Resource Management System code, known as the FIRMS code, and the Harmonized Tariff Schedule cargo classification number, many of the changes are operational in nature and affect transmit times, seal changes, and packaging of bonded and non-bonded merchandise.

The January announcement extends the timeframe for initial implementation of the in-bond regulatory changes for six months. CBP officers will continue to accept the current paper Form 7512 until July 2, 2018. After that date, new in-bond applications must be filed electronically in the Automated Commercial Environment.

The agency is extending the deadline to file electronic in-bond arrivals and exports until August 6, 2018. CBP will then also require that filers include the FIRMS codes with arrival transmissions and electronically report all in-bond diversions. CBP has yet to announce a revised implementation date for the mandatory reporting of the six-digit Harmonized Tariff Schedule number.

CBP has updated its frequently asked questions document at www.cbp.gov/border-security/ports-entry/cargo-control/bond/bond-regulatory-changes-faqs to reflect the changes.

The Exchange TRACS system, the Maritime On-Line module certified with CBP to transmit cargo manifest data, requires only minimal changes necessary to maintain compliance. "TRACS already includes all the data elements required by the new regulation to submit, arrive, and export in-bonds," said Exchange IT Director Michael Fink. "Some of the upcoming mandatory information is currently optional in TRACS, and we will work with our participants to make the necessary changes this summer."

For more information, contact Michael Fink at mfink@maritime-delriv.com or 267-670-7953.



New study expands economic promise of Mariner East 2 projects

By: Kurt Knaus, Spokesman
Pennsylvania Energy Infrastructure Alliance

A newly released study that re-examines the potential economic impact of the Mariner East pipeline projects shows that the value of this critical infrastructure is even greater than first anticipated, generating a one-time economic impact of nearly $9.1 billion in Pennsylvania and supporting 57,070 jobs during the entire construction period with earnings of $2.7 billion.

The updated report by Econsult Solutions, which issued an earlier economic analysis of the projects in February 2015, also states that the Mariner East projects could generate an estimated $122 million in total to the commonwealth over the length of the construction period.

"We are not just building a modern energy infrastructure with the Mariner East projects. We are giving a huge, sustained boost to our entire commonwealth economy," said Jeff Kotula, president of the Washington County Chamber of Commerce and a founding member of the Pennsylvania Energy Infrastructure Alliance.

PEIA is a broad-based coalition comprised of labor, agriculture, conservation, manufacturing, retail, and other business groups. It focuses on increasing access to affordable natural gas and natural gas liquids so that production of these valuable energy resources provides the greatest benefit for Pennsylvania workers, consumers, and the overall economy.

There are more than two dozen PEIA members today.

Pennsylvania's energy infrastructure is inadequate to facilitate both production and demand. Mariner East 2 will help deliver energy resources from western Pennsylvania to the revitalized Marcus Hook Industrial Complex in southeastern Pennsylvania for processing, storage, and transport to market.

The economic benefits stretch all along the 350 miles of pipe spanning Pennsylvania, West Virginia, and Ohio. The project represents a $5 billion investment in Pennsylvania.

"It's hard to argue with these numbers," said Abe Amoros, state legislative director at Laborers International Union of North America, which has more than 25,000 members in Pennsylvania. "But workers in Pennsylvania don't need a report to tell them what they already know: these pipeline projects are a lifeline to stable, family-supporting jobs."

PEIA members have crisscrossed Pennsylvania to support pipeline projects and promote private investments that will help to build out the state's infrastructure network, with members offering testimony and public remarks at numerous federal, state, and local public hearings and forums in dozens of communities in counties across the state.

The new Econsult report validates these efforts.

"Our skilled laborers are proud of the work they're doing to build Pennsylvania's future," said James T. Kunz, Jr., business manager for International Union of Operating Engineers Local 66, which covers 33 counties in western Pennsylvania. "They know they're not just laying a pipeline. They are setting the stage to ensure Pennsylvania boosts its long-term local manufacturing, transportation, and trade opportunities."

Pipeline transportation is not only more economically beneficial and efficient than alternative forms, like trucks and trains, but it is also the healthier, safer, and more responsible choice as well.

Government data already indicate that pipelines are the safest, most environmentally friendly way to transport energy resources. Pipelines must adhere to strict state and federal regulation throughout pipeline construction, testing, and infrastructure replacement to ensure system integrity.

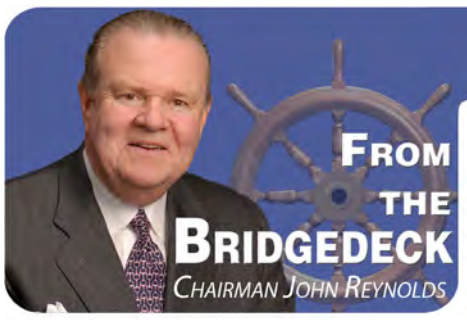
The Mariner East projects have been subject to rigorous regulatory review, and that includes dozens of public meetings and hearings over the course of more than three years.

On Feb. 8, the Pennsylvania Department of Environmental Protection and Sunoco Pipeline LLP announced a resolution that gave the green light for work to resume on the pipeline. The consent order and agreement includes a $12.6 million civil penalty as well as additional measures that Sunoco has proposed to put in place to enhance environmental safety and improved operations.

This latest DEP review adds another layer to the immense regulatory and public scrutiny that this project has undergone, and the action by DEP proves that regulators are being an effective watchdog to ensure the safe, responsible development of this project, which remains a shared priority for everyone.

In the end, the restart of this project is good news for the workers who were idled and hoping for a speedy resolution after construction was halted, and good news for commonwealth residents who are eager to realize the benefits of one of the state's largest energy infrastructure projects.

For more information about the alliance, visit: www.paalliance-forenergy.com. Details about the new Econsult study can be found at http://www.econsultsolutions.com/report/potential-economic-impacts-of-mariner-east-pipelines/.



Crossing the final bar: Memories of Hick Rowland

I first met Captain Hick Rowland in 1973, when I was managing bulk carriers that discharged in Wilmington, Delaware for DuPont. He had just docked one of our ships in Wilmington and came up to me on the pier to introduce himself. While he was a man of only a few words, when he spoke, you listened. He radiated what one mariner likes to see in another mariner: confidence, professionalism, and just enough aggression to get the job done.

This early friendship would grow for another 45 years. Our business dealings would also increase when I took over the management of DuPont's chemical carrier, the "Gaucho Pampa," that operated out of Deepwater N.J. In those days we would always use Hick's Tug "Tina" to help us dock and undock at the Chambers Works DuPont Deepwater plant. Because Hick was such a modest guy, I never realized, at the time, that the "Tina" was the first ASD Z-drive "tractor tug" in the United States. Hick was a true visionary, and his ship docking experience allowed him to appreciate how tractor tugs would greatly enhance safety in ship docking operations.

Seeing Hick at least once a month on the "Gaucho Pampa" would give me an opportunity I will never forget, and that was meeting his father, Captain Harry Rowland. Capt. Harry was a Delaware River pilot, and since we used Delaware pilots for our river transits, our ship would occasionally have him as our pilot. The best thing I can say about meeting Capt. Harry Rowland is that it was the highlight of my career. What a character!

My interaction with Hick would continue through our work at the Maritime Exchange. Hick served on my Board and also served on the Executive Committee. Despite a whole host of other organizations that consumed his time, Hick would always be present for our meetings, and we valued his counsel. When we adjourned for lunch, Hick would usually be off to dock a ship or give his time elsewhere.

I would be remiss if I did not relate a ship docking experience I had with Capt. Hick Rowland. My ship agency, Rice Unruh Reynolds, was bringing in one of Stena's V-Max ships, and Hick invited me to join him on the ship to dock at Sun's Philadelphia facility by the airport. The V-Max tankers were 325,000 tons and 1,000 feet long — the largest ships ever to come up the Delaware. We joined the ship down river and the Delaware pilot took the massive ship to the point off the dock where the docking pilot takes over. With three of Hicks tugs alongside, I watched in awe as he brought the ship slowly up to the dock and gently came alongside. This was truly a magnificent experience and I will never forget it.

If you have not read the beautiful obituary on Captain Hick Rowland that appeared in many publications, I encourage you to do so. If you have, you might want to take the time to read it again. He truly led an amazing life full of accomplishments, and his story provides a lesson for a life we should all strive to live.

I have only related some of my thoughts about Hick the mariner. Hick was also a great humanitarian, businessman, and loving father. He is sorely missed by his family, friends, colleagues, and mariners around the world.



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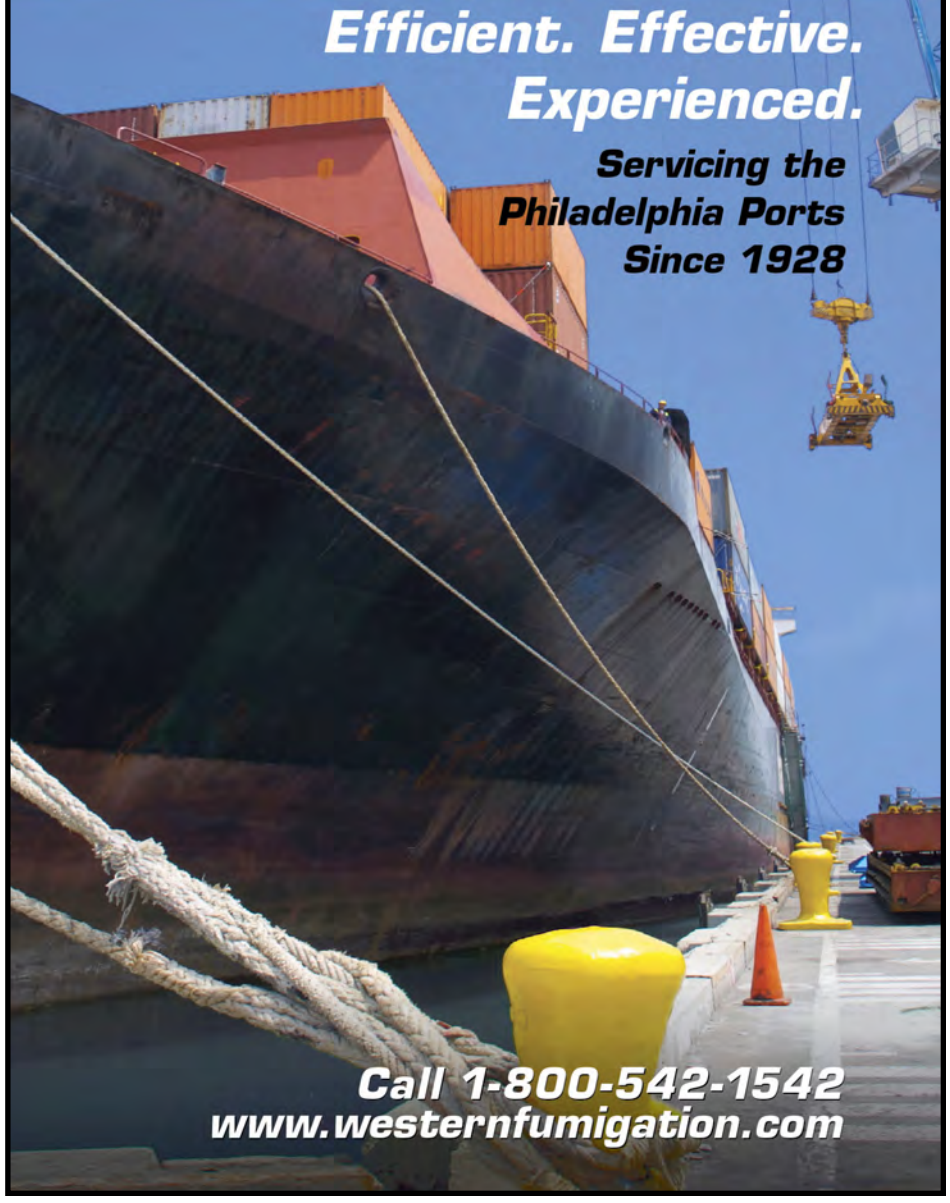
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Sea Cadets an important program at MACHS

By: Edward Poznek, Chief Executive Officer
Maritime Academy Charter School

Pulled directly from the U.S. Navy, these highly recognized terms are being firmly embraced at the Maritime Academy Charter High School.

“Always Strong” and “Charge” embody the spirit of the 20 students enrolled in the Dante Mattioni Division (DMD-043) U.S. Navy Sea Cadet Corps (USNSCC). And while no student is turned away, it takes a certain personal mettle to be part of this elite corps of young people proudly wearing the official Navy uniform — in accordance with Sea Cadet standards, of course.

The program

The USNSCC is a national youth leadership development organization that among other goals, promotes interest and skill in Naval disciplines while instilling strong moral character and life skills. The leadership style and technical programs are modeled after the Navy’s professional development system. Students are taught self-discipline, patriotism, teamwork, and physical training . . . with strong emphasis on academic excellence, high self-esteem, and personal achievement.

The MACHS environment, culture, and uniquely qualified staff make it the perfect place for Commanding Officer James Washington to build an *esprit d’corps* and instill self-confidence.

Sea Cadet training and community outreach

Maritime Academy’s Sea Cadets meet six hours a week to complete Basic Military Requirements courses, and they receive training similar to that of recruits at Navy Boot Camp. Most Sea Cadets also head off to Coast Guard Boot Camp every May. There, they learn military etiquette, firefighting, survival swimming, close order drills, firearm safety, and other important skills. Sea Cadets are also enrolled in an eight-hour “Safe Boating” class, which earns them state certification to operate water craft in Pennsylvania.

The concept of “giving back” is ingrained, and community service is a priority for these young men and women. Naval Sea Cadets work on blood drives and maintain a neighborhood veteran’s park throughout the year. The Sea Cadet Honor Guard is proud to be regularly deployed to special school and maritime community events.

The U.S. Coast Guard rounds out the program. Cadets frequently visit Coast Guard Sector Delaware Bay, where they learn about Coast Guard missions; they especially enjoy interacting with the Coast Guard personnel and eating on the mess deck. During the year, the Coast Guard visits the Maritime Academy to skillfully mentor and tutor cadets.



The Sea Cadets on board the Coast Guard Cutter “William Tate.” The cutter is based at Coast Guard Sector Delaware Bay in Philadelphia.

Success breeds success . . . and what comes next

Due to the unprecedented success at the Maritime Academy Charter High School, the Navy League Cadet Corps program has expanded to the Maritime Academy Charter Middle School. Now students in grades 5 through 8 also have the privilege to experience similar training and to wear the Navy uniform in accordance with Sea Cadet standards.

In June, Chief David Hentnick (USCG, ret.) will assume the “Deck and Con” from Commanding Officer Washington. Under their leadership, over 40 cadets are building self-confidence, taking pride in their accomplishments, and ultimately preparing to be disciplined and productive members of the workforce . . . or the U.S. military.

This exceptional learning experience is only one unique feature of the Maritime Academy Charter School. It is possible because of the school’s strong leadership, innovative education model, and the tireless commitment of the highly skilled staff.

Hooyah!

How to “Charge” ahead with these outstanding young people: the Maritime Academy strives to give students important opportunities, strength, and courage with its Sea Cadet program. But these students need sponsors to help offset the cost of uniforms, advanced trainings, equipment, or even chow at the Coast Guard Sector. Members of the maritime community are encouraged to formally sponsor a Sea Cadet.

The community can also offer internships, speak at the school, or come out to learn more about MACHS. Contact Ed Poznek at 215-805-0011 for details.

The Maritime Academy Charter School is a non-profit 501(c-3). Donations to the school are tax deductible.

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Palaima recognized for lifetime achievement

Following is an extract of the comments made last fall by Exchange Director Robert Palaima, President of Delaware River Stevedores, upon acceptance of the Chilean-American Chamber of Commerce Lifetime Achievement Award.



Robert Palaima, President of Delaware River Stevedores, Inc., received a standing ovation during the Chilean American Chamber of Commerce Friend of Chile luncheon on November 17, 2017. Palaima was honored with the CACC's 2017 Lifetime Achievement Award.

I am humbled to stand before you this afternoon to accept this honor in this beautiful venue, a special place which was to have been dedicated by Abraham Lincoln himself.

However, I cannot leave today without telling you what a privilege it has been to serve as board president of the Chilean and American Chamber of Commerce of Greater Philadelphia. When I leave this post, I hope the members will consider it a stronger organization than it was when I found it. I know we have a bright future with Christina Lista at the helm. Christina, a product of the Fox School at Temple University, is a remarkably capable young person.

It also has been a pleasure to have developed a special relationship with the Republic of Chile and her remarkable people, so early in my career. Ambassador Valdes, and names like Fermandois, Fernandez, Bianchi, and others prove my suspicion that Chile sends her best sons to Washington.

Allow me to make a few comments and requests, starting with some global observations, and working my way inward.

The president returned this week from an historic 13-day trip to Asia, announcing progress on a remarkable number of bi-lateral trade agreements. This is welcome by those of us engaged in international commerce and maritime transportation. But the multi-lateral Trans-Pacific Partnership, known to many of you as the TPP, lives on with 11 remaining countries despite the withdrawal of the U.S. earlier this year. What you may not know is that this seminal effort is being shaped, in large measure, by Paulina Nazal, Chile's Vice Minister of Trade. The new deal among Chile, Japan, Canada, Australia, Mexico, and other countries represents a combined GDP of more than $10 trillion.

Wouldn't it be better though, and in the U.S.'s strategic best interest, if we could find a way to re-engage? A dozen nations sounds better to me than eleven. Surely, negotiators in good faith can find a way.

The power of our Chamber is that we touch three states and reach opinion leaders like you. Three states represent six senators and dozens of members of Congress. Let's all take a moment next week to communicate to our elected representatives and to administration officials that . . . the U.S. re-entry into a possibly revised and revitalized trade agreement can chart the course for the type of employment prospects and mutual prosperity which floats all boats.

Over the years, it has occurred to me that the ebb and flow of the mighty river which unites us does not recognize boundaries of division. The issues we will face in the future as a port and international trade community — be they with regard to climate, energy, regulation, trade policy, training, security or funding, will require regional responses. I urge [our port authority executives], and their staffs, stakeholders, constituents, and ultimately the administrations they serve, to meet with each other frequently. There is a sense of common purpose which can come from regularity, and the policies coming out of a common purpose may allow us to face future challenges confident in a united understanding of what it takes to succeed.

Finally, let me say that this recognition is the culmination of a career which has taken me to so many different lands, meeting so many fascinating people who have left lasting impressions on me.

Thank you very much.



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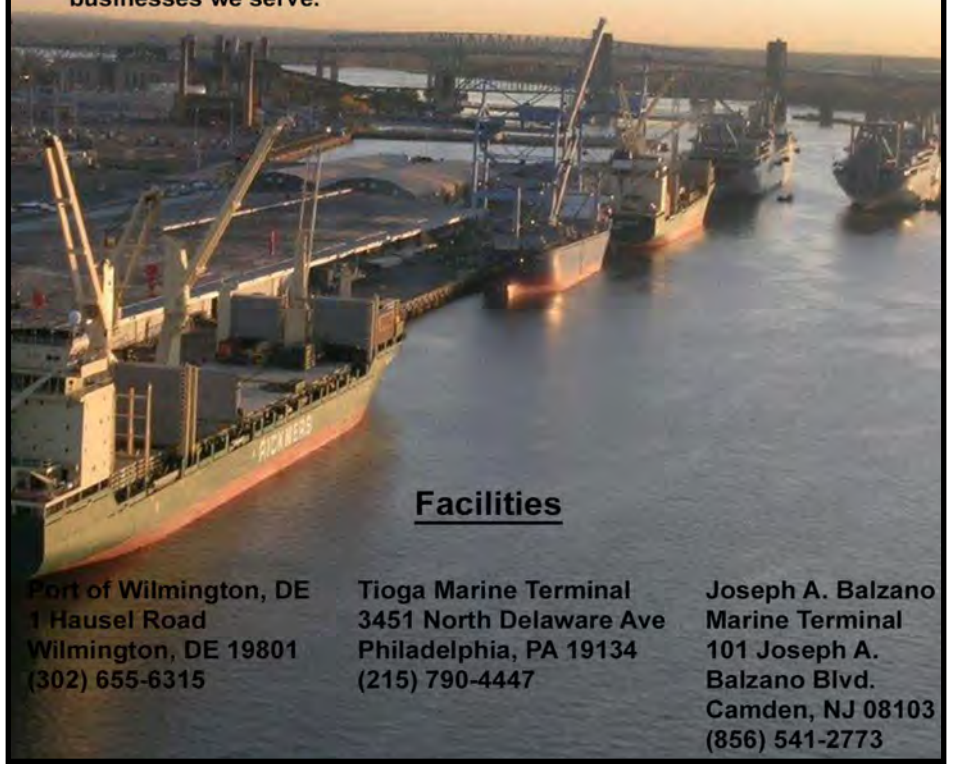
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N.J. State Senator Sweeney awarded "Spirit of the Port"



New Jersey Senate President Stephen Sweeney was chosen by the Seamen's Church Institute of Philadelphia and South Jersey to receive its 2018 Spirit of the Port award, given annually to an individual who epitomizes the spirit and humanity of the regional port community.

"From my perch in South Jersey community development over two decades, I've gotten to bear witness to Senator Sweeney's consistent passion to opening the new port in Paulsboro. That's what made such a significant regional project work and is the exemplary leadership we look to identify when bestowing the honor of the Spirit of the Port Award" said Helene Pierson, executive director of the Seamen's Church Institute.

Born in Camden, N.J., Sen. Sweeney currently serves as general vice president of the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Union. He has been a member of the New Jersey State Senate since 2002 and Senate President since 2010. He is active in a variety of local organizations and has received numerous accolades from business leaders, volunteer organizations, labor advocates, environmentalists and other organizations, including the Chilean and American Chamber of Commerce of Greater Philadelphia, the New Jersey Conference of Mayors, New Jersey Veterans of Foreign Wars, New Jersey State Chamber of Commerce, the Delaware Valley Regional Planning Commission, the New Jersey Business and Industry Association, the Boys and Girls Clubs of New Jersey, and the New Jersey State Bar Association. The Senator and his wife, Patti, were married in 1986 and have two children, Stephen and Lauren.

Capt. David Cuff of the Pilots' Association for the Bay and River Delaware and SCI board president said "I could not be more excited to honor Senator Sweeney with the Spirit of the Port award. His leadership and hard work have shown us all his commitment to the port."

Sen. Sweeney was a crucial leader in the construction of the Paulsboro Marine Terminal, the first port constructed on the Delaware River in over 50 years. The new terminal, which welcomed its first ship in March of 2017, is an economic boon to the South Jersey economy. It will serve as the hub for the movement of goods and services that will sustain economic activity and support good jobs in the region. It is anticipated that when fully built, the Paulsboro port will create over 2,500 permanent direct jobs.

"Paulsboro Marine Terminal stands as one of the most significant and prudent investments by and for the people of New Jersey in growing Southern New Jersey's economy and its vital role in international trade and commerce. Without Senator Sweeney, there would not be a Paulsboro port," said Kevin Castagnola, Chief Executive Officer and Executive Director of the South Jersey Port Corporation.

The Spirit of the Port luncheon takes place on Friday, March 9 at Auletto's in Almonesson, N.J. For ticket information, contact Christine Polit at 215-940-9900 ext. 104 or cpolit@sciphiladelphia.org. Visit www.sciphiladelphia.org for more information about the Seamen's Church Institute of Philadelphia and South Jersey.

D5 Commander engages port stakeholders



The Exchange and about 30 members of the Delaware River port community recently met with Fifth District Coast Guard Commander Admiral Meredith Austin to discuss issues of concern to mariners and port operators. For most, this was a familiar scene, reminiscent of the many similar discussions with Austin when she was Captain of the Port here. This go around, critical topics included funding for aids to navigation, ice breaking, off-shore wind development, the potential delay in implementing the TWIC reader regulation, and — as always — funding for staffing.

Callegari to receive Maritime Society "Man of the Year"

The Ports of Philadelphia Maritime Society announced that Robert Callegari of Gahagan & Bryant Associates was named as its 2018 "Man of the Year." The award recognizes outstanding achievement and commitment to fostering growth at ports in Pennsylvania and New Jersey.

Callegari started his career with the U. S. Army Corps of Engineers, New York District Office, in 1969 and spent his last 15 years there as chief of planning at the Philadelphia District Office. The Corps is the lead federal agency on the Delaware River main channel deepening and other waterway maintenance and development projects. As the first planning chief in Philadelphia, Callegari transformed an organization of 22 people with a $2.8 million workload into one with 50 people responsible for a $15 million workload.

Following his retirement from the Corps, Callegari transitioned to the private sector. At Gahagan & Bryant, he has been responsible for a number of policy, economic, and engineering issues dealing primarily with deep-draft navigation, dredged material disposal and management, and beneficial use of dredged material. Included in his portfolio of projects is managing Gahagan & Bryant's work for PhilaPort on the 45-foot channel deepening project.

"It is a distinct honor to be recognized by the Maritime Society, particularly since it's for doing work I've always enjoyed," Callegari said. "Helping keep the port safe for navigation — and especially being a part of the channel deepening project since its earliest days — has been extremely gratifying. I'm humbled by the Maritime Society's recognition."

Callegari, who lives in Lower Gwynedd, Pa., has been married to wife Linda, whom he credits as his inspiration and partner, for 37 years. "Throughout the development and construction of [the deepening] project, she was always there to listen, advise, and support me," he said. The couple has two sons, Rob and Matt.

"With the Exchange serving as one of the primary industry advocates for the channel deepening, I have had the pleasure of working with Bob for over 20 years," said Maritime Exchange President Dennis Rochford. "He is among the most knowledgeable people in the industry, a consummate professional. Kudos to the Maritime Society for recognizing his many important contributions to this project and to the port region as a whole."

Refineries crippled by RINs costs

continued from page 1

PES has also entered into an intermediation agreement to ensure continued access to crude oil supply throughout the Chapter 11 process.

Other local refiners are similarly hard hit. PBF Energy operates refineries in Paulsboro, N.J. and Delaware City, Del. and spent over $350 million to purchase RINs in 2016. This equates to approximately two-thirds of its capital budget.

"The renewable fuel standard regulation was originally intended to secure the U.S. fuel supply, but unfortunately, because of how it's being manipulated today, it's having exactly the opposite effect," said Delaware City Refinery Manager Jeff Coleman. "Originally, it should have had an impact of about $5 million to a refinery such as [Delaware City Refinery], but because of how the rule has changed, it can be 20 to 25 times that impact."

Monroe Energy, owner of the Trainor Refinery in Delaware County, Pa., paid $200 million in 2016 to purchase RINs.

These cost increases effect the entire maritime industry on the Delaware River and elsewhere as well as numerous downstream industries.

Each year, more than 500 crude oil tankers — approximately 20 percent of ship traffic — arrive at Delaware River ports. This activity generates business for ship agents, customs brokers, tugboat operators, pilots, line handlers, and numerous others throughout the port. "If any one of these refineries were to be shuttered, the attendant reduction in crude oil tanker arrivals would adversely ripple throughout the port community," Rochford said.

With the relatively recent closure of five oil refineries in the Northeastern U.S. that eliminated over 500,000 barrels per day of capacity, any additional reduction on the Delaware River would further aggravate an already tenuous regional and national situation. Existing refinery capacity in the Northeast was critical to mitigating steep fuel price hikes when Gulf Coast refineries shut down during Hurricane Harvey last year. Northeast refineries, including those on the Delaware River, shipped fuel to the gulf to help offset those losses.

"The fact is, there is no inherent conflict between eliminating this unfair and unnecessary burden on independent oil refineries while continuing to strive to reduce greenhouse gas emissions," Rochford said.



At a rally at Delaware City Refining Company last November, elected officials and local employees called on President Trump to fix EPA's renewable fuel standard requirements. Delaware Governor John Carney spoke of the need to address the adverse impact the requirements are having on regional refinery jobs.

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A prolonged cold snap in January led to severe icing throughout the Delaware and its tributaries. The Cape May-Lewes Ferry suspended operations for several days, and various aids to navigation up and down the waterway were damaged or knocked off station. The skill of the pilots and the speed with which the Coast Guard restored the aids ensured safe and timely vessel transits during the extreme ice conditions.

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PhilaPort purchases two new super post-Panamax container cranes

Second set acquired as part of port development plan

PhilaPort announced in December that it concluded the purchase agreement of two super post-Panamax container gantry cranes that will help lift the port to record new levels of cargos over the next decade.

The $23.5 million acquisition from Shanghai Zhenhua Heavy Industries Company Limited of Shanghai, China is the second purchase of cranes by PhilaPort in the past year. This will bring the total number of new cranes purchased for Packer Avenue Marine Terminal in the past year to four.

The first two cranes will arrive in March 2018. The third and fourth cranes are scheduled to arrive in April 2019.

"The second set of cranes will mirror the two cranes arriving in the first quarter of 2018," said PhilaPort CEO Jeff Theobald. "These new cranes will be the largest and most modern, capable of unloading containers from the largest container ships in the world."

Last year, Pa. Governor Tom Wolf's $300 million Port Development Plan formed a public-private agreement for capital improvements to Packer Avenue Marine Terminal. Under the plan, the terminal operator, Greenwich Terminals, a Holt subsidiary, agreed to purchase one gantry crane, and PhilaPort would buy three. "Each step in the development of PhilaPort is another important move in strengthening the economic success of the entire commonwealth," said Gov. Wolf. "My administration is proud to partner with our port regions to invest in our infrastructure, bring key jobs to the region, and keep Pennsylvania's economy competitive on a global scale."

PhilaPort is on track to reach a record in total containers handled in one year.



"We are busier than ever before, and we will certainly be well over 500,000 TEUs," said Tom Holt, Jr., President of Astro Holdings, Inc. which operates the Packer Avenue terminal for PhilaPort. "The new cranes can't arrive soon enough because they will help us reach our goal of handling one million TEUs per year."

In total, PhilaPort reports that container cargos grew by 19 percent in 2017, leading all ports on the U.S. Atlantic seaboard.

The new cranes will allow terminal management and labor to meet the expectations of PhilaPort's ocean carrier partners.

Negative effects of steel import restrictions could prove far reaching

continued from page 1

statement in which he noted that the report "fails to highlight the recurring failure of some countries to implement true market-based reforms in the steel sector" and reiterated that "the United States will not hesitate to use the tools available under legal authorities to firmly respond to the causes and consequences of steel excess capacity."

In short, he said "we're full steam ahead under 232."

In defense of the USTR, the report, which had the potential to change the direction of the 232 investigation, ended up being a ponderous, often repetitive document that emphasized the notion that the problem of excess capacity was a worldwide issue that *required* a multilateral response; at the same time it acknowledged that such an action was largely voluntary and that the Forum had no enforcement authority.

What to expect, and when

Under the terms of the statute, within 90 days after the receipt of the Commerce Department report, the president must decide to concur or reject the report, and, if he concurs, to determine the nature of the action he will take. He then has 15 days after his determination to act to implement the action. And within 30 days of the decision to adjust, the president must notify Congress of his determination to adjust and the reasons therefor.

Congress has no authority to countermand either the decision of the president to adjust imports or the remedy he determines to carry out the adjustment. Congressional authority to override exists only for petroleum products.

So we now have a timetable. By January 15 the report must be issued, and that deadline was met on January 11; by April 11, the president must act on the report and, if he determines to adjust, he must determine the duration and nature of the adjustments. If on April 11 he determines to adjust imports, the decisions must be implemented by no later than April 26. Congress must be notified by no later than May 11.

As of today, there are approximately 240 antidumping and countervailing duty orders on steel products (rod, wire, pipes and tubes, etc.), from virtually all steel producing countries and an additional 20 or so orders on commercial goods made exclusively of steel (hangers, washers, nails, fittings etc.). It is therefore difficult to imagine how the imposition of duties alone could create the desired outcome, and, in an early press conference on the subject, Secretary Ross implied as much.

It is possible that the Commerce Department has concluded that there are no threats to national security. It may also find that the threats, if any, can be addressed by alternative remedies. These would include assistance to injured workers. The president could also conclude that an across-the-board assessment of additional duties will remedy the situation. In our opinion none of those outcomes seems likely.

We believe it is more likely that we are facing one of two alternatives — either an absolute quota on designated steel products deemed vital to the security of the United Sates or a tariff rate quota on such products. In a quota program the rate of duty would not likely change, but none of the covered goods would be allowed into the U.S. above the quota limitations. In a tariff rate quota, ordinary assessments on the designated steel products would be imposed on products up to certain trade levels, and then the rates of duty would substantially increase above those amounts, but they would not be barred from entry.

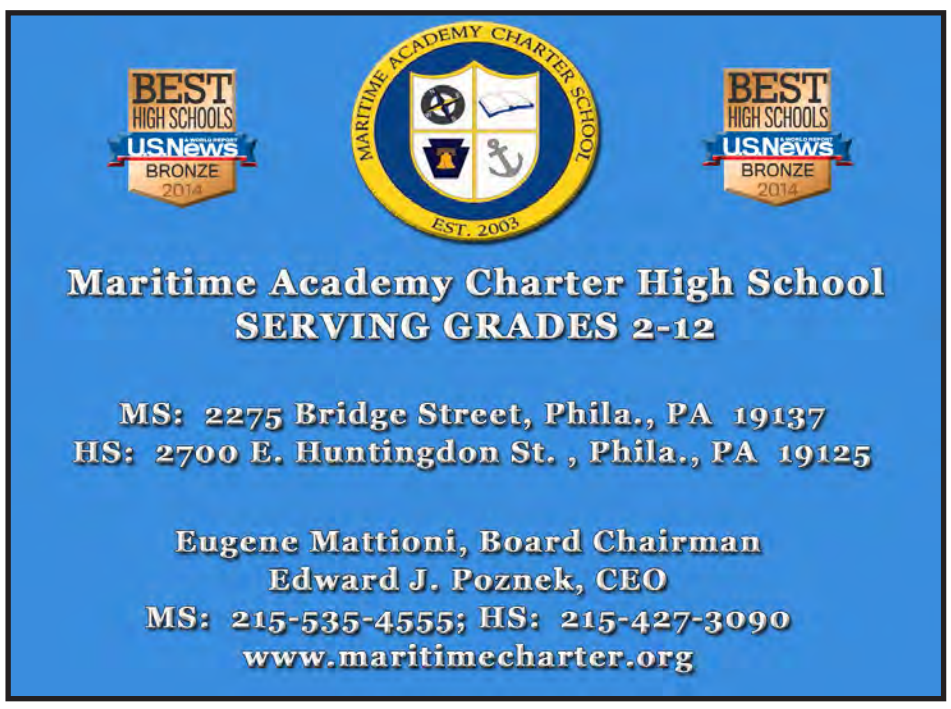
The fair assessment of things is that an increase in rates of duty only will not stem the volume of imports unless the rates are so high as to render the imports prohibitive. The beneficiary of an increase in rates of duty, without more, is the government, not the domestic industry. The quota on the other hand, manages the volume of the goods and has a more direct impact on the affected industry.

But none of this is without risk.

The United States is a WTO signatory and was a signatory to its predecessor, the General Agreement on Tariffs and Trade. The First Commandment of both trade regimes is "thou shalt not raise rates of duty." The second is "thou shalt not impose quotas." But every good agreement has its exceptions, and both agreements allowed for its members to impose limitations if they were necessary to protect a member's national security. A 232 investigation proceeds under the national security exceptions to both trade arrangements and thus creates an affirmative defense to an allegation of a violation of WTO accords if duties or quotas are imposed. From the very beginning, the form of this investigation, under a WTO exception, was carefully planned.

But with the United States having laid down that marker, what is to prevent the European Union from alleging in the future that farming is inherent to the Union's national security; or that timber is vital to the national security of Canada; or that aircraft production is inherent to the national security of China? Thus one of the critical questions that will be raised by this investigation is not just the outcome but the process. And ultimately we may find ourselves asking whether the United States pulled off a strategic coup in invoking section 232 or whether, in so doing, it has now let the genie out of the bottle.

Note: The views expressed in this article are those of the authors only and do not reflect the views of any other individual, institution, or groups of individuals with which the authors may be associated.



Port of Wilmington welcomes new Chiquita arrivals

January saw the arrival of two Chiquita maiden voyages to the Port of Wilmington. On the 10th, the port formally recognized the newest member of Chiquita's Great White Fleet aboard its new container charter m/v "Angol." This is the first of two new larger and gearless vessels that Chiquita will now be using on its weekly service to Wilmington.

Port of Wilmington Director of Operations Frank Vignuli *(right photo - left)* participated in the welcome events with Capt. Juric and Chiquita Logistics Director Manrique Bermudez.





On the 16th, the port welcomed the second of the two new ships, the m/v "Angeles," also commemorating its maiden voyage to Wilmington. Included in the plaque presentation to Capt. Florian Frasin *(left photo - center)* were London-based owner's rep Tim Coffin *(left)* and local Chiquita Terminal Manager Melvin Davidson.

Joining the Port of Wilmington officials to welcome both new arrivals were representatives of the Seamen's Center of Wilmington and the ship's agent, Biehl & Co.

Q&A with Lisa Blunt Rochester

continued from page 1

eral delegations have continued to work with our local universities, community colleges, and unions to ensure there is a pipeline towards these positions. Workforce development is all about matching need with ability, and I'm confident that the Port of Wilmington will be leading the way.

Q: What kinds of imports or exports through the Port of Wilmington have the largest impact on Delaware?

A: When I arrived in Congress, one of the first things I did was to request a spot on the House Committee on Agriculture. Some people were surprised because they don't know the vast impact that agriculture has in Delaware related to poultry and a wide variety of products from our farms downstate. However, agriculture is equally important in the New Castle area, particularly related to our port.

The Chilean fruit industry plays a huge part in that — the Port of Wilmington receives over 16 million cases of fresh Chilean fruit annually. It is also the largest banana port in North America, with regular weekly service by Dole and Chiquita All of that explains the nearly half billion dollar economic impact we see from Delaware's port in the form of tax revenue and well-paid positions in our community.

In my first month, I joined the Congressional Ports Caucus to work across the aisle with members from different parties or regions for our shared goals to promote ports and the maritime industry, including fighting for TIGER Grants and the Harbor Maintenance Trust Fund. As talk of an infrastructure plan this year has increased, I've worked to ensure that the federal programs that ports rely on are included, strengthened, and expanded in any final plan to ensure we see continued growth in our imports and exports through the port.

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DRBA seeks candidates for summer internship program

By: Jim Salmon, Public Information Officer
Delaware River & Bay Authority

The Delaware River and Bay Authority is seeking candidates to participate in its internship program, which provides university and college students an opportunity to gain hands-on experience in a professional work environment. The program entails a 10-week summer commitment and is comprised of on-the-job experience, leadership development, exposure to senior leaders, and cross-functional team experiences.

"We're excited to offer this innovative program again this year," said Charlotte Crowell, Chief Human Resource Officer for the authority. "We're looking for enthusiastic, energetic individuals who are serious about their future, interested in gaining real world experience, and want to polish their skills. With practical assignments and specific projects, prospective candidates will be able to further their careers and personal development."

Crowell noted that the DRBA internship program provides insight into whether that particular career is something the individual wants to pursue. The authority's internship program is entering its seventh year, and more than 60 students from Delaware, New Jersey, and many other states have successfully completed internships at the bistate agency.

Internships are available in the following departments: Communications, Culinary/Hospitality, Engineering, Executive Administration, Human Resources, Maintenance (Administration), Maintenance (Vocational Fields), and Social Media/Marketing.

Prospective candidates must submit their applications/résumés at www.drba.net no later than March 23, 2018.

The internship program begins on June 4, 2018. Undergraduate students will be paid $12 an hour for a 40-hour workweek, and graduate program students will be paid $14 an hour for a 40-hour workweek.

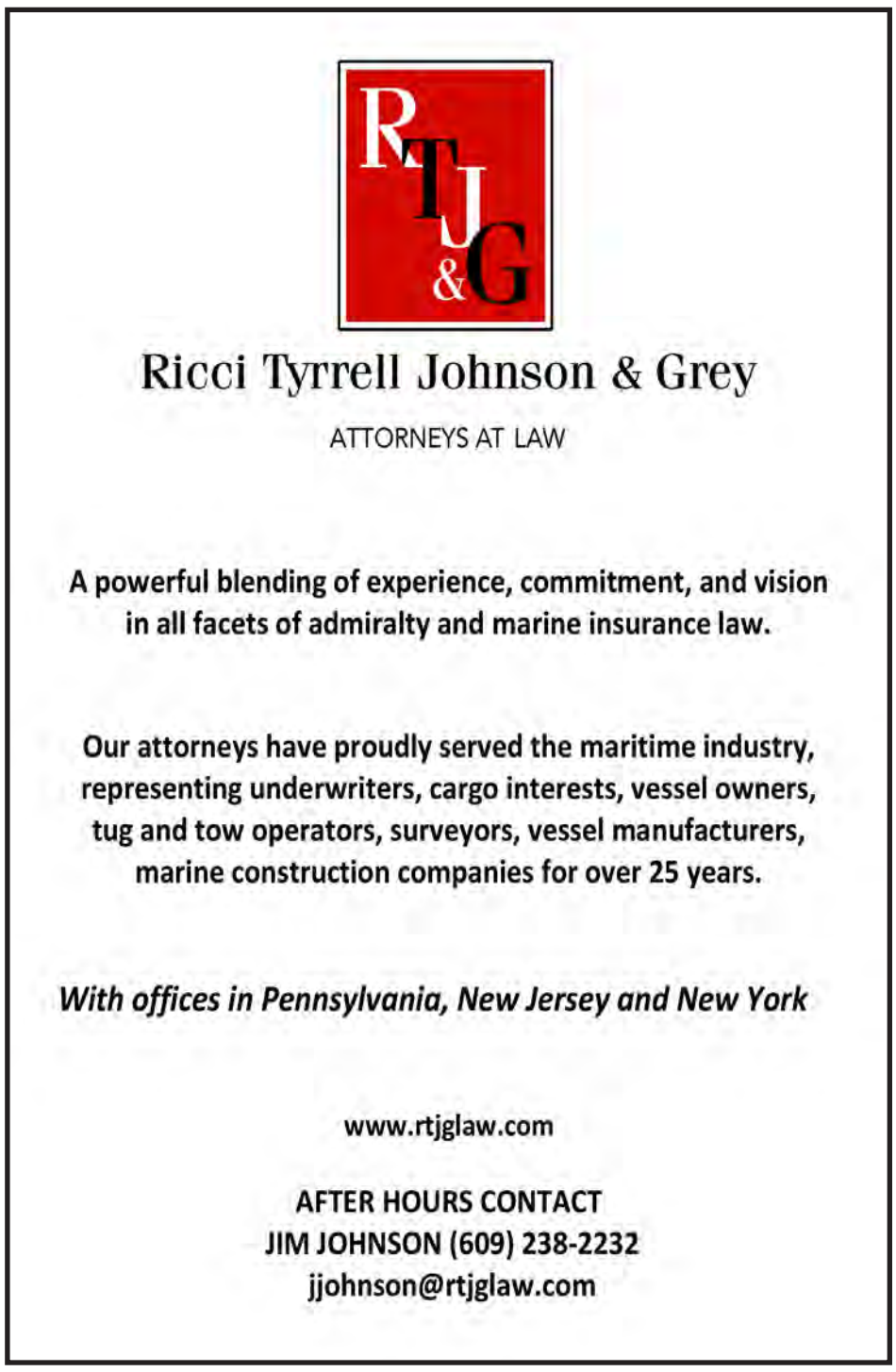
Assessment will inform port recovery efforts

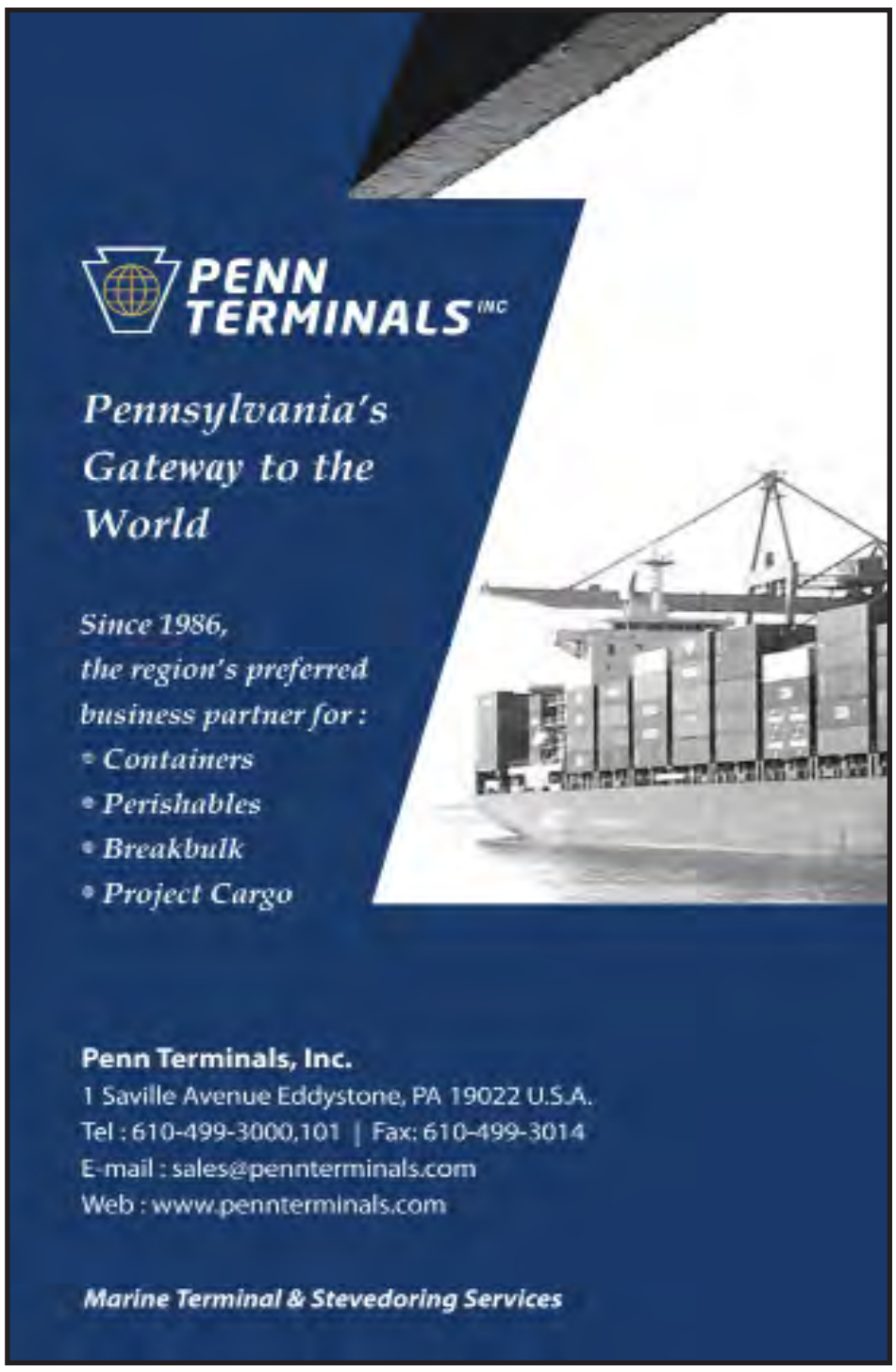
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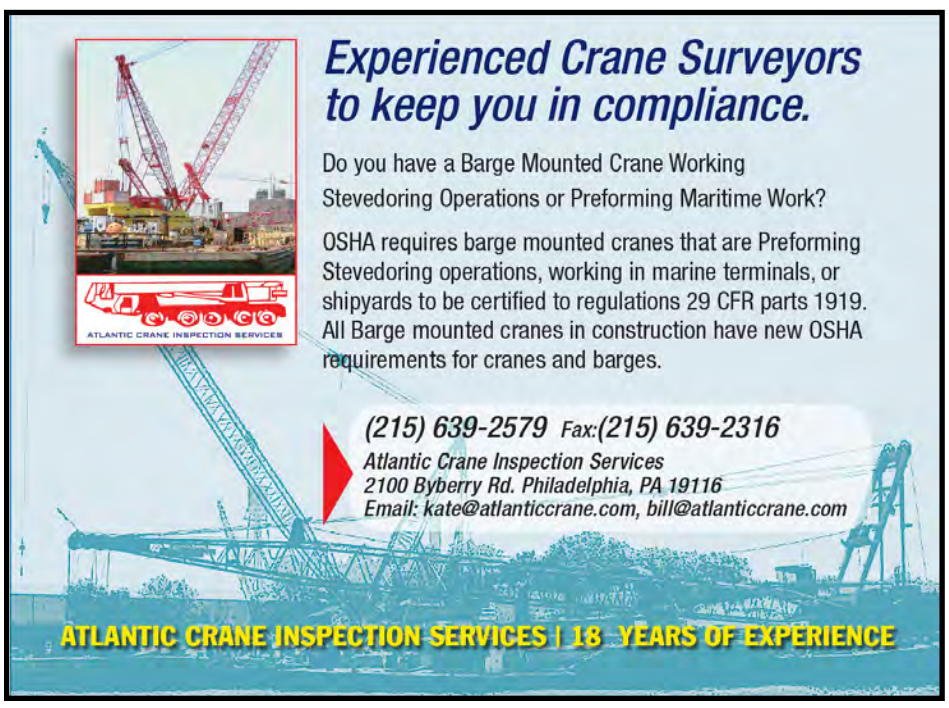
missioned a study which would provide another key piece of the information puzzle: cargo volumes and their economic valuations.

"When the port is ready to resume operations, the Coast Guard, Customs, and other port agencies and the business community must decide the priority order of ships approved for transit," Himber said. Those decisions can be different depending on the time of year and other factors. For example, in winter, ships carrying oil for home heating may take precedence. Perishable cargos such as fruits and vegetables are given as high a priority as possible as well. "When we studied vessel and cargo activity nearly a decade ago, the business climate was dramatically different. Refineries were idled, container movements were in a decline, and we never had to contemplate outbound gas shipments," she said. The current initiative will update the 2009 information.

Martin Associates, a consulting firm based in Harrisburg, Pa. was selected to complete the assessment after a competitive solicitation process. The study will provide a comprehensive view of the maritime activity in the region and a model structure that can be used to assess the impacts of disruptions to the regional marine transportation system. Work is expected to be finished by the middle of 2018.







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Tall ships to visit Penn's Landing again this year

Sail Philadelphia is once again bringing a fleet of tall ships to the banks of the Delaware River over the Memorial Day weekend for five days of waterfront festivities, ship tours, and sailing excursions.

Presented by Independence Seaport Museum and the Delaware River Waterfront Corporation, tall ships from U.S. and international ports will dock at the museum and Penn's Landing, offering visitors the opportunity to view these majestic ships and create personalized sailing adventures — on land, on deck, or on water.

On May 24, the tall ships will arrive into port with a Parade of Sail. All are welcome to the waterfront festival on May 25-28 with ship tours and sail aways on the Delaware River available for booking.

For additional information, please contact Meggan Kucinskas at 215-413-8626 or mkucinskas@phillyseaport.org.

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Vessels over 12,200 TEUs are now calling The Port of Philadelphia's Packer Avenue Marine Terminal. With a deeper channel of 45 feet to be completed in 2018, PhilaPort will be able to receive vessels up to 14,500 TEUs.
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PhilaPort

Port primed for ULCVs

continued from page 4

facilities to handle the larger ships and increased cargo volumes.

The deeper channel is expected to accommodate ships of up to 14,500 TEUs. On Feb. 13, the 12,000-TEU vessel MSC "Shuba B" docked at the Packer Avenue Marine Terminal, marking the largest ship to ever sail Delaware River waters.

The training has already proved its worth. Delaware River pilot J. Stuart Griffin, who chairs the Mariners' Advisory Committee for the Bay and River Delaware, is drafting new transit recommendations for the ultra large container vessels and has incorporated lessons learned from the training session. "The transition plan for the 45-foot channel pointed to the need for more specific guidance related to larger ships," Griffin said. "The simulations at MITAGS helped inform our draft transit advisory as it was in development. Rarely do we have the opportunity to take our advisories out for a proof-of-concept test before distributing to the larger mariner community. This training couldn't have been timed any better."

Through more than 30 simulated runs, the pilots trained under various scenarios designed to emulate real-life occurrences. Included was one of the most challenging maneuvers possible: an emergency turnaround near the Navy Yard, immediately adjacent to the Packer Avenue Terminal and Walt Whitman Bridge, in a 40-knot wind. "To ensure the safety of the ship and its crew, it's paramount that we train under absolute worst-case conditions," Kemmerley said. Another tricky scenario involved navigating around Horseshoe Bend in zero visibility conditions.



Participants simulated docking and undocking the ultra large container vessels. Shown here is the inside wheelhouse of tugboat simulator while preparing to assist the MSC "Kalina" to her berth.

Each morning, the participants would meet to discuss lessons learned from the previous day and plan for the upcoming day's activities. "This training is yet one more example of how the Delaware River maritime community works together to improve operations at our regional ports," Kemmerley said.



The view from the bridge of the MSC "Kalina" approaching the Walt Whitman Bridge and preparing to turn for docking

THE BEACON

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Editorial

There will be consequences: Steel restrictions will harm the U.S.

On January 11 of this year, U.S. Secretary of Commerce Wilbur Ross completed his investigation into steel imports and forwarded it to President Trump. His report focused on determining whether the import of steel products would adversely affect our nation's security.

The president must decide to concur or reject the report, and if he agrees, determine what action he will take. John Donohue's column on page 1 of this issue details the array available options. If either of the likely alternatives suggested in his column is selected by the president — absolute quota or tariff rate quota — the adverse consequences to our nation's economy, as well to our regional port, will be dramatic.

The domestic steel industry is already the most protected industry sector in the country. Clear evidence is the fact that the majority of all anti-dumping and countervailing duty orders on the books today apply to steel and steel-related products. What's more, there is no evidence of an imminent financial collapse of the domestic steel industry.

The argument that steel imports are a threat to national security is specious at best. While Secretary Ross may investigate all steel products under this premise, he can only restrict entry against those specific products related to national defense. Only about three percent of the nation's total steel consumption is utilized for national defense.

So while new protective measures may help steel manufacturers, they undoubtedly will harm the steel-using industries in the U.S. When President George W. Bush imposed tariffs under Section 201 of the steel act in 2002, the surge in steel prices cost $4 billion in lost wages at downstream users. According to one estimate, the U.S. lost more jobs in sectors which use the imported steel than actually existed in the U.S. steel industry.

There is also little doubt that imposing tariffs or quotas on steel imports under Section 232 now will invite immediate retaliation by other countries against U.S. exports. The first likely target will be agricultural exports, including corn, wheat, livestock, dairy products, and a host of others. The Smoot-Hawley Tariff Act of the 1920s demonstrated clearly how protectionism spurs a trade war, a global recession, and even violent conflict.

Finally, there is the not unsubstantial effect on ports. The American Institute for International Steel recently released a study showing that nearly 1.3 million jobs in the steel supply chain would be placed at risk should additional steel import restrictions be implemented. These include thousands of stevedores, who handle steel imports and exports at our nation's ports, and tens of thousands of American workers in the transportation, warehousing, fabrication, Customs brokerage, and insurance sectors.

The burden here on the Delaware River would be harsh.

Steel shipments are the fourth largest commodity arriving at Delaware River ports by ship calls. In 2017, this equated to over 230 arrivals at terminals within the port region. That's thousands fewer ILA hours, fewer truck moves, less storage, fewer entries, line handling, pilotage, tugs and docking. And that, as they say, is just the tip of the iceberg.

If the president decides to impose restrictions on steel imports, there will be consequences, here at home and abroad.

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EPA mandates place independent refiners under siege

On page 1 you will find a story about the devastating affects the U.S. Environmental Protection Agency mandates for renewable fuel use are having on Delaware River refiners. The problem is equally severe at independent gasoline production facilities throughout the U.S.

For anyone who isn't a chemist or directly involved in the oil production industry, talking about "biofuel volume requirements in gasoline and diesel fuel production" can be extremely dry. But it's an important subject for all of us . . . for reasons which will become clear below.

If the EPA is going to mandate use of renewable fuels, it must also put protections in place to prevent the price gouging that has taken place in recent years.

This is a problem with what should be an easy solution. Why the EPA wouldn't be interested in taking measures to reduce such costs to reasonable levels defies logic.

The time for commonsense action on the part of the Environmental Protection Agency is now, before further damage is done. Philadelphia Energy Solutions has already announced a reorganization under Chapter 11 largely resulting from the costs of renewable energy credits. If the problem is not solved quickly, refiners will no longer be able to operate safely, make investments for future improvements, or support the thousands of jobs reliant on their activities.

There are a number of measures the EPA can take.

First, Section 211 of the Clean Air Act grants the EPA Administrator with waiver authority to reduce the 2018 renewable fuel volume mandates to no more than 10 percent of annual gasoline demand. He should use it. This would significantly reduce the cost of the fuel credits and alleviate the burdens the renewable fuel standards program imposes on the independent refineries.

EPA should also change the "point of obligation" so that the responsibility for complying with the standard is proportional with a company's physical ability to blend ethanol and other biofuels into gasoline and diesel.

The agency should eliminate the de facto foreign biodiesel mandate that results from the fact that the law currently requires use of more biodiesel than domestic producers can make. EPA can reduce the biodiesel requirement to a level more reflective of actual domestic production.

A February 1 Reuters story quoted EPA Administrator Scott Pruitt as saying he recognizes the influence the renewable fuel standard had on the Philadelphia Energy Solutions restructuring and he favors improving biofuel regulations. Yet his attempts at reform received pushback from Midwestern lawmakers and the ethanol lobby. We can only hope he is sufficiently committed to reforming this wasteful, onerous requirement to move towards meaningful change.

The Maritime Exchange strongly supports efforts to improve the environment. But pushing out independent oil refiners in favor of integrated refiners and market speculators will do nothing to achieve that goal.

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

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Whistleblower protection for seamen and maritime employees: The Seaman's Protection Act and other whistleblower statutes

Legal Ease

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

Numerous federal statutes protect employees from retaliatory actions taken against them after filing complaints with their employers or with regulatory agencies for violations of safety laws and regulations. These whistleblower protections, together with anti-retaliation provisions, generally provide that an employer may not discriminate or retaliate against an employee who has filed a complaint or exercised his rights as an employee in a similar manner. Retaliation includes, but is not limited to harassment, intimidation, and adverse employment actions, such as a demotion.

The Seaman's Protection Act

One such whistleblower statute, which is relevant to those in the maritime industry, is the Seaman's Protection Act. The SPA was enacted to facilitate the U.S. Coast Guard's enforcement of maritime safety laws and regulations; it applies where a seaman takes part in a protected activity and is later discriminated or retaliated against by his or her employer. Protected activities include situations where: 1) a seaman refuses to perform his or her duties due to an unsafe condition and instead notifies his or her employer of that unsafe condition; 2) a seaman refuses to perform his or her duties because doing so would result in serious injury to him or herself or others; 3) a seaman testifies in a proceeding brought to enforce maritime safety laws; 4) a seaman cooperates with a safety investigation by the National Transportation Safety Board; or 5) a seaman notifies the vessel owner of a work-related personal injury or illness.

Notably, the definition of a seaman under the SPA is far broader than the definition under the Jones Act. A seaman, for the purposes of the SPA, includes any individual presently or formerly working on board a U.S.-flag vessel or any other vessel owned by a U.S. citizen as well as applicants for that type of work.

The complaint

In order to qualify as a whistleblower, the seaman must have alerted his employer of the unsafe condition. If the employer does not correct the unsafe condition or claimed improper action, the employee may file his complaint. The complaint, which may be either written or oral, is to be filed with the U. S. Department of Labor, Occupational Safety, and Health Administration (OSHA), if possible with the OSHA office responsible for enforcement activities in the geographical area where the seaman resides or was employed. The complaint must be filed no later than 180 days from the alleged violation.

The process

To succeed in his claim, the seaman must allege: 1) he or she is a seaman who engaged in a protected activity; 2) the employer knew or suspected that the seaman engaged in the protected activity; 3) the seaman suffered an adverse employment action; and 4) there is some inference to be drawn from the circumstances that the protected activity was a contributing factor, or reason, for the employer's adverse action which closely followed. If the seaman's complaint fails to meet these specifications, OSHA will not conduct an investigation.

If the complaint meets these requirements, it then becomes the employer's burden to rebut the presumption that discrimination or retaliation occurred. The burden on the employer is to prove, by clear and convincing evidence, that it would have taken the same adverse action against the seaman even if the seaman had not made the initial complaint or taken part in the protected activity. Where employers successfully rebut the presumption that discrimination or retaliation occurred, OSHA will decline to either conduct an investigation or discontinue an existing investigation.

Within 60 days of the initial complaint, OSHA will issue its findings as to whether there is reasonable cause to believe retaliation in violation of SPA occurred. If OSHA finds that there is reasonable cause, a preliminary order providing relief will also be issued at that time. Where a voluntary settlement between the parties cannot be reached, OSHA's order will require immediate reinstatement, and it may include several other potential remedies, such as the payment of back pay including interest, attorney's fees, and punitive damages up to $250,000. Absent objection by either party within 30 days, OSHA's findings and order becomes the final order of the Secretary of Labor. If objections are made, however, a Department of Labor Administrative Law Judge hears the appeals.

Other whistleblower statutes

There are several other statutes that govern those in the maritime industry that similarly provide that an employer may not discriminate or retaliate against its employees for reporting unsafe conditions or other violations.

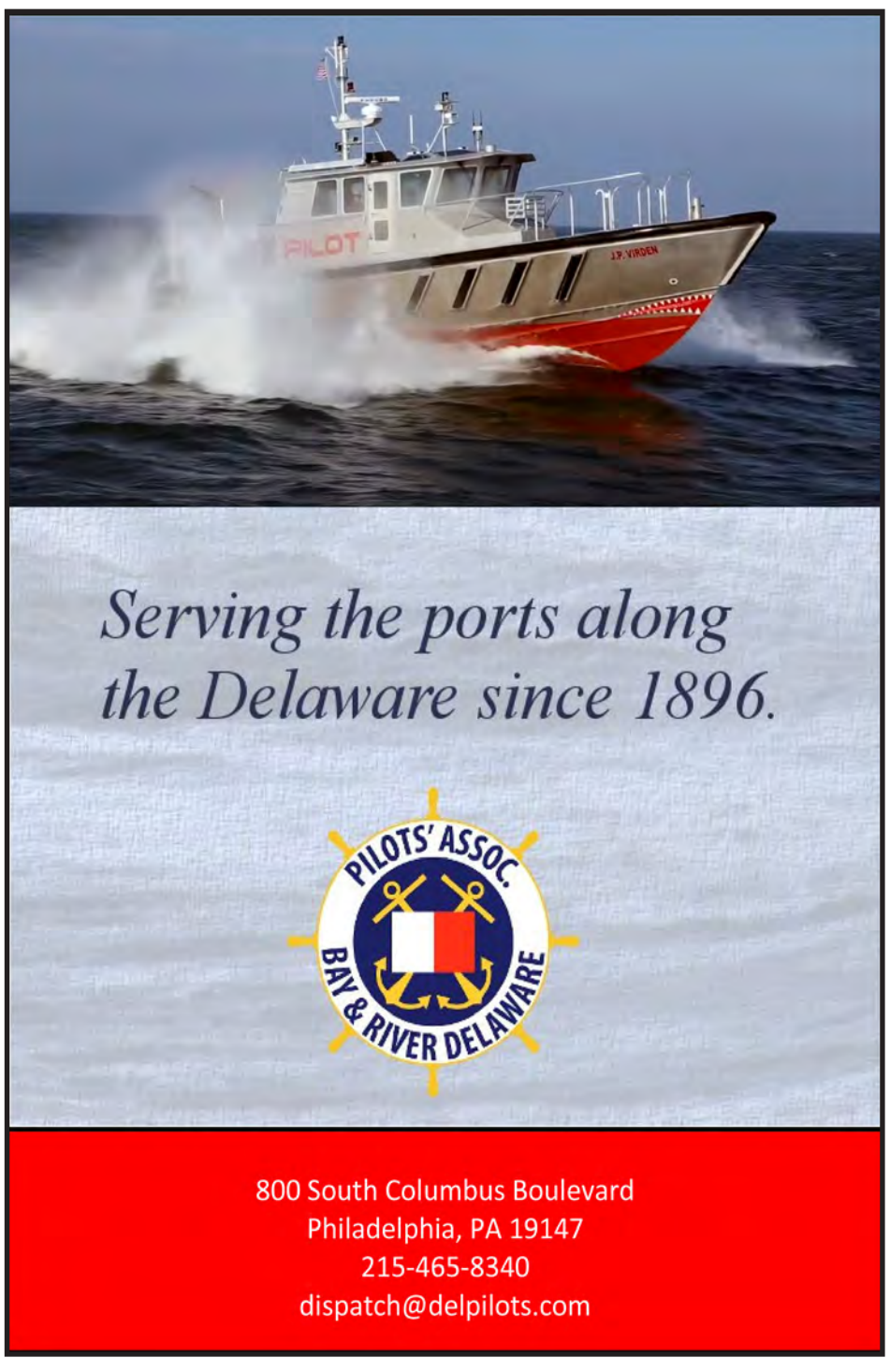
One such law is the International Safe Container Act, which prohibits retaliation for an employee's report of the existence of an unsafe container. Another is the Surface Transportation Assistance Act, which prohibits retaliation for employee's safety complaints regarding violations of commercial motor vehicle safety or security regulations. A third is the Federal Food, Drug and Cosmetic Act, which provides that no entity engaged in the manufacturing, processing, packing, transporting, distribution, reception, holding, or importation of food may discharge or discriminate against an employee



because the employee took certain protected actions.

In conclusion, both employers and employees should be mindful of the federal government's strong interest in seeing its safety laws enforced. Compliance with these laws both fosters a profitable maritime industry and contributes to the health and safety of those working within it. Whistleblower statutes provide significant protections to accomplish these objectives.

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Notes & News

Sandra L. Knapp has been re-elected Chair of the Management Committee at **Gawthrop Greenwood, PC**, a full-service law firm with offices in West Chester, Pa. and Wilmington, Del.

It is a role Knapp first took on in 2011 when she blazed a trail for female attorneys across the region by becoming the first woman in Chester County to be elected to manage a mid- to large-sized law firm. Knapp leads a five-person management committee that also includes Stephen R. McDonnell, Patrick M. McKenna, Michael F. Merlie, and Stephen G. Rhoads.

Knapp is part of a select group of women from across the country serving as the head of large and mid-sized law firms, according to the *Philadelphia Business Journal*. The publication reports that while more than 50 percent of U.S. law graduates over the past two decades have been women, men still comprise more than 80 percent of all partners. The number of women in management roles is even smaller. At Gawthrop Greenwood, women comprise 30 percent of partners, and that number is expected to grow.

Calendar of Events

02/20	Seamen's Church Institute Board of Directors Meeting
02/21	Joint AMSC Main Meeting/Managing Board Meeting Exxon Mobile Tech Center, 600 Billingsport Road, Paulsboro, NJ Contact Glena Tredinnick, glena.t.tredinnick@uscg.mil
03/08	Mariners' Advisory Committee Meeting
03/09	Seamen's Church Institute Spirit of the Port Luncheon Auletto Caterer, Almonessson, NJ Contact Christine Polit, 215-940-9900 x 104, cpolit@sciphiladelphia.org
03/14	Maritime Exchange Board of Directors Meeting, Annual Meeting, and Annual Election
04/04	Vessel Owners Dinner Sheraton Society Hill, Philadelphia, PA
04/11	Maritime Exchange Executive Committee Meeting
04/17	Seamen's Church Institute Board of Directors Meeting
04/25	Ports of Philadelphia Maritime Society Annual Dinner Cescaphe Ballroom, Philadelphia, PA
05/07	Seamen's Church Institute Annual Golf Outing Pennsauken Country Club Contact Christine Polit, 215-940-9900 x 104, cpolit@sciphiladelphia.org
05/09	Maritime Exchange Executive Committee Meeting, Board of Directors Meeting, and Organizational Meeting Corinthian Yacht Club, Essington, PA Maritime Exchange Membership Mixer Corinthian Yacht Club, Essington, PA 5:30 p.m. - 7:30 p.m. Contact Beverly Ford, 215-670-7946, bford@maritimedelriv.com
05/11	AMSC Managing Board Meeting USCG Sector Delaware Bay, Philadelphia, PA Contact Glena Tredinnick, glena.t.tredinnick@uscg.mil

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



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