THE BEACON

MARITIME EXCHANGE
240 Cherry Street
Philadelphia, PA 19106

ADDRESS SERVICE REQUESTED

PRSRT STD
U.S. POSTAGE
PAID
WILMINGTON, DE
PERMIT NO. 1635

Winter 2019
Volume 29, No.1

http://www.maritimedelriv.com ◆ exchange@maritimedelriv.com

ME2 launch a boon to Del. River ports



Four ships berthed concurrently at the Marcus Hook Industrial Complex in July of 2018. This marked the first time the facility saw full utilization since the 1970s.

Christmas 2018 brought a long-awaited present to the port industry and the residents of the Delaware Valley as a whole. On December 29, Energy Transfer announced that the 350-mile Mariner East 2 pipeline had entered into service, paving the way for a boost in energy exports through the Marcus Hook Industrial Complex, known as MHIC.

"Construction of the Mariner East pipelines and supporting infrastructure at the Marcus Hook Industrial Complex is projected to bring more than $9.1 billion in economic benefits for the state," said Michael Nesbitt, director of Marine Ops for Energy Transfer. "The projects are also supporting thousands of local tradespeople who are earning family-sustaining wages and spending money in the local community, as well as hundreds of small businesses and companies that are providing goods and services to those workers and their families," he said.

Mariner East 2 was the second massive infrastructure project in Pennsylvania recently for Energy Transfer and its subsidiary, Sunoco Pipeline. While Mariner East 2 required new construction, Mariner East 1 converted an existing refined products pipeline for use in moving natural gas liquids. The increased operations at the Marcus Hook site with the completion of the Mariner East system are estimated to generate between $1.4 and $2.1 million in taxes each year and spur significant new economic activity throughout the region.

"The arrival of propane, ethane, and butane via Mariner East 1 and Mariner East 2 and 2X to the Marcus Hook Industrial Complex opens the region up for a number of industrial processing facilities. We hope that more revitalization of energy facilities along the Delaware River will reduce the Northeast's reliance on imported foreign petroleum products, making the local economy stronger and the prices more affordable," Nesbitt said.

The Maritime Exchange, along with the other members of the Greater Philadelphia Energy Action Team, has worked to support Energy Transfer throughout the process. "We're expecting to see about 100 new ship calls per year as a result of Mariner East 2," said Dennis Rochford, Maritime Exchange president. "This activity will dramatically increase the $1.34 billion in revenues already generated by bulk liquid products moving through Delaware River ports."

As part of the Mariner East system, MHIC has been revitalized into a natural gas liquids hub. To achieve this, the facility has built new processing units, including an ethane/propane splitter, chilling, and refrigerated storage. Energy Transfer added six tanks storing approximately three million barrels of propane, ethane, and butane to support the Mariner pipeline systems, beyond the existing storage capacity of two million barrels in underground caverns. Energy

continued on page 8

U.S. businesses, workers, consumers paying the price for steel tariffs

The Trump Administration tariffs on steel imports under Section 232 of the Trade Expansion Act of 1962 may not have killed steel shipments arriving at Delaware River ports, but it has certainly wounded them.

In 2018, there were 40 fewer steel ship calls than in 2017, resulting in a decrease of more than 500,000 tons. "This situation has negatively impacted our regional port complex," said Dennis Rochford, Maritime Exchange president. "This adversely effects terminal operators and stevedoring companies, longshore labor, and other service providers such as pilots, ship agents, Customs brokers, and truckers."

As a member of the American Institute for International Steel, the Exchange has worked to oppose these tariffs. Foremost among the AIIS initiatives was last June's lawsuit in the U.S. Court of International Trade in New York City challenging the constitutionality of Section 232. In December 2018, a rare three-judge panel of the CIT heard oral arguments in the case.

"Our argument is straightforward," said Richard Chriss, AIIS executive director. "We are seeking an end to these tariffs on the grounds that Section 232 . . . is unconstitutional because, in enacting Section 232, Congress abdicated its constitutional responsibility to make the laws and attempted to give that power to the president. Moreover, in delegating its authority, Congress also failed to provide a required 'intelligible principle,' and as a result, the president can do whatever he wants to protect the domestic steel industry under the banner of 'national security,' which Congress has defined to include almost the entire economy."

AIIS achieved an early victory when the court agreed to its request for a three-judge panel to hear the case. The court may assign three judges when a case raises an important Constitutional question. By appearing before a panel rather than an individual judge, any decision may be appealed directly to the U.S. Supreme Court and thereby avoid the need to argue the case before the U.S. Circuit Court of Appeals.

Beyond this court action, legislative oversight activities in the 116th Congress may focus on the president's use of his broad authority under Section 232 to impose tariffs and related matters.

Senator Chuck Grassley (R-Iowa), the incoming chairman of the Senate Finance Committee, which has jurisdiction over U.S. trade policy, has indicated he will focus on the broader issue of executive branch tariff authority. "While I strongly agree with President Trump that we must have fair trade deals that benefit Americans, I do not believe that we should alienate our allies with tariffs as national security protections," Grassley said.

Trump Administration officials have indicated the president may push for even more authority to impose tariffs if he considers other countries' tariff and non-tariff measures too restrictive. Chriss said that "Senator Grassley's skepticism of the broad tariff authority Congress

continued on page 11

Interview with

U.S. Congresswoman

Mary Gay Scanlon



Mary Gay Scanlon represents Pennsylvania's 5th congressional district in the U.S. House of Representatives. Busy as she is setting up and staffing her Washington, D.C. and district offices, Rep. Scanlon agreed to take time to share with Exchange readers some of her views concerning trade and port security.

Q: How can we improve international trade at our ports? Global freight trade has gradually slowed over the past couple of years, in part due to the ongoing trade war. This has had a negative effect on the lives of maritime professionals in our region and could get worse if conditions do not improve. What steps do you think Congress can take to stop this troubling trend?

A: Maritime trade is an issue close to my heart. I was born and grew up alongside the St. Lawrence Seaway, the system of canals and channels that allows vessels to transport 40-50 million tons of cargo to and from the Great Lakes annually. I am now proud to represent the Port of Philadelphia and the adjacent riverfront down to the Delaware border and look forward to expanding jobs and trade opportunities for our region.

In Congress, I will advocate for increased infrastructure spending to improve and expand our intermodal transport networks. We need to improve our infrastructure to support our participation in international trade.

The deepening of the Delaware River will be complete this spring, allowing the Port of Philadelphia to accommodate Panamax and post-Panamax ships. We must do everything we can to capitalize on this development by investing in infrastructure that will allow for the efficient storage and transport of goods through the Port of Philadelphia. I am excited about the funding commitments the Commonwealth has made to improve

continued on page 12



Current events highlight front-line port workers

Three things are going on as I sit down to draft this article. First of all, it's about 16 degrees outside, and with the wind chill it feels like minus 2. The partial government shutdown has passed the one-month mark. Oh, and we're celebrating Martin Luther King, Jr. Day.

Combined, these factors make me particularly aware of the many people who work under often strenuous and physically demanding conditions to ensure our port operates safely and efficiently every day. Of course, longshore workers and seafarers come immediately to mind. Pilots, tug and other workboat crews, and maintenance workers are not far behind. These men and women are out there day and night, whether calm or stormy, and — on days like today — when conditions can be potentially life threatening if appropriate care isn't taken.

Today, when many office staff have an extra day off for the MLK holiday, these folks are doing their jobs to keep the ships and ports humming and the cargos moving. As I sit in my warm office, I can't help but think how much we owe them all a debt of gratitude.

Yet, there's another highly deserving group of people who rarely get a mention when we talk about maritime workers. These are the federal officials who inspect ships, cargos, and crew arriving through our seaports. They too are out on the waterfront in all conditions.

The federal shutdown has shined a beacon on members of the U.S. Coast Guard. We've all seen the news stories about Coast Guard personnel who can't feed their families, and we've seen the response as people rally to support them.

But let us not forget these are not the only stories. Our colleagues — and friends — at Customs and Border Protection, the U.S. Department of Agriculture, and other federal agencies are in the same boat. Why they are not getting the same media attention is a puzzle, but they equally deserve our sympathy and support.

Not only are our federal partners out there today braving the sub-zero temperatures inspecting and otherwise processing the 26 ships in and moving through the port on this holiday, they're doing it without pay. They're doing it without having been paid since the first of the year. They're also doing it without complaining, at least not to us, their "customers."

The substantial majority of the federal employees who have worked during the shutdown or were called back to duty have done so in a professional, conscientious manner.

Perhaps the reason we may neglect to consider federal personnel when we think about port workers is that, unlike tug crews, labor, and other industry workers who are singularly focused on a safe and speedy flow of goods, the government officials' missions are different, and sometimes those missions delay cargo movement. When we find ourselves in what can be an adversarial position, we become the "us" and they become the "them."

The reality is we're all out to achieve the same goal: a prosperous and safe port.

So as you think about how you might help Coast Guard families, keep all the others in mind as well.

Perhaps the government will be back to full operation by the time you read this article. We certainly hope so. Either way, you might want to take a moment to thank our federal partners for their service during the shutdown. They've certainly earned it.

Update: The day this newsletter was slated for publication, we learned that both houses of Congress had passed a budget bill and the president would sign it — after several weeks of uncertainty during the "temporary" fix. We should all hope that this unfortunate situation, and the collateral damage it caused, will never happen again.







45 feet just around the bend



Dredge "New York" with Hydro Hammer installed. Photo courtesy of Steve Lawrence, Great Lakes Dredge & Dock.

When the $29.25 million in federal funding needed to complete the Delaware River Main Channel Deepening Project was included in the Corps of Engineers FY19 Work Plan, port stakeholders' could at long last see the light at the end of this very long tunnel.

Pennsylvania, through its Philadelphia port arm PhilaPort, is once again providing local match for this last bunch of funding.

Of the total ten contracts associated with the channel deepening project, only one remains to be completed. The last of the work is underway at Upper Reach B, between Chester, Pa. and Wilmington, Del., where approximately 150,000 cubic yards of rocky material is being removed, mostly with bucket dredges. This work, and the project as a whole is on track for completion by the end of the first quarter of 2019.

Del. River ports poised to prosper

On the cusp of finally deepening the Delaware River main shipping channel from 40 to 45 feet, significant investments to enhance infrastructure throughout the regional port are ongoing. The investment of over $400 million in federal and Commonwealth of Pennsylvania funds to build this project will spur investment in port infrastructure.

PhilaPort is making major investments in the Packer Avenue and Tioga marine terminals and at its Southport facility. In 2017, the South Jersey Port Corporation opened a new cargo terminal in Paulsboro, N.J. and there are plans for further expansion. In 2018, the Diamond State Port Corporation signed a fifty-year concession agreement with Gulftainer, a private terminal operating company, to manage the existing Port of Wilmington and to build a new container terminal in Edgemoor, Del. "Combined, these projects represent over $1 billion in public and private investment," said Maritime Exchange President Dennis Rochford.

A 2018 study by Martin Associates commissioned by the Maritime Exchange projected an increase in containerized cargo from 1.2 million to 2.0 million TEUs by 2030 and suggests automobile imports to our port will rise from 120,000 today to over 400,000 in the same time period. It also predicts increases in the movement of forest products, steel, and dry bulk products.

With the ongoing operation of the Mariner East 1 pipeline, the recent completion of Mariner East 2, and the planned deployment of Mariner 2X, continued increases in natural gas liquids exports from the Marcellus and Utica shale regions of Pennsylvania through the Marcus Hook Industrial Complex will add to already substantial volumes of liquid bulk products transiting the Delaware River.

The study also summarized the projected economic impact of marine cargo activity on the Delaware River.

Between 2017 and 2030, the number of direct, induced, and indirect jobs could increase from 55,200 to 62,600. Personal income will rise from $5.4 billion to $6.0 billion, and the port could see a 10 percent gain in business revenues, jumping from $3.7 billion to $4.1 billion.

"In all, this is a very positive forecast for our tristate port complex," Rochford said. "In this rapidly changing global marketplace, our port — with both public and private investments — is making the strides necessary to protect the business we have and capture substantial new business."

"The Mariner East system and the additional ship calls it will bring, the advent of a deeper channel and the additional ultra-large container vessels already calling Delaware River ports, and the significant investments already made or underway, all signal the onset of unparalleled economic prosperity for the maritime business community," said Patrick Dolan, president of the Ports of Philadelphia Marine Trade Association. "Our member employers and the longshore workers will benefit equally from the increased activity, as will the residents of the Delaware Valley as a whole."

Welcome New Members

Covert Transportation Logistics, LLC
2517 Highway 35
Building K, Suite 102
Manasquan, NJ 08736
732-920-3510
jcovert@loadctl.com
www.loadctl.com

Duffield Associates, Inc.
5400 Limestone Road
Wilmington, DE 19808
302-239-6634
www.duffnet.com

Electronic Marine Systems Inc.
800 Ferndale Place
Rahway, NJ 07065
732-281-7722
kpeterson@emsmarcon.net
www.emsmarcon.com

Essential Minerals
901 Lambson Lane
New Castle, DE 19720
855-431-7100
www.essentialminerals.com

Republic Bank
1818 Market Street
Philadelphia, PA 19103
215-564-6380
nleitz@myrepublicbank.com
www.myrepublicbank.com

SJ Logistics division of SJ Transportation Co., Inc.
1176 US Route 40
Woodstown, NJ 08098
800-524-2552
sjrail@sjtransportation.com
www.sjtransportation.com





Where is my flying car?

We are in the midst of a digital transformation at both work and home, with vendors promising to make our lives easier, increase productivity, and keep us more secure with the latest and greatest. While flying cars, à la the Jetsons, are not yet available, we will see bendable phones and more driverless (ground) vehicles this year. Smart phones will get smarter, and 8k televisions will hit the market.

So while we wait impatiently for our flying cars and a three-day work week, here's a quick look at a few of the many trends to keep an eye on in 2019.

Cybersecurity

It's simply impossible to talk about IT trends without discussing cybersecurity, so let's get this out of the way first. Any positive advances in security last year were overshadowed by many large-scale breaches that exposed the personal data of many, if not a majority of, Americans. The Exactis breach alone compromised the personal data of 340 million individuals. What will we see in 2019?

It's not going to get any better — look for more companies to disclose major breaches. And with the explosion in population and popularity of IoT devices, short for Internet of Things, criminals will ramp up efforts to exploit weak or nonexistent security in these devices to steal information and spread malware. Fortunately, industry is catching up, so be sure to take advantage of emerging services and software to protect your smartphones, security cameras, personal digital assistants, and other IoT devices. Many anti-virus options exist for your phones — install one now if you haven't already done so.

5G wireless

The fifth generation of cellular mobile wireless network is coming — well, at least to a few cities in the U.S. It will offer 20 times faster connectivity than the current 4G LTE and will eventually replace many hardwired connections to homes and businesses because of the much faster connection speeds, lower latency, and increased capacity for multiple connections. Rather than running coax or fiber to every location, providers will deploy 5G cell sites and deliver wireless modems to their customers.

And of course look for new 5G smart phones to replace the 4G LTE device you probably just bought.

Artificial intelligence

You don't have to worry about an AI cyborg army anytime soon, but the use of artificial intelligence continues to evolve and is being adopted by just about all facets of industry. If you have any doubt, consider that many of us already have daily interaction with limited AI via the digital assistants in our smart phones and home devices.

Ever use the chat feature on a web site to get help in lieu of phone support? It is very possible that the friendly person on the other end is not a person at all but is in fact an AI-driven chatbot. Of course, if your questions defeat the chatbot, a human is generally standing by to take over the digital conversation . . . at least for now.

Look for more improvements in the digital assistant arena and a more widespread adoption of support chatbots among larger companies.

Cloud computing

While not new, cloud computing is still worth mentioning. Prices will continue to drop, and available cloud options will increase. Service providers are also expected to offer more à la carte options to further entice companies that have yet to dip their toes in the cloud pool. Many organizations have adopted a hybrid model by migrating standard applications to the cloud, such as email and backups, while maintaining proprietary services on premise. This trend is expected to continue strongly in 2019.

Blockchain

The digital ledger system known as blockchain will continue to make the news, but the jury seems to be out as to when, and if, it will really take hold. IBM and Maersk are in the middle of a pilot program to develop a global supply chain platform based on this technology, and cryptocurrencies such as Bitcoin and Ethereum remain popular. One thing is certain, you will hear more about Blockchain this year as the emerging technology develops — even if many of us don't quite get how it works yet.

It is important to keep an eye on these technological trends and others when planning short- and long-term business goals and budgets. And part of the planning is looking at those technologies and platforms on the way out, such as Windows 7, which is being retired at the end of 2019.

Depending on your business model, you may not need to be on the bleeding edge of technology, but it certainly helps to keep an eye on what you may need to budget for in the next few years.

Change those passwords!

Password manager provider, SplashData, analyzed over five million stolen passwords published to the web in 2018 and provided this list of the most predictable passwords in common use. If you recognize one or more as a password you use (or something close), please change it — a random string of characters or passphrases that include upper and lower case letters, numbers, and special characters is always best.

!@#$%^&*	1234567	aa123456	football	princess
111111	12345678	abc123	iloveyou	qwerty
123123	123456789	admin	monkey	qwerty123
12345	654321	charlie	password	sunshine
123456	666666	donald	password1	welcome

RHOADS INDUSTRIES
MARINE REPAIR SERVICES
ISO 9001-2015 CERTIFIED | ABS & MILSPEC QUALIFIED
LAYBERTH | SHIP REPAIR
SHIP BUILDING



» All Utilities
» Garbage Disposal
» Portal Crane Service
» Line Handling
» Oily Waste Removal
» Propulsion & Aux Systems Repair
» Comprehensive Hull, Mechanical & Electrical Repairs
» Graving Dock
» Crane-Served Piers
» Shipyard
» Downriver

THE NAVY YARD
PIERS 2 & 5
DRY DOCK NO. 2
24 Hour Service

For all inquiries, please contact:
Robert Orbaugh, Operations Director | (267) 728-6549
rorbaugh@rhoadsinc.com
Brian Yarnell, General Foreman | (267) 575-2135

(267) 720-6300 · info@rhoadsinc.com · www.rhoadsinc.com

INDUSTRIAL WELDING & REPAIR, INC.
856-371-8912
MECHANICAL CONTRACTORS

Telephone: 856-371-8912
E-mail: services@iwr-inc.net
www.iwr-inc.net

Ship and Engine Repair

24/7 SERVICE PIER SIDE OR AT SEA

Welders / Rigging / Millwright

Ports of Call
Philadelphia/ New Jersey/ Delaware / Baltimore / New York

MOL: A long tradition of service

How many organizations in this region have a nearly 150-year history and are dedicated exclusively to promoting, protecting, and facilitating maritime commerce?

Of course, this is a trick question.

Anyone reading this newsletter knows the Maritime Exchange for the Delaware River and Bay is the only group that fits that bill. A nonprofit trade association serving as the voice of the Delaware River maritime community, the Exchange has numerous tools in its member services tool box which help it complete its mission. Among the most sophisticated — and well used — is Maritime On-Line®, the electronic information hub and communications center for Delaware River and Bay ship and cargo processing.

"MOL is the one-stop source for commercial maritime information in this region," said Exchange Director of Operations Paul Myhre. "The system was developed not by computer programmers who then try to sell it. Quite the opposite. It was designed by members of this port community — subject to their requirements and to their wants as well."

Unique among port community systems throughout the country, MOL allows subscribers to access and file ship schedules, manifest data, notices of arrival/departure, and real-time position information through one interface.

"Utilizing Maritime On-Line as we conduct business allows us to serve our customers more efficiently," said Timothy Gerland, vice president at Hudson Management Services, a wholly owned subsidiary of HudsonAnalytix. "We receive vessel schedule information and file cargo and crew manifests through a single portal."

From communicating instructions between ships and shore to providing vessel movement information and cargo status and advocating for port businesses with public policymakers, the Exchange is the common link between public agencies, law enforcement, and private-sector maritime stakeholders.

"Advocacy and information go hand in hand," Myhre said, noting that many laws and regulations coming from Washington rely on local communities for successful implementation.

Since MOL is funded by a partnership involving the private sector and the states of Delaware, New Jersey, and Pennsylvania, the Exchange is able to ensure access fees are kept very low. Myhre said, "We're one of the very few systems out there that allows unlimited employee access for each organizational subscription."

Access to real-time vessel position information significantly improves vessel and cargo operations and dramatically enhances maritime domain awareness for all port partners. The automatic identification system, when used in conjunction with the other MOL modules, provides subscribers with a comprehensive, common picture of Delaware River maritime operations.

"The Maritime Exchange's Maritime On-Line platform provides a unique, commercially neutral avenue for steamship lines and marine terminals to access ship reporting, cargo releases by U.S. Customs, stow plans, crew lists, and a real-time display of vessel locations on the Delaware River," said Penn Terminals President and CEO John Brennan. "For Penn Terminals and our customers specifically, the TRACS function in MOL for tracking CBP releases is a daily go-to to make our business cost effectively function."

From office or home, users can log in to a secure website to access critical information required for their day-to-day operations and long-term planning. "MOL also provides 24-hour access and support for our staff to utilize in service to our own customers," Gerland said. Access to 24-hour technical support is another rarity in the maritime information realm.

In the fast-paced, ever-changing world of technology, the Maritime Exchange is proud of its long tradition of service, its superior customer support, and its ability to leverage partnerships to bring the most efficient, lowest-cost applications to Delaware River port businesses and customers.

Contact Paul Myhre at pmyhre@maritimedelriv.com to see what Maritime On-Line can do for you.

IT systems — Off the shelf or customized?

By: Pat d'Entremont, Partner
Nicom Maritime



That's the age-old question, isn't it? Do we purchase a comprehensive information technology system, or do we write a custom application to meet our needs? Back in the 1970s, people were telling me my days as a custom code developer were numbered, because only so many types of software applications are possible, and soon they'd all be written.

Here I am forty years later running a company that has a roomful of developers building custom systems. Where did that prediction go wrong?

Well, it didn't go totally wrong. Certainly, many off-the-shelf systems are available today. No one, for example, would think to hire an IT firm to build an accounting package as businesses have many options, and accounting rules are so standardized that you are bound to find one that meets your needs. But of course, there's more to running an organization than just the accounting and — today more than ever — you need software to manage all the data you produce and consume.

Recent years have seen great strides in developing end-to-end systems that automate all aspects of information processing, from sales and marketing to managing suppliers to accounting and billing and myriad others. Generally called enterprise resource planning systems, or ERP, when implemented properly these integrated systems enforce a robust business process, and they bypass the need to convert data or transmit it from one system to another. Some of the better-known applications also make it easier to integrate with global partners since they have become standard. Further, they usually allow customization and the ability to add modules for processes not included in the core products.

The disadvantage to such systems is that they are extremely complicated and are time-consuming and expensive to implement, usually requiring specialized professionals. Plus, they often force organizations to change their business processes, meaning business risk and training costs. For these reasons, a decision to move to such a platform has to be highly strategic, with the knowledge that there will be a huge investment in time and money.

By contrast, we have "point" or "best of breed" solutions, customizable off-the-shelf products that are designed to work with one facet of the organization only. For example, such products handle port authority tariff billing, pilot dispatching, ship scheduling, or cargo tracking. By utilizing point solutions, organizations can prioritize their problems and solve the most pressing ones first. These are tactical decisions, meaning companies don't have to throw away their existing systems. They can customize these point solutions and integrate them with existing investments, and they are able to adapt these systems to existing business processes.

By focusing on one part of the business at a time, organizations don't introduce problems to parts of the business that are already automated, and the overall solutions offer a less expensive, faster return on investment, with a significantly less up-front capital investment.

Also consider that data sources are numerous, especially in the maritime industry — shipping lines, agents, tug operators, pilots, government agencies, etc. — and so are the stakeholders who continuously need information. None of these data sources and information needs remains static, which is why systems need to evolve. The Maritime On-Line system is a good example. It is much easier to modify and adapt such a system because it serves specific needs for specific people.

So, off-the-shelf or customized? What I've found in my career is that organizations are discovering that the correct blend of pre-written "point solutions" and customization is often the answer.

Pat d'Entremont is a Senior Partner at Nicom Maritime, an IT firm that provides professional advisory services and software products to the seaport industry. He can be reached at pat@nicommaritime.com or (902) 454-5656.





Herb to receive Spirit of the Port Award



The Seamen's Church Institute of Philadelphia and South Jersey named Robert A. Herb to receive the prestigious Spirit of the Port Award, bestowed each year to recognize an individual who epitomizes the spirit and humanity of the regional port community.

Among other criteria, Herb was selected for his many years of service to the SCI. He has been a member of the SCI board for over thirty years, serving as its secretary for the past seven. "The last decade has been a period of substantial change for SCI, especially from a financial perspective," Herb said. "We've seen leadership changes and staff reorganizations, and most significantly, we sold the building on North Fifth Street. It has been my distinct honor to have helped shepherd the organization past that period of fluctuation and onto the very positive path forward that characterizes our operation today."

Herb is the owner and president of Terminal Shipping Company, a 25-year-old ship agency with roots dating back to the year 1800 and operating in the Delaware River area as well as New York, Baltimore, Savannah, Charleston, and Wilmington, N.C. A Maryland native, he graduated from Mount St. Mary's University and has residences in both Maryland and Delaware. Though his home office is in Baltimore, Herb is especially active in the Delaware River port community.

Ray Heinzelmann, who chaired this year's Spirit of the Port committee, said Herb exemplifies the meaning of the Spirit of the Port Award. "He is always concerned with the human needs of the seafarers who visit our marine terminals and can be depended upon to support and contribute to the Delaware River port community," Heinzelmann said.

SCI Executive Director Helene Pierson said that another reason Herb was chosen for this award was due to his long service to the Maritime Exchange for the Delaware River and Bay. Exchange President Dennis Rochford noted that, "Not only did Rob Herb recently commit to serving as Maritime Exchange Treasurer — adding this responsibility to the many others already on his plate — he has managed to find a way to advocate for both ship owners/operators and crew members alike. He is among the most active ship agents in the region and a primary source of information on issues that matter to the Exchange."

Herb has been known as the "ghost of I-95" for the ground he covers during his average work week. His commitment to the organizations with which he works is top notch, and only a rare automotive problem will stop him from making a meeting, no matter the distance to get there. "His service, generosity, and high morals to make sure he isn't just a name on a board but an active, thoughtful participant, made him the perfect trifecta choice for the 2019 Spirit of the Port Award," Pierson said.

SCI invites the community honor Robert A. Herb on March 1 at Auletto Caterers in Deptford, N.J. See www.sciphiladelphia.org for event details.







Save the SSUS!

After being docked in Philadelphia for almost 20 years, the name *SS United States* should now be a household word. It certainly is for me, and it goes back to 1952 when she came into New York on her maiden voyage.

Growing up on the west side of Manhattan, we frequented the docks whenever a passenger ship tied up. While all the ships looked the same to a kid, there was something different about the *SS United States*. She looked very special — and 66 years later, she still looks special to me.

Through the years, I would continue to see the *SS United States* regularly down at the New York docks, along with the other famous ships: *SS America*, *Constitution*, *Independence*, *Argentina*, *Brazil*, *Santa Rosa*, *Santa Paula*, *Queen Mary*, *Queen Elizabeth*, *Rotterdam*, *Andrea Doria*, and many other beautiful ocean liners. I feel fortunate to have experienced this, as this fascination with ships led me to Fort Schuyler and then to sea.

Sailing on the North Atlantic with U.S. Lines (the owner of the *SS United States*), I was fortunate to meet the *SS United States* once in the middle of the Atlantic. She was going east to Europe, and my ship, the *American Courier*, was going west to New York. We met with a closing speed of more than 60 knots to my delight, and I will never forget this fantastic experience.

A possible new future

Today, while she sits quietly at her pier along Columbus Boulevard, her owners, the SS United States Conservancy, are busy looking for a deal that will restore this great ship. Last month, the Conservancy entered into an agreement with a prominent commercial real estate development firm, RXR Realty, which will begin to explore options to revitalize the *SS United States*. RXR is a real estate owner, manager, and developer located in New York City, and it owns or manages 93 commercial, residential, and retail properties in the New York City area.

All of us who support the ship wish the Conservancy well with this great news. I for one think this will be the project that will save this national treasure.

Please stay tuned. More to follow.

What's your definition of an unsung hero?

Gaining consensus on the definition of the word "hero" can be difficult, if not impossible. Clearly, the criteria that makes an individual worthy of that particular moniker certainly means different things to different people. The generally agreed-upon definition is "one who does great deeds but receives little or no recognition for them."

Last year, with the inception of the Unsung Hero Award, the Maritime Exchange decided it was long past time to shine a light on the heroes in our industry who, on a daily basis, do extraordinary things without seeking credit, and whose efforts go largely unrecognized. The response by the Delaware River maritime community to the creation of this program was nothing less than outstanding. Eric Clarke of Philadelphia Energy Solutions and the Unsung Hero Awardee for 2018 said he "was so excited when I heard the news. It's such an honor to be recognized by my peers in this way."

Likewise, the Exchange was excited and honored to again provide its members the opportunity to nominate a candidate worthy of recognition for 2019.

Program guidelines state that any employee or volunteer within any Maritime Exchange member company is eligible for nomination. Selection criteria include individuals who are responsible for a proven achievement within their organizations (e.g., new product or process that gains customers, saves money, etc. or development of a "best practice"), who are clearly "up and comers" who demonstrate a fresh approach to service in the maritime industry, and/or individuals who have served their organizations with extraordinary dedication and distinction over a period of time.

Not eligible for the Unsung Hero Award are those who have received previous port awards, such as Seafarer's Friend, Spirit of the Port, Friend of Chile, Maritime Society/World Trade Association "people of the year."

And, it's important to note that only Exchange members can submit nominations, and only employees of Exchange member organizations are eligible.

The purpose of the Exchange program is to honor those members of our maritime community who toil behind the scenes every day to help keep our port safe, efficient, secure, and environmentally healthy.

The nomination period for 2019 candidates closed on Feb. 15. Several worthy nominations of high-caliber candidates were received, ensuring that the nominating committee will have a hard time deciding on this year's awardee!

Whoever the winner may be will be honored in several ways. First, the candidate and his or her guests and nominating sponsor will enjoy a luncheon with the Maritime Exchange board of directors for an award presentation ceremony. The recipient will also be featured in a profile article in an upcoming issue of this newsletter. Finally, the awardee will be feted at the Exchange's annual membership event at the

continued on page 11



How the port industry is greening beyond compliance

By: Manon Lanthier
Communications Manager
Green Marine



You may not have heard of Green Marine, the most comprehensive environmental certification program for the Canadian and American maritime industry. However, you surely know many ports and terminal operators that are Green Marine certified.

Globally recognized, Green Marine is a voluntary, industry-led sustainability initiative for ship owners, port authorities, terminal operators, and shipyard managers. The certification program guides participants toward reducing their environmental footprint by setting various benchmarks that exceed regulatory compliance and foster a culture of continual improvement.

The Green Marine environmental certification program addresses key environmental issues through 12 performance indicators. Each year, participants benchmark their environmental performance through the program's detailed framework.

Some indicators are applicable to vessels, others to landside operations

The ship owners' criteria address greenhouse gases, air emissions, oily water, garbage management, and underwater noise.

The ports, terminal operators, and shipyard managers' criteria focus on greenhouse gases and air pollutants, spill prevention, waste management, environmental leadership, community impacts, and underwater noise.

Origin story

Voluntarily founded in 2007 by leading marine associations and industry executives in Canada and the U.S., Green Marine rapidly gained a reputation for transparency, credibility, and for challenging participating companies to steadily improve their performance.

The program was originally conceived for the Great Lakes and St. Lawrence corridor around the specific issue of aquatic invasive species, with the founders having no intention of expanding beyond the region. However, the interest it sparked throughout the marine industry enabled the program to evolve and be adopted across the East, West, and Gulf /coasts.

Green Marine's core value of continual improvement has the organization's sights set on further developing both its membership and the criteria that its participants use to address specific environmental issues related to their operational activities.

The certification program's framework is rigorous but welcomes maritime enterprises regardless of size, resources, and starting point as long as they satisfy current regulations and commit to continual self-improvement.

East Coast expansion

What started as a one-person organization now has six full-time employees with offices in Quebec City, Halifax, and Seattle. Program coordination is shared among three program managers. In 2016, Green Marine hired a new East Coast and Great Lakes Program Manager, Thomas Gregoire, who opened Green Marine's East Coast office in Halifax, Nova Scotia.

The staff increase was essential to support the rising number and diversity of participants. The membership has more than tripled in the course of the last decade, and it now exceeds 125 ship owners, ports, terminals, shipyards, as well as the Seaway corporations, in Canada and the United States.

Some participating members on the East Coast include Port Albany, Global Container Terminals in New York and New Jersey, Waterson Terminals in Rhode Island, and Ceres Terminals in South Carolina, Maryland, and Georgia, to name a few. The North Atlantic Ports Association also joined last year as an association member, pledging to help spread the word of this important sustainability program.

The Green Marine program's unique character stems from the support it earns from more than 65 environmental organizations, government agencies, and scientific research facilities across Canada and the United States.

Certification process

The annual certification process is rigorous and transparent. To receive certification, participants must benchmark their environmental performance through the program's exhaustive self-evaluation guides, have their results verified by an accredited external verifier, and agree to publication of their individual results.

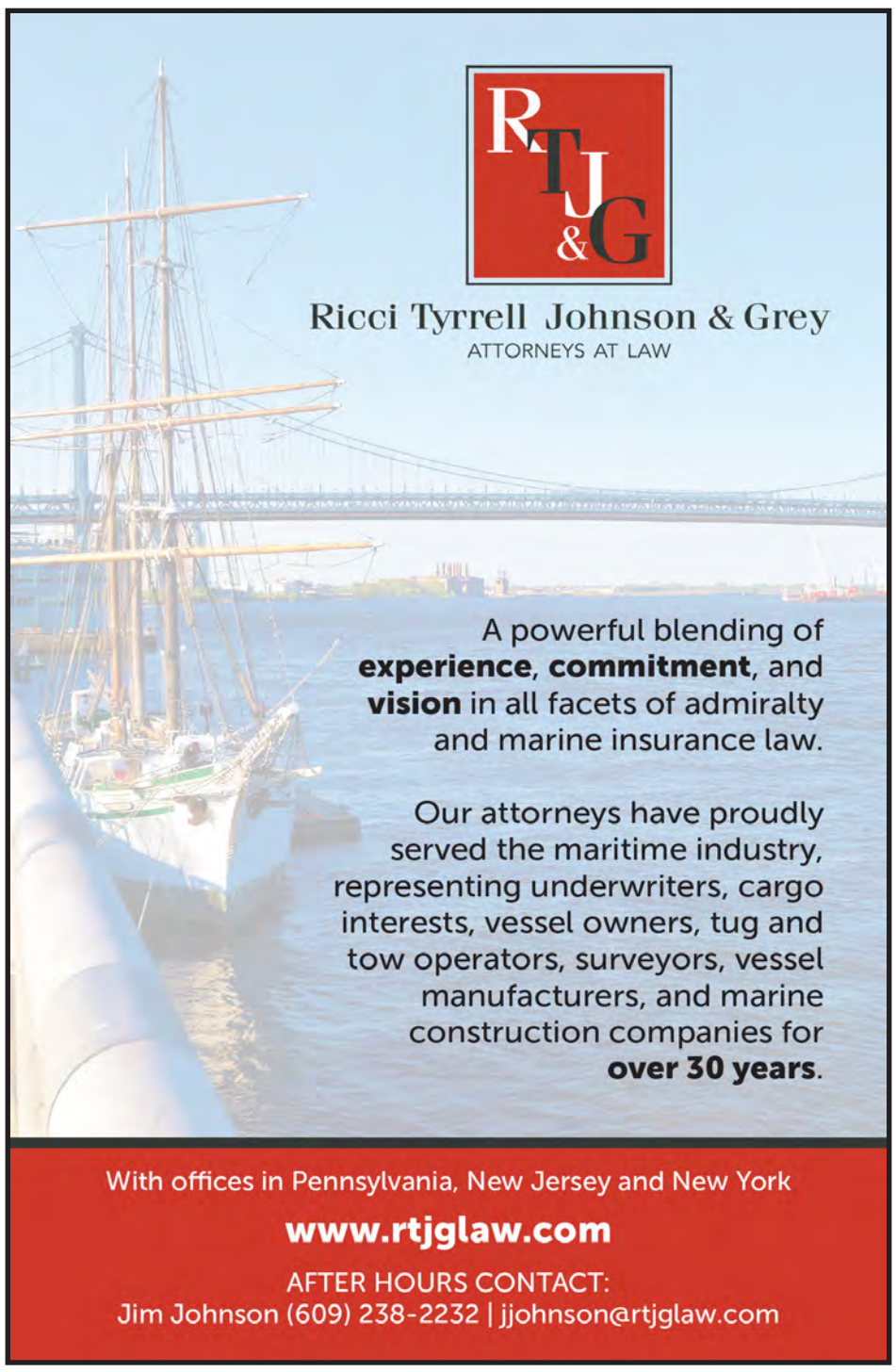
Using this framework like an off-the-shelf environmental management program, Green Marine participants are better equipped to improve their environmental performance. The program provides a structured plan that identifies concrete actions and the different steps required to achieve a higher level in each performance indicator, therefore serving as a roadmap for meaningful continual improvement.

Looking ahead

The certification program continues to expand its scope in response to emerging issues, increasing regulations, and better insight into current environmental challenges and advancements. Workgroups are currently developing the criteria for a new performance indicator that will split and replace the existing indicator for community impacts into two: one addressing noise, light, dust, and other nuisances, as in the past; and a new one focused on community relations.

Similarly, a different workgroup is establishing the basis for a new ship recycling performance indicator aimed at reducing the potentially harmful impacts of ship dismantling on human health, safety, and the environment. These new issues have been established based on membership input, while considering where Green Marine could make the biggest positive impact.

For more information and to join the Green Marine newsletter, please visit us at www.green-marine.org.



Pipeline enters service

continued from page 1

Transfer has also built a fractionator at MHIC to process natural gas liquids that it will transport along Mariner East 2 from western Pennsylvania.

Improvements at the facility have required nearly nine million man hours, involving more than 5,000 individual workers.

In 2013, Energy Transfer began transforming the MHIC from a shuttered refinery into a world-class natural gas liquids hub, with plans to meet new and incremental commercial demand using a new pipeline system. It started with the Mariner East 1 pipeline, which consists of inter- and intrastate propane and ethane service and commenced operations in the fourth quarter of 2014 and the first quarter of 2016, respectively.

The facility began receiving propane in January 2015, and it ships approximately 70,000 barrels a day of propane and ethane for distribution to local, regional, and international markets.

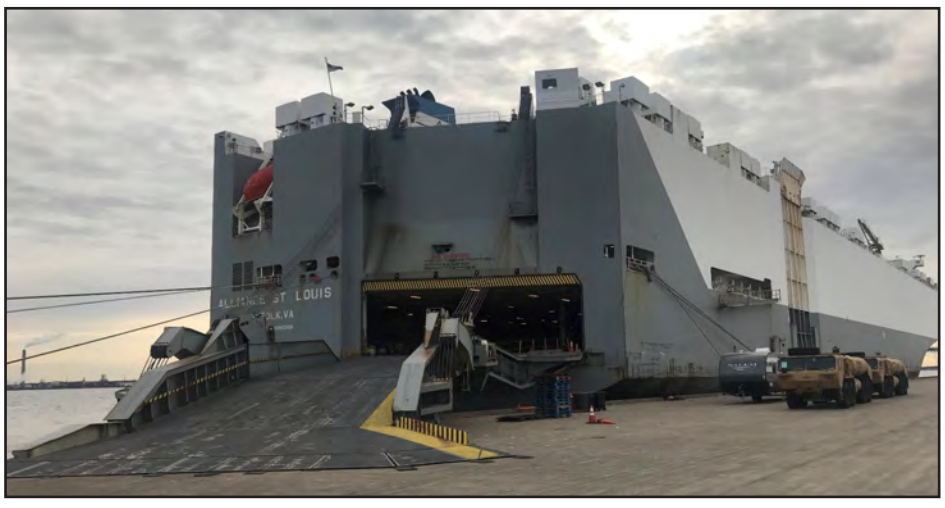
"Mariner East 2 will give the shipping industry along the Delaware River and Bay a much-needed shot in the arm in the short term. The first phase, Mariner East 1, came into service at a time shortly after refineries had closed or gone to crude by rail and helped balance some of the losses we saw in the number of ships in the port," said Capt. Jonathan Kemmerley, president of the Pilots' Association for the Bay and River Delaware. "What I am really excited about are the long-term opportunities that come with the continued buildout of the Marcus Hook Industrial Complex. As they continue to expand, we will see more opportunities in both the import and export markets along the Delaware. "

The facility last year commissioned a first-of-its-kind ethane truck-loading rack to complement its existing propane terminal that supplies propane for local and regional delivery.

Construction of the Mariner East 2X 16-inch pipeline continues across Pennsylvania, West Virginia, and Ohio and is scheduled to be finished near the end of 2019.

"The Delaware River is unique compared to other large ports in the U.S. because it is not encumbered by shutdowns due to fog or hurricanes, it has great access to infrastructure such as rail and highway, and the best part of all is its proximity to the largest shale reserve in the U.S. with Marcellus," Nesbitt said. "It is the Atlantic hub for shipping ethane to Asian markets for plastic production and to Europe for plastics and fuel. Shipping from here allows shorter routes to European markets, and only a little over 300 miles difference to the Panama Canal than the Gulf ports for Asian markets. With the river being deepened to 45 feet, it is poised for tremendous growth as a container port with no limits to the size of vessels it can support."

POW celebrates first Ford export shipment



M/V "Alliance St. Louis" loads Ford vehicles for export from the Port of Wilmington on Jan. 7, 2019.

The Port of Wilmington, Delaware, a major U.S. East Coast hub for vehicle exports, loaded its first shipment of new Ford vehicles destined for the Middle East on Jan. 7, 2019, welcoming the "Alliance St. Louis," a specialized roll-on/roll-off (RoRo) vessel operated by Höegh Autoliners.

The "Alliance St. Louis" commenced receiving her cargo of popular Ford models — the F150 pick-up truck, Taurus, Edge, Explorer, and Lincoln Continental — in the inaugural port call of a multi-year contract secured by logistics partner AutoPort, Inc. With a service frequency of three to four ship calls per month, Höegh will deliver Ford products to Saudi Arabia, United Arab Emirates, Qatar, Bahrain, and Kuwait.

"We are particularly thrilled to welcome Ford and its portfolio of outstanding vehicles to the Port of Wilmington in support of its direct distribution to global markets," said Eric Casey, CEO of GT USA Wilmington.

GT USA is the U.S. division of Gulftainer, a privately-owned independent port operator and logistics company with operations and business interests in the Middle East, the Mediterranean, Brazil, and the U.S. In 2018, GT signed a 50-year concession agreement with the State of Delaware to manage and operate the Port of Wilmington.

WISTA conference registration now open

The Delaware Bay Chapter of WISTA — the Women's International Shipping and Trading Association — will host this year's WISTA USA Annual General Meeting and Conference.

The annual general meeting for organization leadership is set for April 25, and the conference will be held on the 26th. Both events will take place at the Independence Seaport Museum, and WISTA Delaware Bay is planning a full schedule of events and activities.

In addition to the conference, attendees are invited to attend the Ports of Philadelphia Maritime Society annual dinner at Cescaphe on April 25 and a WISTA evening event aboard the Moshulu on the 26th. Member pricing for all events is $175, and it is $350 for non-members. Individual event pricing is also available.

A room block for conferees is available at the Hilton Philadelphia at Penn's Landing at the special rate of $209 per night. The block expires on February 27, 2019, so be sure to make your reservations now.

Visit https://www.wistausa2019.com to learn more, to register for the conference, and to book hotel rooms.







Inbound infrastructure! Philaport's PAMT poised for record-breaking 2019

Zero congestion and increased capacity mean fewer delays and minimal demurrage fees

In January, the "M/V Zhen Hua 25" departed Shanghai, China with two new super Post-Panamax container cranes bound for South Philadelphia. The two behemoths will navigate a lengthy global trek before reaching the Delaware River for an expected March 2019 arrival at the Packer Avenue Marine Terminal. The arrival will mark another important milestone in the comprehensive modernization project underway at Packer and highlights a key competitive advantage for shippers looking to improve time to market on the U. S. East Coast.

"Our terminal is currently under capacity, meaning we could handle rerouted surplus bound for nearby congested terminals immediately without blinking an eye," said David Whene, president of Greenwich Terminals, operator of the Packer Avenue terminal. "With ship productivity as high as 140 gross moves per hour, turn-times of under 40 minutes, and an abundance of available chassis, Packer Avenue offers carriers unparalleled efficiency in reaching the Mid-Atlantic region and beyond."

Boasting a $300 million public-private investment in the terminal, Packer Avenue is quickly becoming a model of 21st century port operations. The forthcoming completion of the Delaware River deepening project will provide a full 45-foot shipping channel through Philadelphia, allowing vessels as large as 14,500 TEUs to traverse into the port.

The deepening project is timed perfectly with the arrival of the new super Post-Panamax cranes, which will bring the total operational cranes on the terminal to six — a seventh will arrive in August. This increase in capacity will only lead to improvements on the 40-minute container turn times. Terminal-wide improvements in lighting, electrification, and warehousing add to a 360-degree modernization that has helped drive overall throughput capacity for PhilaPort to one million TEUs per year.

"We have always known that PhilaPort's market potential was significantly greater than reflected in past volumes," said PhilaPort CEO, Jeff Theobald. "Now with our capital improvements nearing their completion, shippers should know that we have excess capacity and that we are open for new business."

PhilaPort has seen 166 percent container growth in the last decade, and it broke all records in 2018 by handling 600,000 TEUs. The surge in cargo volume is welcome, and PhilaPort's Packer Avenue Marine Terminal is ready to take its position as one of the premier cargo gateways in the U.S.

Slootmaker Marine Equipment (SME) Inc.

Automation + Controls • Marine Electrical Services
Marine Equipment • Technical Services

Local - Regional - Global for Your Vessels

P.O. Box 206, Swarthmore, PA 19081 USA
24h Tel +1 267 984 7247 peter@slootmaker.net www.slootmaker.net



Honoring the 100th anniversary of the Armistice



Maritime Exchange Chairman John Reynolds *(l)* and Exchange director RADM Joseph Hare *(r)* joined MG Wesley Craig at the Union League of Philadelphia on November 11, 2018 to commemorate the 100th anniversary of the Armistice. MG Craig served as the 34th Commanding General of the 28th Division from 2003 to 2006 and then as the Pennsylvania Adjutant General 2011 to 2015. Craig is shown here portraying Major General Charles Muir, Commanding General, 28th Infantry Division in World War I. Muir led the 28th Division for most of its combat action in France. Event attendees enjoyed viewing historical WWI displays throughout the Union League the day of the celebration.

Seafarer shares his thoughts while on vacation

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

Many of us have memories of a "pen pal" when we were young. My job as SCW executive director keeps me communicating with others far away much more routinely than I would ever have expected.

During 2018 I had the pleasure of meeting a young man — a deck officer on a container ship. His job brought him to the Port of Wilmington every other week, and he soon recognized that several of his shipmates came to the Center to rest and relax. He quickly learned to love the coffee, snacks, occasional sandwiches, and friendship offered to him by the SCW volunteers. And he took advantage of our free wi-fi to contact his girlfriend while in port.

And so, Dan became one of our "regulars."

As he was signing off for vacation in November, Dan told me he may not be coming back to Wilmington. He was thinking of signing a contract with a different company to gain more experience. As Dan left the Center, I offered him my business card and asked him to stay in touch. He was such a nice young man who charmed us all with his manners, quick wit, and obvious intelligence. Little did I know that we would start exchanging emails and photos . . . my newest pen pal.

His vacation at home allowed Dan to spend many long hours with his parents and his girlfriend, and he sent photos of his hiking adventures. Smiles were everywhere.

Dan ended up signing a contract that would bring him back to our port and sent me an email to share the news. In that message he lamented about going back to sea and how much he would miss the opportunity to share meals with his parents and walks with his girlfriend. He felt surprised that he was already missing them and hadn't even left home yet.

The important part of this story is what followed. Dan went on to tell me that no matter how lonely he becomes and how much he misses everything familiar, it is the sheer knowledge that he can give his parents a better life by going to sea that keeps him going. I was absolutely dumb-struck at his sentiment. How many young people today make life decisions based on the needs of their families? Dan clearly derives great joy by turning the tables and helping them.

Sharing seafarer stories —Your help needed

We love sharing stories like these with our supporters — our own SCW community. We are now working to increase our social media presence to facilitate just that.

SCW is looking to recruit a few people to join our social media team. If you have experience, or even just an interest in learning more, please let me know. It would be a great opportunity for you to share your expertise and ideas and help a good cause!

Contact jlyons@scwde.org or call 302-575-1300.

Brief update on trade Sanctions

By: John Donohue, Esq.
Ciardi Ciardi & Astin

Because of their importance to the Philadelphia port community, I am providing this update on the president's major trade initiatives. Anyone with questions is welcome to contact me.

China Sanctions

You will recall that when President Trump imposed his section 301 sanctions on the first group of Chinese goods, then valued at $35 billion, he announced a program by which interested persons could seek exclusions from the assessment if certain facts could be established. The assessment rate was 25 percent (Group 1). The President then imposed an identical assessment on a second group of goods valued at $16 billion, and he instituted a similar exemption-request program for Group 2.

In September when he imposed the 10 percent duty on the third group of goods (valued at $250 billion), the question was whether the U.S. Trade Representative would publish a notice that there would be an exclusion program for Group 3 as well. When the President announced that the 10 percent duty would be imposed on Group 3, he said that he would direct the USTR to begin negotiations with China to end the unfair trade practices. If those negotiations were not successful by March 2019, he would increase the duty assessment to 25 percent on Group 3 as well.

By the time the exclusion-request period was closed for Group 1, more than 10,000 requests had been filed. A simple statistical projection suggests that the USTR office likely could not handle the projected volume of exclusion requests for Group 3 that were filed for Group 1. An exclusion program for Group 3, therefore, should not be considered automatic. Indeed that proved to be the case, and no exclusion program was announced.

Since the 10 percent duty assessment on Group 3, and in light of the significant volume of merchandise covered in this group, the international trade community has placed fairly intense pressure on the USTR for an exclusion program on Group 3 goods that mirrored the exclusion programs of Groups 1 and 2.

On January 17, 2019 Reuters and Bloomberg published articles that USTR Ambassador Lighthizer wrote to Sens. Toomey (R-Pa.) and Jones (D-Ala.) advising them that, should negotiations for modification of trade policies with China break down and should the President opt to increase the duties from 10 percent to 25 percent, he intends to institute a program of exclusion for Group 3 products as he did for Group 1 and Group 2. No additional specifics were given, and the home pages of the USTR and Sens. Toomey and Jones do not publish the letter.

One must be careful to understand the concessions made by the USTR. The exclusion process will only be invoked if the U.S.-China negotiations break down and the 301 assessment on Group 3 is raised from 10 percent to 25 percent. If the rate is increased, an exclusion program is to be expected. But bear in mind that, at least under the current rules, any exclusion granted would only be valid for one year.

Automobiles

As you may be aware, the Commerce Department is investigating whether the importation of automobiles and parts threaten the national security of the U.S. and thus allow the President to assess duties on these products. This is generally referred to as the "Section 232 Investigation." That investigation remains ongoing.

On January 15, 2019, Sens. Jones and Alexander (R-Tenn.), both representing heavy automotive production states, introduced the "Automotive Jobs Act" which requires that, should the Secretary of Commerce report that the increase in automobile imports and/or automotive parts poses a threat to national security, no action to increase a rate of duty will be effective until:

1. The Commerce Department report is referred to the International Trade Commission;
2. The ITC conducts its own study to determine:

   a. The number of automobiles that are produced in the U.S. for export and the countries to which they are exported;

   b. The percentage of component parts of foreign origin used in the production of U.S.- produced automobiles;

   c. The number of component parts, used in the production of automobiles, that are not produced in the United States and would thus not be available to U.S. automotive producers if prohibitively high duties were imposed on imports of those parts; and

   d. The effect an increase in automotive manufacturing costs would have on jobs in the United States.

The proposed legislation would require that the ITC study be referred to Congress once it is completed and that no Section 232 duties be imposed on automobiles and/or parts until the study is conducted, completed, and referred to the Congress.

John Donohue's practice is concentrated on customs and international trade law. Contact him at 215-599-2019 or jdonohue@ciardilaw.com.

Traffic Club Award



Bill Hankowsky of Liberty Property Trust accepts the Person of the Year Award from Traffic Club of Philadelphia President Charlie Baselice.

Steel tariffs burden U.S. economy

continued from page 1

has already delegated to the president would seem to indicate that the administration would have quite a tough time convincing Congress to broaden the president's existing considerable tariff powers."

Also complicating the imposition of the tariffs are the effects of the partial government shutdown, which resulted in a halt to the Commerce Department's Section 232 product exclusion process. No exclusions have been granted since December 21. With more than 100,000 steel and aluminum exclusion requests, the expectation is for significant backlog and further delays in the process. "Even prior to the partial shutdown, the 232 exclusion request process was slow and confusing. The shutdown has greatly exacerbated the problem," said Chriss. "Companies seeking exclusion are facing delays, resulting in increased costs for themselves and their customers."

In its January 2019 Market Report, AIIS stated domestic steel companies are not getting the expected boost from the Section 232 tariffs. The report references a "New York Times" story in January that steel prices are back to pre-tariff levels and that steel industry employment remains below what it was a few years ago. "This and other sources confirm a common criticism of these tariffs — that the costs are ultimately born by U.S. businesses, their workers, and the American consumer," Rochford said.

Honoring the port's unsung heros

continued from page 7

Corinthian Yacht Club on May 8, when Exchange Chairman John Reynolds will present the Unsung Hero Award to this year's winner.

In the end, the definition of a hero is up to everyone individually. Take a moment to look around and identify the men and women in your orbit who, in your estimation, are heroes worthy of acknowledgement — ordinary men and women who would never think of themselves as heroes but who get the job done.

Celebrate them and the positive differences they have made in your organization by nominating them for a future Maritime Exchange Unsung Hero Award!



Linde partners with Del. City Refinery on new hydrogen production facilities

Linde and PBF Energy broke ground last November for a new hydrogen plant being built in Delaware City, Del. The project is a joint effort in partnership with PBF subsidiary Delaware City Refining Company.

Investments by Linde and Delaware City Refining Company in this project, including a 25 million standard cubic feet per day hydrogen plant and supporting infrastructure, are expected to exceed $100 million. As part of the initiative, Linde will design, build, own, and operate the hydrogen plant, which is targeted for start-up during the second quarter of 2020. The project will generate about 80 to 100 construction jobs at peak workload, seven permanent positions, and 25 to 30 local contractor employees during major turnarounds.

"Our partnership with Linde has allowed us to progress this attractive project, which will make our Delaware City Refinery even more competitive," said Tom Nimbley, PBF Energy Chairman and CEO. "The refinery already features complex crude processing flexibility, and the new hydrogen plant will expand our ability to convert our heavy feedstock slate into cleaner, higher-value products, including marine fuels that meet new global, ultra-low sulfur standards established by the International Maritime Organization that go into effect in 2020."



Joining in the launch of the new hydrogen facility were (l-r) Del. Gov. John Carney, Sens. Tom Carper and Chris Coons, Delaware City Mayor Stanley Green, PBF Energy CEO Thomas Nimbley, Delaware City Refinery Manager Jeff Coleman, USW Local 4-898 President Kevin Herbein, AFL-CIO /Building Trades Jim Maravelias, PBF Energy President Matt Lucey, and Dr. Raghu Menon, Linde VP, Business Development.

Dr. Raghu Menon, vice president of Onsite Investment Projects for Linde Americas, said, "Linde is committed to development and delivery of exceptional value for our customers. Linde customized our solution to meet PBF's and DCRC's criteria, including critical parameters such as plant efficiency, project schedule, and environmental performance. Our plant will include a steam methane reformer with a proprietary Linde design and a selective-catalytic reduction process unit that will reduce plant emissions and deliver excellent environmental performance."

Q&A with Scanlon

continued from page 1

our port facilities, and we must continue to find ways to devote additional resources for our ports to upgrade their cranes, piers, storage space, rail access, and roads to handle the changing face of maritime trade. Additional infrastructure investments will provide the opportunity for increased job training and quality apprenticeship programs. American workers deserve world-class education and workforce development programs, and it is our responsibility to ensure that quality pathways are available for everyone.

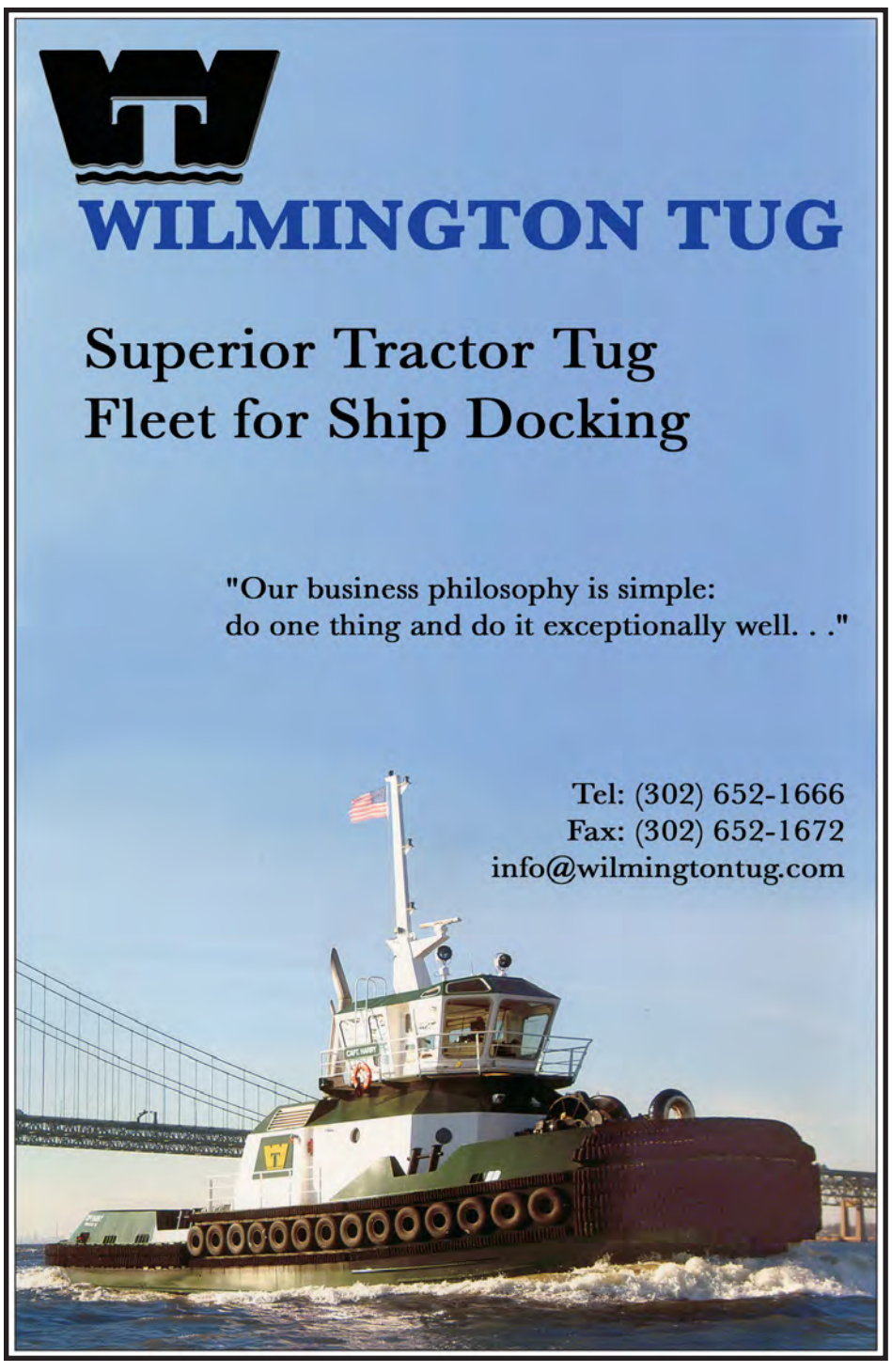
We also need to improve the infrastructure necessary for cost-effective transport from our heartland to our coasts. Many farmers and manufacturers struggle to economically get their goods to port, and this contributes to depressed U.S. exports.

A robust economy will also grow our production for export. We need to end the Administration's global trade war and roll back the tariffs imposed over the last two years. Our tariffs, and the retaliatory tariffs imposed by our trading partners, greatly harm America's ability to participate in global trade. The President and Congress need to develop trade agreements that will strengthen our economy while ensuring that rigid labor laws are included in any agreement.

Q: There has been much talk from Congress and President Trump of the need for border security, but it is important to note the critical need for enhanced port security as well, such as can be provided through port security grants and similar programs. Can you talk to the need for enhanced port security and also the appetite in Congress for getting it passed?

A: With all the focus on issues at the Southern border, the importance of other forms of border security has been overlooked. I understand the importance of protecting our borders while allowing for the free flow of legal trade. The need for better port security is paramount for our communities and the hardworking men and women whose livelihoods depend on the ports. We have seen recent examples of smuggling from China in our own Port of Philadelphia. Criminals should not feel comfortable shipping illegal drugs into our communities, and we owe it to the millions who have been affected by the opioid crisis to ensure that we take all necessary steps to keep these drugs off the streets.

We need to support the Coast Guard, which protects our ports, waterways, and shipping vessels. I grew up along the Canadian border where the Coast Guard was the primary form of border security. I am now tremendously proud to represent a district with such a strong Coast Guard population. These brave men and women are the first responders of our seas, and we owe them a sincere and lasting debt of gratitude. In Congress, I will fight to make sure that the Coast Guard has the resources and support it needs to complete its missions, to guarantee that they are paid well and on time, and to ensure that their capabilities are kept up to date with the latest in technology.





Maritime Day planning already underway

It's February. It's freezing. And who is thinking about May 2019 Maritime Day celebrations?

The members of the Ports of Philadelphia Maritime Society, that's who.

As in past years, the society board is planning a whole host of activities to not only celebrate the history of the U. S. Merchant Marine and today's mariners, but also the maritime workers of the future.

As in past years, the maritime society and its partners, the Maritime Charter School of Philadelphia and Independence Seaport Museum, are hosting a banquet to celebrate Maritime Day 2019. This year's event is set for May 22 and will take place at the museum. Stay tuned for additional information.

Scholarship applications now being accepted

The society is now accepting applications for its 2019 scholarship program. The society will award at least five $1,500 scholarships that can be applied towards school tuition, advancing Coast Guard licenses, or professional development training. Applications and supporting materials are due by March 31, 2019.

See http://www.portsofphilamaritimesociety.com/scholarship.html for details.

Upcoming events

In addition to the Maritime Day dinner, be sure to mark your calendars for these other society events. Note especially the April 25 annual dinner, when Robert Hudson, president and CEO of S.T. Hudson Engineers, will receive the 2019 "Man of the Year" award.

April 25, 2019
Annual Dinner
Cescaphe Ballroom
923 N 2nd St
Philadelphia, PA
5:30 p.m. Reception
6:00 p.m. Dinner

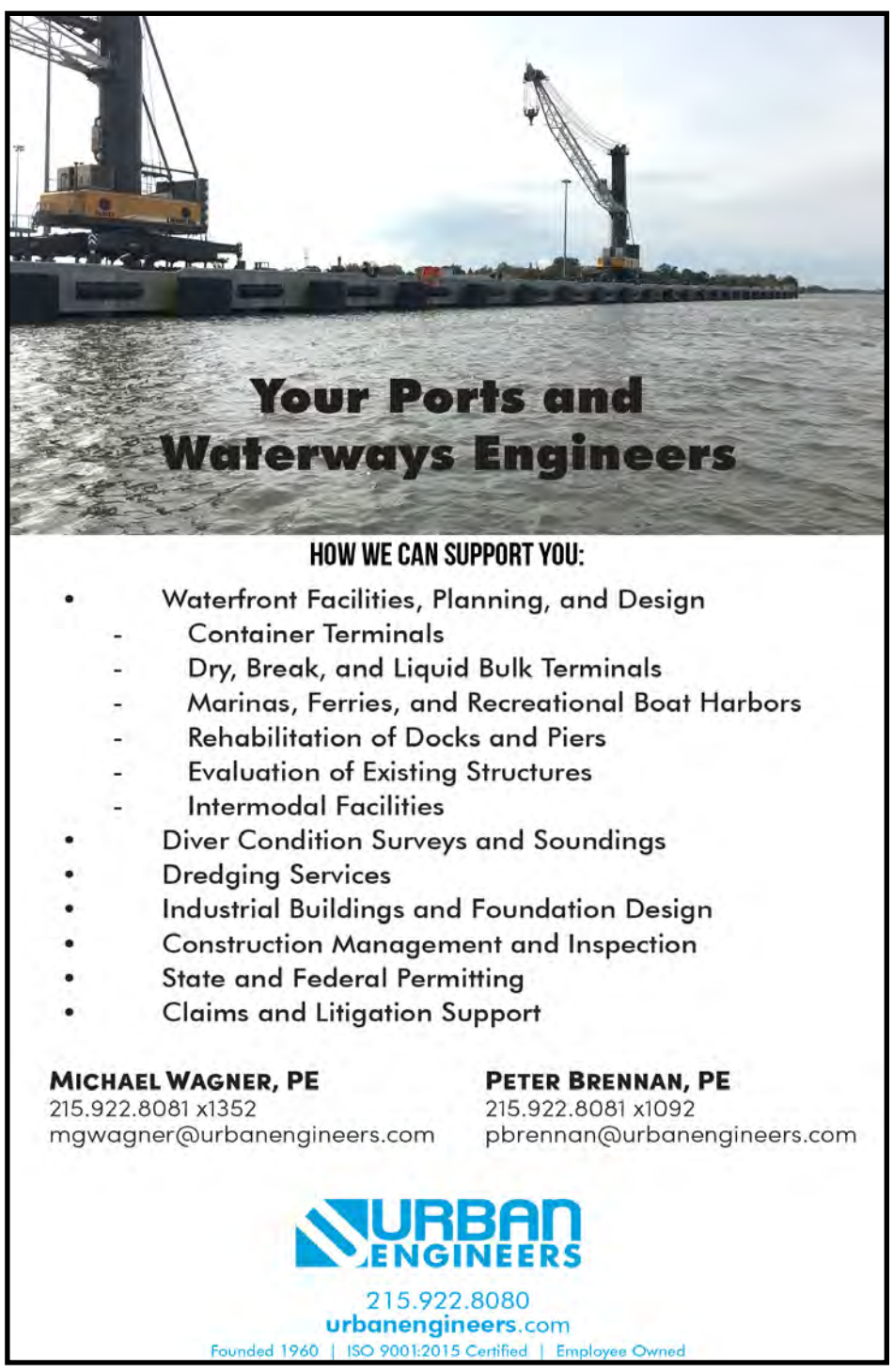
September 13, 2019
Golf Outing & Crab Feast
Springfield Country Club &
Corinthian Yacht Club

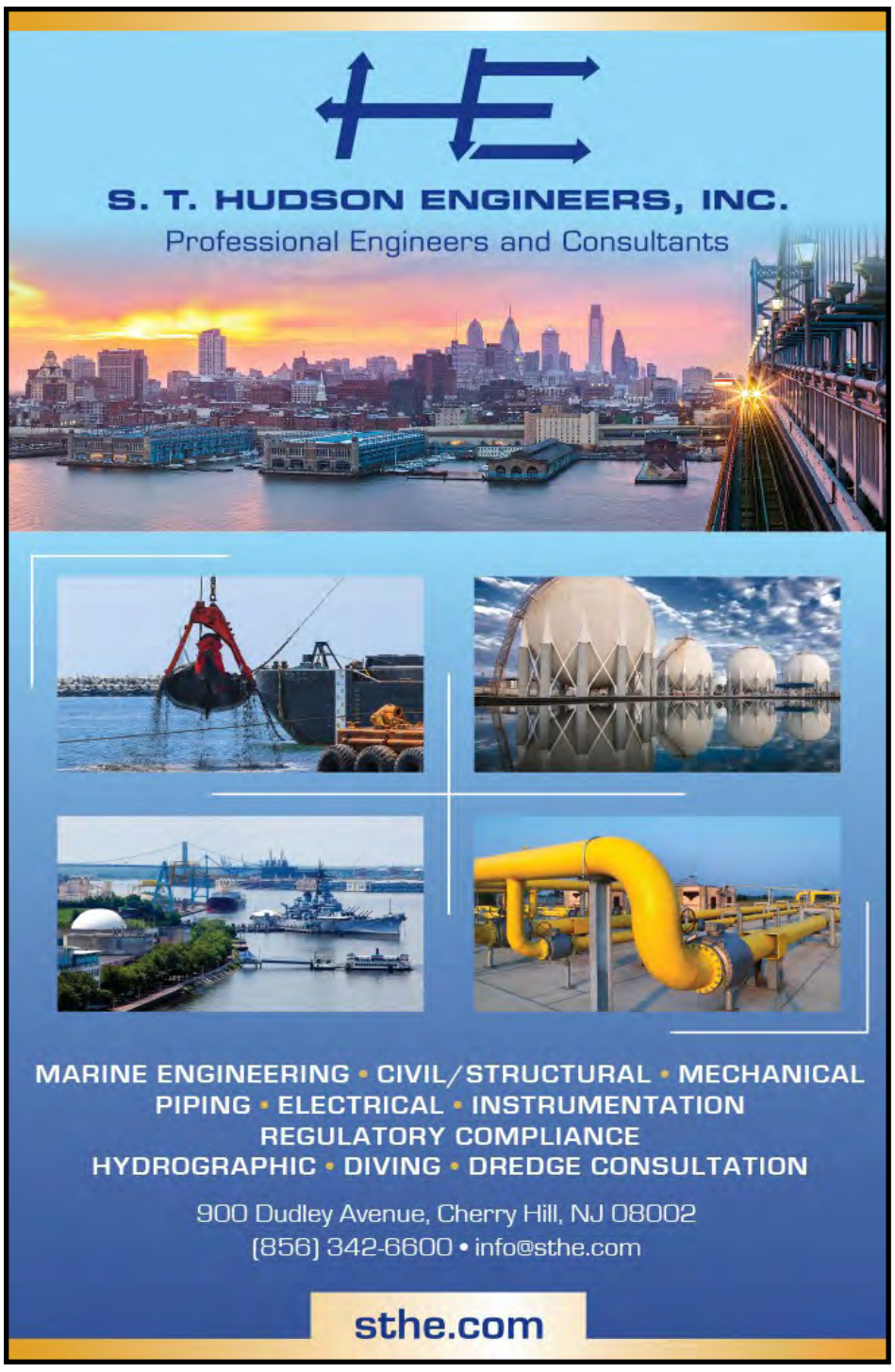
October 24, 2019
Presidents & Membership Luncheon
TBD

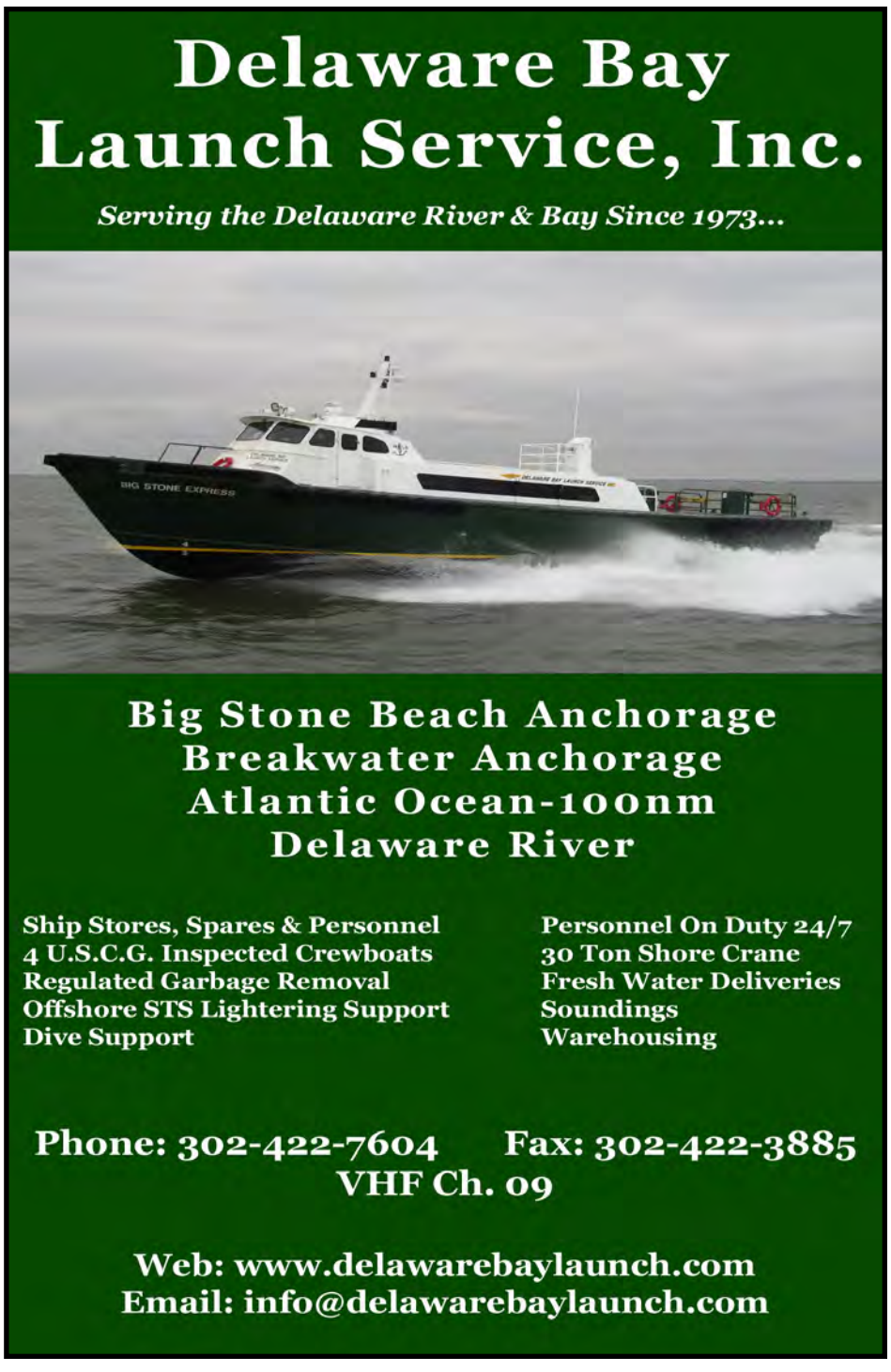
December 5, 2019
Joint Holiday Dinner
Ballroom at the Ben
834 Chestnut St.
Philadelphia, PA











Prioritizing painting in ship maintenance

By: Gavan Dunleavy, Chief Mate Unlimited
U.S. Shipping Corporation
NACE Certified Shipboard Corrosion Assessment Technician



Photo courtesy of Capt. Gavan Dunleavy

We have all seen ships in harbors around the globe that appear to be deteriorating. The orange rust bleeding down the hull makes you wonder just how seaworthy the vessel could be. As a mariner working in shipyards and on tankers through the years, I have come to greatly appreciate the value of a decent paint job on a vessel — and not just for the appearance.

In my early career, I never gave much attention to what a suitable coating management system was on board a ship. My response to this dilemma would always be as follows: "There is visible rust, and I need to get the crew together to chip the rust and clean it up a bit. We need to slap some paint on it before it starts to rain or we begin to take sea spray over the vessel's bow and then our day's worth of work would be ruined." I look back on this train of thought and realize just how flawed it really was, yet this is common throughout the maritime industry.

In shipshape

In the high-tempo world of commercial shipping, especially onboard tankers, much of the mariner's time is devoted to cargo operations, navigating, paperwork, maintaining one's health, and getting some well- needed, law-required sleep. There is, though, a small window that presents itself during transit from one port to another in the form of topside deck maintenance, such as the aforementioned chipping and painting.

This specific maintenance is one of the most important contributing factors in how long the vessel will last and how the vessel is perceived — not only by the customers and terminals that task you to move their cargo but also the ship-assist tugboat companies, harbor pilots, regulatory bodies, and shoreside owners of the vessel themselves. It is important to make a good impression on all who view or step aboard the vessel. But it's more than appearances.

Replacing wasted steel can be about 10 times more expensive than maintaining the coatings that protect it. So it should make sense from a vessel owner's standpoint to maintain a good-looking, well-painted ship. This is easier said than done! Being at sea does not offer ideal conditions for what we are trying to achieve as mariners. The sea is, in fact, fighting us every step of the way.

Getting the crew to care

Trying to keep the vessel's coatings in good shape between dry docks is a daunting task. It requires a crew willing to buy into the culture of making their "home away from home" look great and exceeding the original life expectancy. Today, this can be difficult to do in the maritime industry because crews rarely stay with one vessel, and upper level officers usually give directions with varying priorities.

One way ahead is to brief the assigned crew members on the reason and importance behind their coating-related tasks. What will this job actually do for the vessel?

Giving crew members some meaning behind what they might see as a boring task of steel prep, for example, encourages pride and ownership in their work. Take it one step further and discuss specific coating failures you've seen onboard. Believe it or not, the vessel's paint and steel are "talking" to you, and you can tell a lot about why there was a coating breakdown just by looking at it. Is it delamination or disbondment? What could have caused it? What does it affect down the line? Discuss this with the crew members so that they will hopefully take those lessons with them and pass them on to other crews on other ships.

Make time

A career at sea can be very stressful and difficult on a mariner and on his or her family. Ships and their crews are being pushed harder and harder every year. With crew and vessel operational costs soaring, it is understandable that crews are being downsized and vessels are moving faster between ports now than ever before. This leaves little time for crews on board to perform deck coating maintenance, let alone tank coating maintenance (generally completed in the shipyard if the ship is in poor shape). As seafarers, we must all do our best to motivate each other to keep the vessels in good shape, get the cargo to its destination safely and on time, and return home safely to our families.

Under the best conditions, having a vessel look good and run well in a nefarious environment is no small task, even if it may look easy to those on land. It is important for all those in the maritime industry to understand that mariners have to balance many different priorities on board. If the officers responsible for running the vessel keep the motivation high and are judicious with their daily work lists, the vessel will remain in good shape. Thus, the cargo will arrive safely and on time to its destination.

TSA releases NEXGEN TWIC® specs

Industry comments welcome

This past January saw the issuance of the much-anticipated technical specifications for the Transportation Worker Identification Credential reader hardware and card application specification. In an associated technical advisory, TSA indicated that "there are no immediate plans to require the use of this proposed NEXGEN TWIC® specification."

The documentation consists of four parts, which are linked. The proposed new specification is focused on maintaining backwards compatibility with existing TWIC cards.

The first part presents the general concepts of TWIC from a functional standpoint, without details on implementation.

The second describes the card interface, the two card applications contained in the card (known as TWIC® and PIV) and the behavior of the card during normal operation.

The third part describes reader requirements, the type of mechanical and electrical specifications, and the various options a reader manufacturer may claim, including portable and fixed readers.

The last part is for informational purposes and provides guidance on how physical access control systems can register TWICs and how cardholders may use the credential to gain physical access in various modes of operation.

The current TWIC reader hardware and card application specification was published in May 2012 and remains in effect. As part of a security and technology update, the public release of the NEXGEN specification is designed to gather comments, suggested changes, and contributions to a new specification that may be formally published in the future.

The technical advisory notes that "There should be no impact or changes in the existing process used by smart card readers as this specification is strictly for gathering industry comments."

The TWIC program requests smart card reader entities who use and rely on TWIC cards to provide input on the proposed specification. Comments may result in a revised specification that will be circulated for comment at a future date. Two rounds of public comments are under consideration by the TSA TWIC program officer.

A copy of the advisory is available on the Exchange web page at www.maritimedelriv.com/gov/TWIC_Nexgen.pdf. Please direct questions and comments to TWIC-Technology@tsa.dhs.gov.

MATTIONI, LTD.
COUNSELORS AT LAW

Global Perspective
Practical Solutions
Personal Service

Providing Legal Services to the Maritime and Business Communities

MATTIONI, LTD.

Pennsylvania
100 North Independence Mall West
Suite 5A NW
Philadelphia, PA 19106
Tel: 215-629-1600
Fax: 215-923-2227

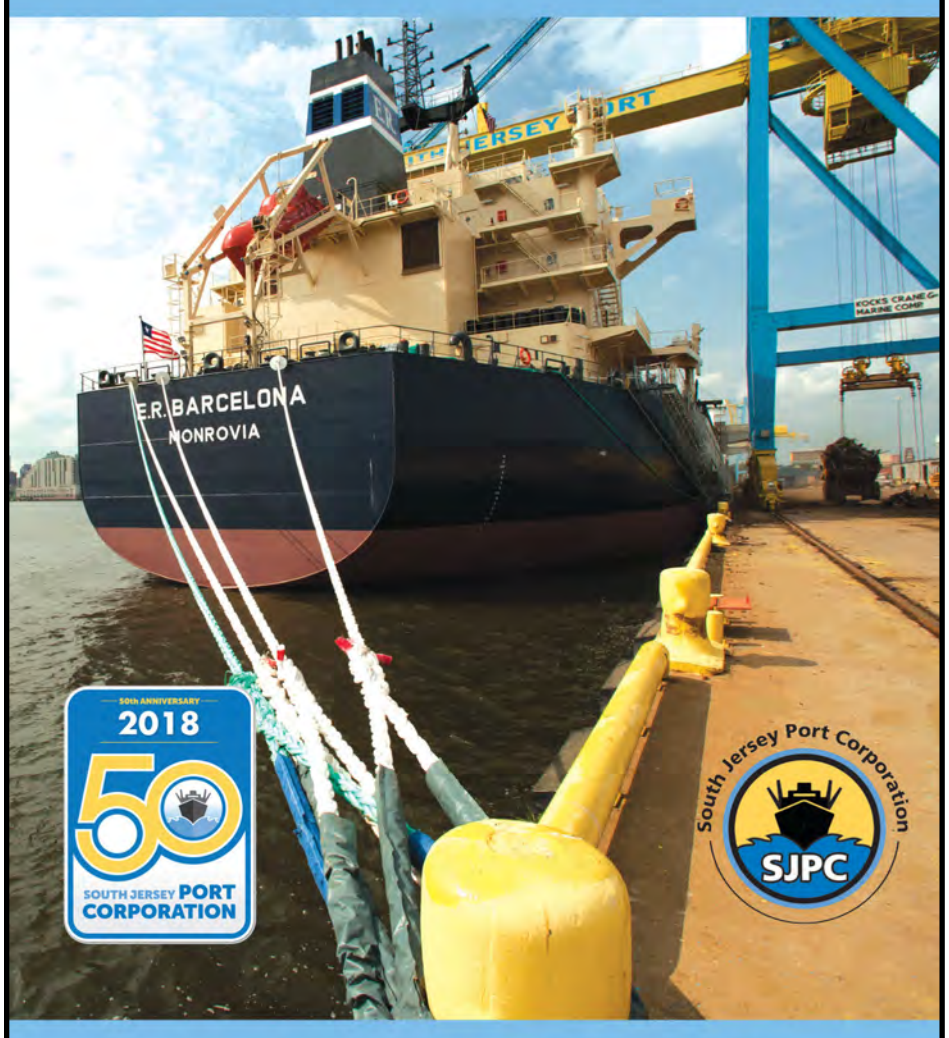
New Jersey
1316 Kings Highway
Swedesboro, NJ 08085-1615
Tel: 856-241-9779
Fax: 856-241-9989

After Hours

Eugene Mattioni	(215) 850-8298
Stephen J. Galati	(609) 670-1192
James Brooks	(757) 880-8310
John Mattioni	(215) 850-0498

firmmail@mattioni.com www.mattioni.com

SOUTHERN NEW JERSEY'S
INTERNATIONAL SEAPORTS
AT CAMDEN, PAULSBORO AND SALEM



SOUTH JERSEY PORT CORPORATION
101 Joseph A. Balzano Boulevard, Camden NJ 08103
www.SouthJerseyPort.com
t: 856.757.4969 • f:856.757.4903

PENN TERMINALS INC

Pennsylvania's Gateway to the World



Since 1986, the region's preferred business partner for :
- *Containers*
- *Perishables*
- *Breakbulk*
- *Project Cargo*

Penn Terminals, Inc.
1 Saville Avenue Eddystone, PA 19022 U.S.A.
Tel : 610-499-3000,101 | Fax: 610-499-3014
E-mail : sales@pennterminals.com
Web : www.pennterminals.com

Marine Terminal & Stevedoring Services

DRS

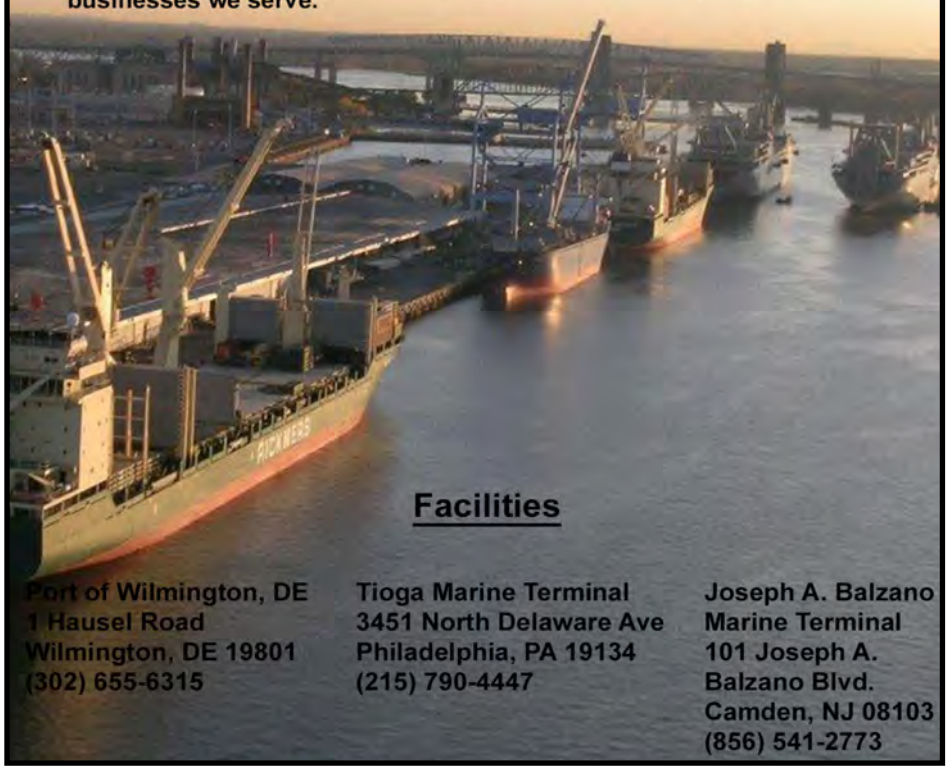
DELAWARE RIVER STEVEDORES, INC.
Corporate Offices
441 North 5th Street, Suite 210
Philadelphia, PA 19123
215-440-4100
www.d-r-s.com

Delaware River Stevedores has been providing stevedoring and terminal services in Philadelphia, Camden, and Wilmington since 1987. With over 3 million tons of cargo annually we are one of the premier Stevedore/Terminal Operators on the Delaware River.

In utilizing specialized gear, handling equipment and the latest technology to provide efficient and damage free cargo services we remain leaders in today's marketplace.

Together with the ports it services, Delaware River Stevedores plans each operation and anticipates potential problems to avoid any cargo damage or delays.

Our mission is to exceed the high expectations of the people and businesses we serve.



Facilities

Port of Wilmington, DE
1 Hausel Road
Wilmington, DE 19801
(302) 655-6315

Tioga Marine Terminal
3451 North Delaware Ave
Philadelphia, PA 19134
(215) 790-4447

Joseph A. Balzano Marine Terminal
101 Joseph A. Balzano Blvd.
Camden, NJ 08103
(856) 541-2773

Charter School lends a hand



In November, students of the Maritime Academy Charter School of Philadelphia delivered unclaimed Halloween candy to the Chapel of Four Chaplains for distribution to The Veterans Group House for Homeless Vets and to the Seaman's Church Institute of Philadelphia for merchant seamen visiting the port of Philadelphia. While at the chapel, the students helped plant a veterans "thankful tree" in the chapel's memorial grove. The tree was featured in the Philadelphia Veterans Parade where participants hung handwritten tags thanking the country's servicemen and women.

Call today to schedule your haul out on our new 820C Marine Travelift



More Than 50 Years of Boat Building Experience!

Yank Marine, Inc.
Mosquito Landing Road
Tuckahoe, NJ 08250
Phone: 609-628-2928
75 ton Marine Travelift • 200 ton Marine Travelift • 300 ton Marine Travelift • 600 ton Marine Railway

Yank Marine Services, LLC
487 Main Street
Dorchester, NJ 08316
Phone: 856-785-0100
50 ton Marine Travelift

For information call or email us at bjyank@yankmarine.com
www.yankmarine.com

Gawthrop Greenwood, PC
Attorneys at Law

Experienced • Respected • Responsive



Our attorneys represent local, U.S., and international transportation companies in all facets of:

- Acquisitions and Chartering
- Financing Transactions
- Joint Ventures
- Legislative and Regulatory Matters
- Environmental Matters
- Litigation

17 East Gay Street, Suite 100
West Chester, PA 19380
610-696-8225

3711 Kennett Pike, Suite 100
Wilmington, DE 19807
302-777-5353

www.gawthrop.com
Follow us @GawthropLaw

Center to provide specialized training for Philadelphia's maritime workers

Hundreds of current and future workers within Greater Philadelphia's growing maritime industry will have access to specialized training programs under an initiative announced recently by Citizens Bank, the Collegiate Consortium for Workforce and Economic Development, PhilaPort, and Philadelphia Works. The center opened in early December.

Representatives from the four organizations gathered at the Packer Avenue Marine Terminal in South Philadelphia to announce the creation of the Citizens Bank Regional Maritime Training Center — a first-of-its-kind workforce development initiative that will provide formal, enhanced training opportunities such as forklift certification and recertification, yard jockey training, and OSHA safety training. A $100,000 contribution from Citizens Bank and a mix of public and private sources are funding the center.

"Assuring that we have a well-trained, safe, and inclusive workforce available for our growing port economy is an important investment for Citizens Bank," said Daniel K. Fitzpatrick, president of Citizens Bank, Mid-Atlantic Region. "We are honored to team up with such wonderful partners to provide the Greater Philadelphia area with its first formalized training center for port employees."

With approximately 27 million people located within 100 miles, Philadelphia ports serve one of the most densely populated areas in the country. PhilaPort is the independent agency charged with managing and maintaining port facilities along the Delaware River in Pennsylvania and is a critical partner in this initiative.

"A 21st century port requires a 21st century approach to training our workers," said Jeff Theobald, PhilaPort executive director and CEO. "We've seen tremendous growth at the port in recent years, and we hope this partnership will help that growth continue, allowing us to remain competitive while keeping our workers safe."

The training center will be located at a former PhilaPort-owned overflow facility at 61st Street and Essington Avenue in South Philadelphia. Initial funding will support the purchase of a portable classroom trailer, line striping on site for obstacle training, heavy equipment rentals, and the purchase of palletized mock cargo for applied training. Partners estimate 200 new and existing workers will take advantage of the center's programs during the first year of operations.

"I applaud Citizens Bank, the Collegiate Consortium for Workforce and Economic Development, PhilaPort, and Philadelphia Works for launching this unique partnership," said Philadelphia Mayor Jim Kenney. "This investment in the port will not only provide family-sustaining jobs for Philadelphia residents but will help continue to position our region as a global leader in the maritime industry."



In December, industry leaders gathered to publicly announce the creation of a regional maritime training center. Included in the event were (l-r) Leo Holt, president of Holt Logistics, Daniel K. Fitzpatrick, president of Citizens Bank, Mid-Atlantic Region, Dr. L. Joy Gates Black, president of Delaware County Community College and chair of the Collegiate Consortium for Workforce and Economic Development, H. Patrick Clancy, president and CEO of Philadelphia Works, and Rich Lazer, deputy mayor of labor relations for the City of Philadelphia.

The Collegiate Consortium for Workforce and Economic Development, which includes Bucks County Community College, Camden County College, Community College of Philadelphia, Delaware County Community College, Montgomery County Community College, and Drexel University, will develop a curriculum for training at the new center.

Philadelphia Works, the city's workforce development board, will help fund and oversee training services at the center. It will also support grant writing for additional public and private funding.





Editorial

Guest Editorial

Cybersecurity and resilience issues are important to every industry

By: Richard Mroz



Federal officials, state officials, and leaders in various industries are grappling with the challenges from potential cybersecurity attacks.

This is not just about hackers trying to get credit card information, which can be debilitating if co-opted. Rather, this is something more sinister about bad actors trying to infiltrate our critical infrastructure and seeking to shut down our financial systems, transportation networks, or electric and water systems. If hackers can take down the electric grid for any extended period, it could disrupt our banks, businesses, and even our source of clean drinking water. This would disrupt our economy, our wellbeing, and indeed our very way of life.

A recent survey by the Conference Board suggests more CEOs of U.S.-based companies are concerned about cybersecurity risks than a recession.

I have spent considerable time focusing on the challenges of cybersecurity around utilities and particularly the electric grid. Government officials and regulators, along with the electric industry, have taken steps to focus on the problem, setting out some standards, identifying measures to protect the systems, and implementing those measures. Challenges remain, however, as the threats evolve and bad actors try to evade the evolving technology; industry identifies best practices, and everyone is looking to hire more cybersecurity personnel. And then there is always the issue of cost and how regulators work to determine the right balance of oversight of the expenditures.

The layer of protection is enhancing our ability to spot incoming threats and deflect or prevent damage in the first place. Threat detection and mitigation is, however, an evolving field and, following the logic of the old sports analogy that the best defense is a good offense, enhancing our national ability to bounce back quickly from a major grid disaster or shutdown is good common sense.

It is well-recognized that companies do not make major investments without advance regulatory assurance that their "prudently incurred" costs will be recouped in rates. While determining costs to prevent attacks and investing for potential response and recovery is a challenge, everyone needs to look at the benefits that would come from preventing an attack. And everyone should focus on investments that would help respond and recover from a hack. This is an approach for any industry, whether about investments to protect the electric grid or the shipping and logistics industries. The loss of critical systems that secure and route commerce if disrupted (or not restored quickly) can have detrimental ripple effects on our economy and lives.

Federal and state regulators across the nation expect companies to engage in long-term planning and risk mitigation. It seems both fair and prudent to support critical equipment programs that can clearly help companies plan against the inevitability of natural disasters or man-made attacks and be capable of restoring power more quickly and cost-effectively following a major power outage.

During my tenure as a regulator, I was willing to support investments for infrastructure that made it stronger to resist the effects of weather, intentional acts, or cybersecurity threats. Investments for technology enhancements, replacing aging systems, or hardening infrastructure in advance can provide a "resilience dividend."

Regardless of the industry, business leaders, regulators, and policymakers need to consider these investments and recognize that this dividend pays off with our ability to resist or bounce back from a natural disaster or cyberattack that would impact our electric grid or interrupt the flow of commerce.

Richard Mroz is the immediate past president of the New Jersey Board of Public Utilities, former chairman of the National Association of Regulatory Utility Commissioners Committee on Critical Infrastructure, an advisor to Protect Our Power, a not-for-profit organization whose mission is to strengthen the reliability and resilience of the U.S. electric grid, and a consultant and regular commentator on cybersecurity and infrastructure protection.

Polar vortex especially painful on the water

As we put this issue of *The Beacon* to bed, the central part of the nation and the Mid- and North Atlantic coasts are bracing for an upcoming arctic blast. Forecasts call for up to three days of sustained low temperatures and life-threatening wind chill effects. But as you read this article, an increasingly contrary Mother Nature may have provided a balmy 50-degree day — perhaps with a sighting of the sun!

In his column on page 2, Exchange President Dennis Rochford talks about the frigid weather on the Martin Luther King, Jr. holiday and how it evokes concerns for the many maritime workers who make their livings out of doors on ships and down at the waterfront.

While his article goes on to discuss those federal workers who labored without pay during the partial government shutdown, we now turn our focus to the seafarers who crew the merchant cargo ships sailing through winter storms and frigid temps.

Consider the following, submitted by Rev. David Reid, whom many of us remember from his days at Fairless terminal and who now serves as chaplain for the Seamen's Church Institute for Philadelphia and South Jersey:

> The temperatures have recently dropped below freezing, and we have seen ice floating along the Delaware. At this time of year, we are reminded of how these ambient weather conditions affect the lives of seafarers. The waters of the North Atlantic Ocean are not forgiving to mariners who find themselves in difficulty during the winter storm season.
>
> Thirty-six years ago, on February 12, the "Marine Electric" went down off the coast of Virginia with the loss of 31 seafarers. The "Marine Electric" had a connection with the Delaware River: she was built at the former Sun shipyard in Chester in 1944, one of the 281 T2 type design that Sun built during WWII. The northern section of the shipyard is now home to the very busy Penn Terminals.
>
> Interestingly another significant loss to the American flag was the recent sinking of the "El Faro," also built at the Sun Shipyard but in 1975. Sadly, both of these casualties now lay on the ocean floor.
>
> Shipping remains an invisible industry to many, but the lives of seafarers must not be forgotten. Earlier this month the "Sincerity Ace," a pure car carrier similar to those that regularly call at Pier 122, suffered a serious fire while sailing in the Pacific near Hawaii, with the loss of four seafarer's lives. As we keep warm this winter, spare a moment to remember all the seafarers who are out in the cold. Let's give them a special welcome when they come to the Delaware.

Members of the Delaware River port community have a long tradition of supporting merchant mariners. We know the jobs they do are critical to our own livelihoods, and we recognize that even on a good day, their work can be extremely dangerous.

But never is that more apparent than when temperatures are below freezing and cold winds are blowing across the water.

Remember, if you have gently used warm coats, gloves, hats, and scarves, consider donating them to one of our seafarers' welfare organizations. A once-a-year company coat drive is fairly easy to organize.

Also consider monetary donations to these worthy groups, who work tirelessly to support the men and women aboard ships in our port.

While a life at sea may once have been considered romantic, the lives of today's mariners are anything but, characterized by increasing restrictions and very short leave times, if any at all. As the temperatures fall, remember to donate what you can, and please keep these men and women in your thoughts.

MARITIME EXCHANGE
for the Delaware River and Bay

John Reynolds, Chairman
Uwe Schulz, Vice Chairman
Robert A. Herb, Treasurer
Dennis Rochford, President
Lisa B. Himber, Vice President
A. Robert Degen, Esq., Secretary/Solicitor

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

President signs the Save Our Seas Act of 2018

Legal Ease

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

In a rare bipartisan move Congress unanimously passed the Save Our Seas Act of 2018 (SOS Act), and on October 10, 2018, the President signed it into law. The Act addresses three areas of concern to the environmental and maritime communities: marine debris, maritime safety, and enhanced technology for the Coast Guard.

Title I – The Marine Debris Act

The SOS Act amends and reauthorizes The Marine Debris Act through 2022. The Act, first passed in 2006, required NOAA to establish the Marine Debris Program to "identify, determine sources of, assess, prevent, reduce, and remove marine debris and address the adverse impacts of marine debris on the economy of the United States, marine environment, and navigation safety."

Marine debris includes anything that does not naturally occur in the oceans, estimated to amount to eight million metric tons per year, including plastics that harm marine life and can enter into the food stream.

The SOS Act authorized $10 million per year for NOAA and $2 million per year for the Coast Guard. Earlier amendments addressed two "severe marine debris events:" the 2011 earthquake and tsunami in Japan and superstorm Sandy in 2012. Now, governors of states affected by severe marine debris events may request designation as such an event, opening the way for up to 100 percent federal funding for clean-up and recovery efforts.

Title II – The Hamm Alert Maritime Safety Act of 2018

Frank Hamm was a seaman who lost his life along with 32 others when the "SS El Faro" sank in October 2015. His widow pressed Congress for legislation that would provide more oversight and regulation to prevent such disasters.

The NTSB concluded that, among other factors, a failure in the company's Bridge Resource Management and Safety Management Systems to address severe weather policies and training contributed to the loss. The NTSB recommendations called for better oversight by the Coast Guard of designated third-party organizations authorized to act on behalf of the Coast Guard in connection with vessel inspection and certifications. Improved alerts and vessel equipment were also recommended.

While not addressing the full scope of the NTSB recommendations, the Act did adopt many of them, such as requiring the Coast Guard to implement a robust oversight program of third-party organizations, including identifying recognized organizations which surveyed or inspected vessels later found to have major nonconformities not identified in the previous survey or inspection. It also directs the Comptroller General to audit the effectiveness of the Coast Guard's oversight and enforcement of the safety management plans. Finally, the Act addresses equipment issues highlighted by the NTSB, including requiring inspected vessels to be fitted with current distress signaling and location technology for the vessel and crew and requiring the Coast Guard to enter into negotiations with IMO to amend Safety of Life at Sea conventions to require float-free voyage data recorders that include emergency position indicating radio beacons.

The Act also includes provisions calling for enhancing Coast Guard inspector training, exploring the feasibility of increasing the number of Coast Guard inspectors, and considering the use of civilian marine inspectors, licensed mariners, and retired Coast Guard members to carry out inspections. In a nod to Frank Hamm and the other mariners on the "SS El Faro," the Act directs the Coast Guard establish an anonymous safety alert system to allow crew members to report urgent and dire safety concerns directly to the Coast Guard.

Significantly, the Act did not address such recommendations as requiring bilge high-level alarms and enclosed stern-launched lifeboats, requiring watertight doors to be fitted with open/close indicators locally and on the bridge, requiring bridge resource management training for deck officers renewing their licenses and requiring that both deck officers and management receive advance meteorology training.

Title III – Center of Expertise

The final section of the Act authorized, but did not fund or mandate, the Coast Guard to establish a "Blue Technology Center of Excellence." This term encompasses any technology, system, or platform that: 1) is designed for use or application above, on, or below the sea surface or that is otherwise applicable to Coast Guard operational needs, including such a technology, system, or platform that provides continuous or persistent coverage; and 2) will support maritime domain awareness, search and rescue, emergency response, law enforcement, marine inspection and investigation and protection of the marine environment.

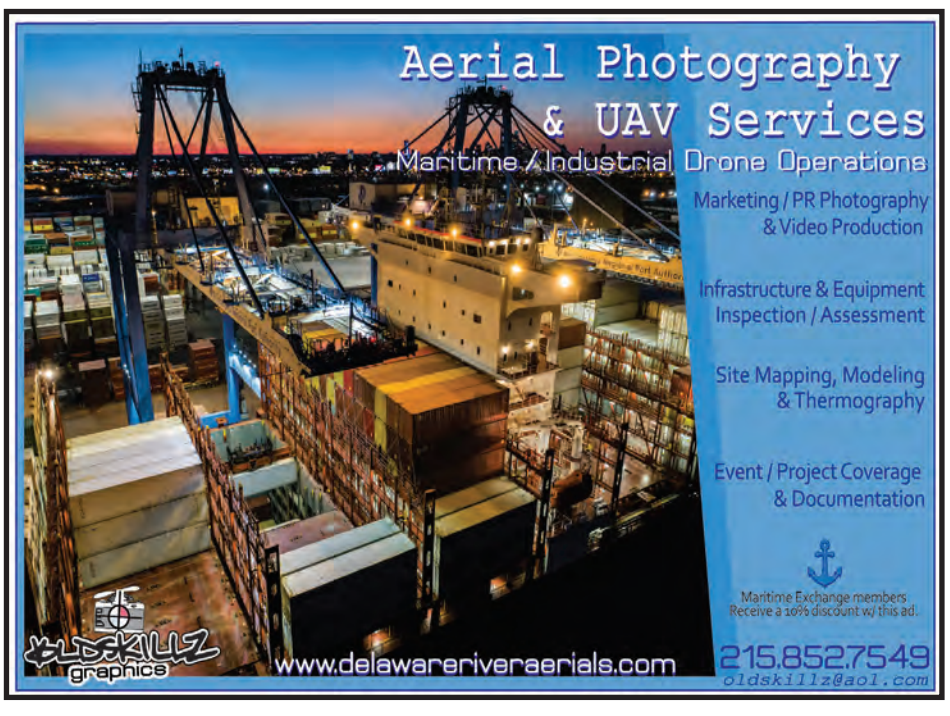
Such technology would include drones and ocean observation platforms to assist the Coast Guard in its mission, expanded by the Act to include myriad new blue technology activities. Among these are promoting awareness within and external to the Coast Guard about the range and diversity of blue technologies and enabling blue technology information sharing between the Coast Guard and the private sector, academia, nonprofits, and other federal agencies.



As noted, the establishment of a Blue Technology Center of Expertise was neither funded nor mandated. Fortunately, the section of the U.S. code that provides for establishment of such centers of excellence also permits the Coast Guard to accept donations from any "State or local government, any foreign government, any foundation or other charitable organization (including any that is organized or operates under the laws of a foreign country), or any individual." It seems that if the intent is to move the Coast Guard firmly into the 21st century, such an effort should be funded and fully supported by the federal government.

Overall, the SOS Act of 2018 is an important step toward improving the health of our seas and marine life and providing for enhanced maritime safety and security.





Serving the ports along the Delaware since 1896

PILOTS' ASSOCIATION BAY & RIVER DELAWARE

800 South Columbus Boulevard
Philadelphia, PA 19147
(215) 465-8340
dispatch@delpilots.com

Members on the Move

Schnabel Engineering
3 Dickinson Drive, Suite 200
Chadds Ford, PA 19317
610-696-6066
mroscoe@schnabel-eng.com
www.schnabel-eng.com

HORIZON STEVEDORING, INC.

Timothy Brown
President

2201 South Columbus Boulevard • Pier 82 • Philadelphia, PA 19148
Phone: 215-218-3080 • Direct: 215-218-3081
Cell: 215-837-9828 • Fax: 215-218-3089
tim.brown@pennci.com • www.horizonstevedoring.com



J&K Fresh East
A Division of 721 Logistics LLC.
"A Fresh Clearance!"

Specializing in Customs Brokerage for Fresh Fruit and Perishable Imports

399 Market Street, Suite 220, Philadelphia, PA 19106 610-994-5060

www.721Logistics.com

COMMERCE
Construction Corporation
603 Heron Drive
P.O. Box 662
Bridgeport, NJ 08014



- Marine Construction
- Terminal Facilities
- Refineries
- Marine Lift Services
- Foundations and Piling
- Construction Diving
- Underwater Burning/Welding
- Outfall and Intake Lines

Visit our website for a full list of our services
www.commerceconstruction.com
Phone: 856-241-0300
Fax: 856-241-2460

24 Hour Emergency Service
609-352-3679 - 609-352-1299 - 856-491-1424

Calendar of Events

03/01	Seamen's Church Institute Spirit of the Port Award Luncheon Auletto Caterers, Almonesson, NJ Contact Christine Polit, cpolit@sciphiladelphia.org or 215-940-9900 x 104
03/13	Maritime Exchange Board Meeting
03/14	Mariners' Advisory Committee Meeting
03/15	Port of Wilmington Maritime Society Winter Luncheon The Chase Center on the Riverfront, Wilmington, DE Contact Lindsay Pennington, powms@wtcde.com or 302-656-7000
03/19	PhilaPort Board Meeting
03/20	DRPA/PATCO Board Meeting
03/27	Seamen's Center of Wilmington Board Meeting
04/03	Vessel Owners' and Captains' Association Dinner Sheraton Society Hill, Philadelphia, PA Contact Bill Anderson, mail@generalmarine.org or 856-488-8300
04/09	U.S. Customs and Border Protection Quarterly Port Meeting U.S. Customs House, Conference Room 204, Philadelphia, PA Contact Trade Chief Mulhern, paul.mulhern@cbp.dhs.gov
04/10	Maritime Exchange Executive Committee Meeting
04/16	PhilaPort Board Meeting
04/17	DRPA/PATCO Board Meeting
04/25	Ports of Philadelphia Maritime Society Annual Dinner Cescaphe Ballroom, Philadelphia, PA Contact info@portsofphilamaritimesociety.com
04/26	WISTA USA Annual General Meeting & Conference Independence Seaport Museum, Philadelphia, PA Visit www.wistausa2019.com
05/03	AMSC Managing Board Meeting
05/08	Maritime Exchange Executive Committee Meeting Maritime Exchange Board/Organizational Meeting Corinthian Yacht Club, Essington, PA Contact Donna Stargell, dstargell@maritimedelriv.com or 267-670-7948
	Maritime Exchange Membership Mixer & Unsung Hero Award Presentation Corinthian Yacht Club, Essington, PA Contact Beverly Ford, bford@maritimedelriv.com or 267-670-7946

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

REEVES McEWING
LLP

MARITIME LAW
P&I ⎈ TRANSPORT-LOGISTICS ⎈ TRANSACTIONS



1004 S. FRONT ST.
PHILA., PA 19147
Tele: 267.324.3773

681 TOWN BANK RD.
CAPE MAY, NJ 08204
Tele: 609.846.4717

AFTER HOURS

Lisa Reeves	267.257.8225 (Philadelphia)
Brian McEwing	609.846.4717 (New Jersey)
Michael Schleigh	215.740.7047 (Philadelphia)
Ray Letulle	610.529.0038 (Delaware)

www.lawofsea.com