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Oil Industry on the Delaware River: A Changing Landscape

Just when Don Glenn, sales director for one of the largest barge carriers on the Delaware River, thought business had tanked for good, he was swamped with customers.

"We're busy. Very busy, thanks to the development in domestic crude. Seems like overnight there has been an explosion in rail lines and a shortage of barges on the East Coast," said Glenn of Vane Brothers. "It's been a game changer and a great time to be in the barge business."

Not a bad time for the rail business either.

North American crude production – locked mid-continent in Western Pennsylvania, North Dakota and Canada – is projected to increase 53 percent by 2020. The new order is focused on moving it East via a combination of pipeline, rail, truck and barge to the Delaware River, reversing trends that stoked the region and the maritime time industry for decades.

Tankers on the river hauling imported crude and other chemicals from around the world have declined in size and about 40 percent in number – from a high of 1,043 arrivals in 2006 to 631 in 2012. Tankers represent about 30 percent of all ship traffic.

Rail cars, on the other hand are in such hot demand that NuStar Asphalt LLC expects to wait two years before getting its order, said Rod Pullen, director of operations for the Paulsboro plant. NuStar began rail service in 2011 from Western Canada to third-party terminals in Baltimore. From there, crude is barged to Paulsboro.

About 35 percent of the company's crude today arrives by rail and barge. That number will grow substantially when NuStar completes a rail upgrade to handle a 100-car train, said Pullen.

PBF Energy, Inc., which purchased the former Valero refinery in Paulsboro and Delaware City, is using a fleet of 2,400 cars to haul about 60,000 barrels per day of light Bakken crude and 35,000 barrels per day of heavy crude from Alberta, Canada to Delaware. The cost of the 1,800-mile journey from North Dakota to Delaware which takes about six days by rail is $8 to $10 a barrel less than imported crude, depending on market conditions. By 2015, PBF expects to own or lease 5,900 cars.

To date, the Parsippany-based company has invested more than $100 million on a double–loop track at Delaware City capable of discharging crude from a 100-car-plus unit train in 14 hours. The double loop is reserved for light, sweet Bakken crude which is more costly to refine, while heavier, sour crude is discharged from a separate rail siding.

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Exchange Receives "Seafarer's Friend" Award



Port of Wilmington Executive Director Gene Bailey (l) joins Joan Lyons in presenting the Seafarer's Friend Award to Exchange President Dennis Rochford.

In 2004, the Seamen's Center of Wilmington Board of Directors decided to annually recognize one group or individual, church, business or organization that helps the Center to greet and assist seafarers.

"This year we are thrilled to honor the Maritime Exchange," said SCW Executive Director Joan Lyons. "As an organization and as individuals, the Exchange and its employees stand united in our cause. Just about the entire staff has given some of their time and expertise, from help with TWIC implementation, to web page design, support for the annual fundraiser, to computer network assistance – and anything else we need – makes them a true standout in our maritime community. There is not a week goes by that I don't find myself grateful for their help and support."

Exchange President Dennis Rochford said the organization is happy to be of assistance. "We know the SCW has limited staff and relies heavily on its volunteers, including ship visitors, drivers and even bookkeeping," he said. "It's our distinct pleasure to be helpful in any way we can."

The award was presented on November 12 during the Port of Wilmington Maritime Society annual dinner.

CAPT Kathy Moore: Among the First On-Scene

Five months after U.S. Coast Guard Capt. Kathy Moore arrived in Philadelphia to take command at Sector Delaware Bay, Hurricane Sandy blew in, tossing ships like toddlers on a trampoline. Though most of the maritime damage occurred north of her jurisdiction, the Delaware Bay turned into a parking lot for ships from around the world looking for a place to divert and hide from the storm.

One month later in November 2012, an 82-car freight train derailed on a Conrail swing bridge in Paulsboro, dropping four cars with vinyl chloride gas, one of which was breached, into Mantua Creek. The accident raised concerns about ownership and maintenance of the nation's rail bridges.

Moore spent 18 days on site coordinating some 250 government, industry and contractor responders per day involved in the clean-up.

The two incidents illustrate the breadth of challenges to the Coast Guard's mission which is to keep key waterways and the people who live and work around them safe.

Moore's jurisdiction includes two-thirds of Pennsylvania, south of Shark River in Monmouth County, New Jersey and all of the Delaware Coast, in addition to the Delaware River and Bay.

"I love this port," said Moore whose last post was Corpus Christi, Texas. "It's so diverse, and it is evolving. Nothing is static here. I've learned from these incidents how well all the members of the community – including

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Interview With
Kelly Anderson

Philadelphia Water Department
Delaware Valley Early Warning System



Kelly Anderson is Source Water Protection Program Manager with the Philadelphia Water Department. Her responsibilities include the development and operation of a major electronic notification project designed to help protect the regional waterways. With a portion of the project funded through the federal Port Security Grant Program, not only will the system serve as an invaluable tool in the event of an accidental or terroristic oil or chemical spill, it will also serve the tri-state region on a daily basis protecting water quality. Ms. Anderson was kind enough to spend some of her time providing an update for this issue of The Beacon.

Q: Can you tell us a little bit about the system?

A: The Delaware Valley Early Warning System (EWS) is a computerized alert system designed to provide warnings about surface water contamination events in the Schuylkill and lower Delaware River watersheds. The Philadelphia Water Department (PWD) began development of the EWS in 2002 with the objective of improving the safety of the region's drinking water supplies by providing real-time surface water quality monitoring and pollution event notifications to drinking water systems and regulatory agencies. Startup funding was provided by the Pennsylvania Department of Environmental Protection and the United States Environmental Protection Agency and, in 2004, the EWS was fully deployed for authorized users.

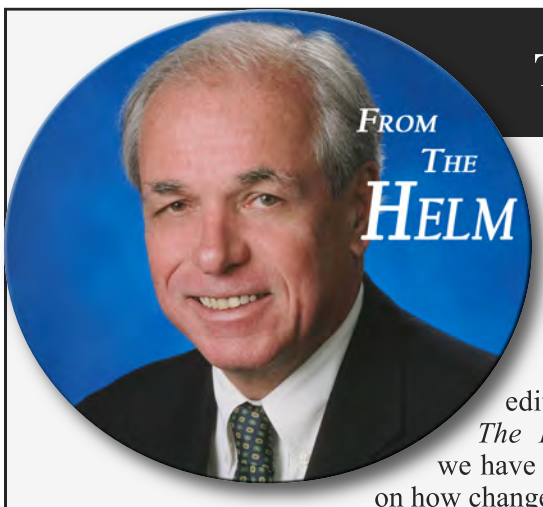
The system comprises four principal components:

Partnership: The Partnership brings together EWS stakeholders and includes representatives from public and private drinking water supply systems in the coverage area, industries who withdraw water from the Schuylkill and Delaware Rivers, and government agencies involved in protecting water quality.

Notification System: The EWS notification system provides fast automated telephone alerts and email notifications to members about water quality events.

Monitoring Network: The water monitoring network consists of on-line, real time water quality and flow monitoring stations using US Geological Survey monitoring sites and water treatment plant intakes.

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The Times They Are a Changin'…The New Energy Marketplace

In this edition of *The Beacon*, we have focused on how changes in the global and domestic energy marketplaces are impacting our regional port complex. Over the past several years, we have seen oil refineries shut down and then reopen, a significant portion of crude oil tanker traffic replaced by railroad tank cars, and expanded refining and export opportunities related to new North American crude production in the United States and Canada and the Marcellus Shale gas exploration across Pennsylvania. As Pennsylvania Governor Tom Corbett pointed out in a related article in this issue, "[these changes in the energy sector mark] the beginning of the second industrial revolution."

This is not the port of the 1980s where over 300 tankers transported in excess of one million barrels of foreign crude oil each day to the seven refineries along the Delaware River. It is the port that has adapted to dramatic changes in how energy is both produced and consumed throughout our country and the world.

The adaptive and resilient nature of the petroleum industry operating in our port has manifested itself in any number of ways.

Between 2009 and 2010, three refineries were shuttered and another threatened to discontinue operations. Of these four facilities, all are operational today with significant investments already made and/or planned to upgrade their capabilities and enhance their competitiveness in this global energy marketplace.

Two of these facilities continue to process crude oil to produce the full array of refined products, one facility is utilized to store and transfer crude and refined product, and the fourth serves as a hub to export gas products overseas. This rebound reflects a visionary and entrepreneurial spirit among business leaders and investors, working with labor and public officials that took an almost calamitous situation and turned it into a rebirth of the energy marketplace on the Delaware River.

And this resiliency is important to the overall economic viability of our tri-state port system. The import and export of petroleum and related cargos complement the movements of all other cargos transiting the Delaware River. From pilots and tug operators and other service providers to the Corps of Engineers, the Coast Guard, Customs and other government agencies, petroleum cargos make a significant contribution to the overall strength and competitiveness of our port.

And of course, this translates into protecting and creating good paying, family sustaining blue and white collar jobs.

These dramatic changes in the energy marketplace have even reached to the Aker Philadelphia Shipyard with its contracting to build six American Flag petroleum product tankers, again protecting and creating thousands of jobs throughout this region.

In this case times have changed rapidly and the energy and maritime industries along the Delaware River have responded, survived and are poised to thrive once again.



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Deep Thoughts: 2013 a Year of Progress

This past year has seen a great deal of movement in the project to deepen the Delaware River main ship channel to 45 feet. To recap, in January of this year, an 11-mile section of the channel between the Walt Whitman Bridge to just south of the Philadelphia International Airport was completed. Next followed work between the C&D Canal and Woodland Beach, Delaware. As of the end of May, approximately 50% of the physical construction required to deepen the Delaware River channel from 40 to 45 feet was completed.

As we approach the end of 2013, the Corps of Engineers and the Philadelphia Regional Port Authority continue their work in the evaluation of appropriate next steps to complete sections of the Delaware River yet to be dredged for the 45' Main Channel Deepening Project. These include Sections AA, an area reaching from the Ben Franklin Bridge to the Walt Whitman Bridge, and Lower Reach E, which is adjacent to Broadkill Beach in Delaware.

South of the Walt Whitman Bridge is a section of the river known as Reach A, also in need of dredging. In its entirety, this area spans approximately five miles. Funding for dredging this section of the river comes from a combination of sources to include the FY13 Energy and Water Appropriations Bill.

The contract process for dredging Reach A closed on November 21, and the award of bid and associated Notice to Proceed is expected sometime in January, 2014.

"The time for celebration soon comes when our regional ports can finally put out the welcome mat for most of the world's shipping fleet, and take advantage of ships arriving from the soon to be completed Panama Canal," said James McDermott. Executive Director, Philadelphia Regional Port Authority. PRPA is the local sponsor for the project.

"The momentum is building as we make our way towards the completion of this project so critical to our regional economic health," said Dennis Rochford, Exchange President. "Looking back, I can see how far we've come. Looking ahead, I can clearly see the light at the end of the river."

Changing of the Guard for MAC

The Mariners' Advisory Committee for the Bay and River Delaware (MAC) has been a proponent of navigational safety on the Delaware River since 1964.

Working through issues locally has been one of the MAC's driving forces, and its success rests not only on the cooperation of its members but the person at the helm. Over the last four and a half years that role has rested on the shoulders of Capt. Steve Roberts. As MAC Chairman, Capt. Roberts has had the opportunity to participate in projects that helped ensure the vitality and safety of the port community.

Some of these projects have included anchorage management and offshore wind energy. "Roberts was instrumental in tackling the navigational issue surrounding offshore wind energy and working with various government agencies to ensure the mariners had a voice," said Maritime Exchange Vice President Lisa Himber. "Steve has shown unwavering dedication to our community," she continued.

After a very successful term as Chairman of the MAC, Capt. Roberts announced he will turn the helm over to his relief, Capt. Jonathan Kemmerley in December. "MAC has been one of the most rewarding experiences of my career," Roberts said. "I deeply appreciate all of the support from our stakeholders and government partners and the trust that they have placed in me."

Capt. Kemmerley, a pilot with the Pilots' Association for the Bay and River Delaware, is no stranger to the region. "After eighteen years, I have worked the entire length of the river and been involved in special projects such as U.S. Navy dead ship tows, including the aircraft carriers Ex-USS America and Ex-USS John F. Kennedy," Kemmerley said. He is familiar with the role and mission of the MAC and many in the region have worked with him in the past.

"I would like to thank Capt. Roberts for his trust and for his time and dedication to the position. I would also like to thank the members of the MAC who have welcomed me and taken the time to share their knowledge and opinions. I welcome constructive feedback on how we can continue the tradition of safety, communication and excellence within the port."

Capt. Roberts will undoubtedly stay involved with the MAC and will be chairing the National Harbor Safety/Area Maritime Committee Conference in Philadelphia next August. The port community thanks Capt. Roberts for his service and dedication and welcomes Capt. Kemmerley. We look forward to working with you!

Member Profile: Mullica Hill Cold Storage

Fred Sorbello serves as CEO to Mullica Hill and Garden State Trucking, President to Hill Creek Farms, board member to the Meat Import Council of America, and President of Ship Philly First, an organization of unified businesses dedicated to the promotion and marketing of the Ports of Philadelphia as a World Class Gateway for imports and exports that support all trades. We asked Fred to share with us the history of Mullica Hill Cold Storage.



The Exchange staff had the opportunity to visit the Sobello's Hill Creek Farms in Mullica Hill, NJ and talk with Fred Sorbello about his cold storgage operations. (l-r) Fred Sorbello, Dennis Rochford, Beverly Ford, Darleen Michalak, Scott Anderson, Donna Stargell, Laura Miller, and Michael Fink. The staff thanks Fred for all the apples, cider, and other goodies.

Fred's parents, Sam and Rose Sorbello, married in 1957 and started a farm with cash gifts from their wedding. Their very first purchase? A tractor! For the next three years, Sam and Rose grew tomatoes, peppers and other vegetable crops. In 1960, Sam decided to also grow peaches and apples, and the orchards' brand name Hill Creek Farms Inc. was born.

In 1964, Sam made a very wise business decision and built his first cold storage facility. The modest 1,500 sq. ft. cooler included an open packing shed where the fruit was washed, sized, sorted and weighed into cartons for wholesale purposes.

With his own cold storage space available, Sam could hold at least 6,000 bushels of his harvest in reserve, while all the other farmers picked, packed and sold their fruit on a daily basis. Delivering to merchants in the Philadelphia area a few weeks later, Sam tripled his returns as the only grower in the area with fruit. He built another 1,500 sq. ft. facility in 1968 and doubled his capacity for storage for his fruit and off-season commercial business.

In 1973, Sam invested in a 6,000 sq. ft. commercial refrigerated facility, which provided storage for frozen blueberries, Mrs. Smith Pies, and Seabrook Farms products. It was in 1974 that Sam launched Mullica Hill Cold Storage (MHCS), and in 1976, he added yet another 7200 sq. ft. facility.

In 1978, Sam built the first Meat Inspection facility in Philadelphia. At this time, the majority of the imported meat product was going to New York, but Sam and Mullica Hill's great service eventually succeeded in luring all the meat importers to Philadelphia.

Then, in 1991, Mullica Hill proudly became the CONUS (Continental US) approved facility to serve the troops during the war with Iraq, exporting 150-200 loads weekly to the Middle East through its affiliation with Rastelli Exports.

Today, MHCS operates some 550,000 sq. ft. of commercial refrigerated storage, offering about 75,000 refrigerated pallet positions with locations in Mullica Hill, Pedricktown and Vineland, New Jersey. It is run and operated by Sam's sons Fred and Sam Sorbello, Presidents. The Mullica Hill Group companies are the largest receiver of imported meat into the U.S., and they also proudly serve the fruit, seafood, bakery and poultry industries. Mullica Hill was proactive during the implementation of Food Safety Initiatives first undertaken in 1985, creating its own own internal Quality Manual, which eventually led the company to become the first refrigerated warehouse in the U.S. to become ISO 9000 certified.

The MHCS family firmly believes that you should never forget your roots and how you got to where you are today. In celebration of that truism, the Sorbellos still manage an orchard of 17,000 apple trees and a commercial cider operation at their farm in Mullica Hill. Sam and Rose's grandchildren are leading the charge into MHCS's future with Daniel A Sorbello, Alex Sorbello, Jeff Sorbello, and Nathan Sorbello all members of the management team.

In 2014, MHCS expects to complete a 140,000 sq. ft. addition containing some 26,000 additional pallet positions at Pedricktown. Also scheduled for completion in 2014 is a solar farm consisting of 40 acres of solar panels at the Mullica Hill location.

The Exchange is pleased to count Mullica Hill among its membership. We value their support and the expertise they bring to bear on key issues of concern to our regional port community.

Oil Industry on the Delaware

continued from page 1

PBF is one of several companies on the river now investing huge sums in massive tracks to make room for the onslaught of mile-long trains.

One of Vane's biggest customers now is Philadelphia Energy Solutions, another quasi-newcomer to the river, which hauls crude by rail to Eagle Point in Westville, New Jersey. Though the refinery is closed, the rail head is still operational. Vane's barges move crude across the river – 50,000 barrels at a time – to the former Sunoco refinery, now owned jointly by Sunoco Logistics, a storage and transfer company, and the Carlyle Group, a private equity firm.

Other frequent hops for the Baltimore-based barge company are Albany and Baltimore to the river, Delaware to Paulsboro and Philadelphia to New York.

"Every month some XYZ company contacts us to see if we could handle their business if they are successful in building a new rail head somewhere on the river. They're building rail heads all over the east coast for the sole purpose of bringing in domestic crude," said Glenn.

The energy sector on the river is changing so rapidly that players are struggling to keep pace. Pennsylvania Gov. Tom Corbett calls the present cycle "the beginning of the second industrial revolution."

At a recent energy conference in Philadelphia, Drexel University President John A. Fry called the Marcellus Shale "transformational" with strong potential to lead the US into a "manufacturing revival."

He also encouraged "sensible conversation and real solutions" among stakeholders to use the "resource safely, effectively and to the broadest societal benefit."

Kevin Castagnola, executive director and CEO of South Jersey Port Corporation, which is building a new port at Paulsboro, said access to comparatively inexpensive and plentiful natural gas is a major selling point. The first phase of the $300-million port is expected to be open for business in late 2015.

Global changes in the industry have had a profound impact on the order of business, once dominated by iconic brands, such as Sunoco, Gulf, BP, Texaco, Shell, Mobil and Exxon. Called the Seven Sisters, these integrated firms controlled every step of the process from discovery to gas tank. Now, Sunoco and others have exited the refining business and are partnering with an array of private equity firms to cash in on a vastly changing market.

Ward Guilday, president of the Pilot's Association for the Bay and River Delaware, remains optimistic. "Imported crude is shrinking, but it's still the fastest, cheapest and safest way to move things. I'm confidant new products will create new opportunities. This port is poised for a Renaissance."

Forget Name Tags. Bring a Corporate Diagram

The birth of the Eddystone Rail Co. in Chester at a former coal plant still owned by Exelon is emblematic of the creative thinking that is driving development on the river.

"As we watched the Philadelphia refinery complex coming a hair's breadth away from a complete shut down, we knew we had to marry the production opportunity in the west in some way with the existing technology on the river. ' Holy Smokes,' we said. Rockefeller did it with coal by rail. We'll do it with crude," said Jack Galloway, chairman, president and founder of Canopy Prospecting, Inc., a newly-formed, investor-owned company that has partnered with Enbridge Inc. Together they formed Eddystone Rail Co., a transportation service that will also broker crude to refineries in the region that can be serviced by barge.

Beginning in February, the Eddystone Rail Co., which is investing $80 million in rail, plans to unload one, 118-car train per day. Ultimately, it expects to handle two trains carrying a total of 160,000 barrels a day.

The Trainer refinery in Delaware County, now owned by Monroe Energy, is yet another example of re-purposing an asset. Instead of refining crude into a variety of products, the refinery now makes jet fuel exclusively for Delta Airlines, a unique strategy by the airline to control its most volatile cost.

So what happens when this evolution ends?

Will the river once again become a hub of refined products? Will tanker traffic rebound with the export market? Is this the beginning of a curse or a cure for the region now beset with supply bottlenecks, and a shortage of American-flagged vessels to move crude from the Gulf Coast?

"Waterborne crude is far from dead," cautions Gary Patterson, who represents the American Petroleum Institute. "It is still the largest, single commodity by tonnage transported on the river. I don't think the maritime industry is threatened. It's just that rail is so visible.

"Given the volatility of global markets which turn daily on half and quarter pennies, we must maintain the viability of maritime, rail and pipeline because the only thing we can predict about the future is that demand for energy will grow."

Maritime Exchange president Dennis Rochford notes the remarkable speed of the transition within the petroleum industry on the global, national and local levels. "It wasn't all that long ago that BP was looking to build an LNG facility in South Jersey," he said. "But that was the beginning of a sea change in the energy market, and the project never came to fruition."

Since that time, the shift has been dramatic. Suddenly, the U.S. focus moved to expanding wind farms, electric cars and other alternative sources of energy. Almost equally quickly, efforts were then driven toward shale gas fields. "The reality is that the more things change, the more they stay the same," Rochford said. "The recent availability of local gas and decreased dependence on foreign oil changes the landscape yet again. The bottom line is we want our energy to be both inexpensive and convenient. For now, that means gasoline. And that bodes well for Delaware River industry."

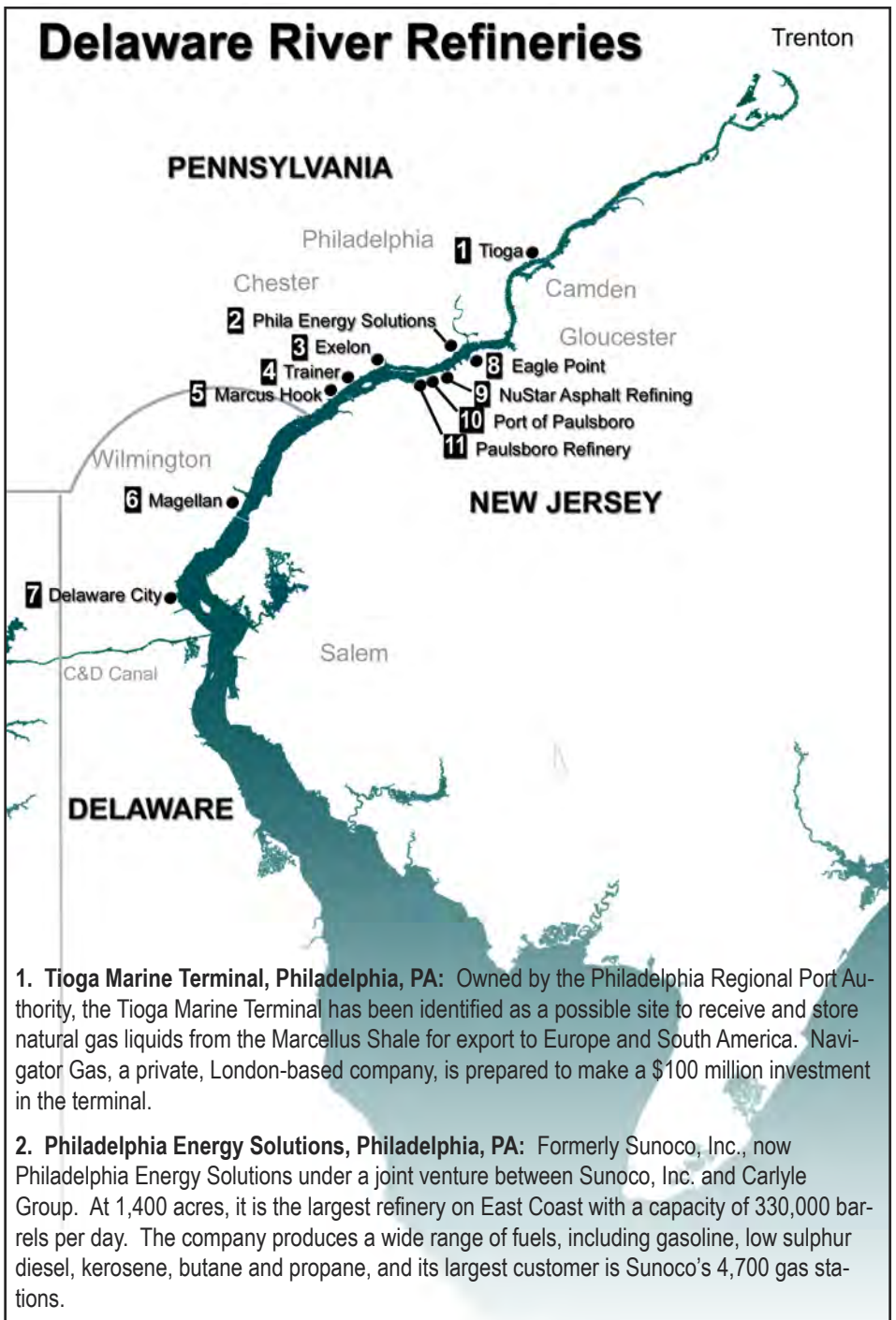
Tom Kloza, publisher of Oil Price Information Service, believes the Delaware River refineries are destined to thrive because of existing technology, rail infrastructure, plentiful natural gas and access to a galloping export market.

"One of the consequences of the oil boom which has made North America the most privileged continent in the world with regard to energy is it happened so fast that we are not prepared. Not enough pipeline, rail cars and American-flagged ships.

The Delaware River definitely has an edge, and PBF Energy and Philadelphia Energy Solutions are the most aggressive players. They can operate their refineries at substantially less than the rest of the world. With high cost crude and natural gas, Europe is kind of screwed."

Recognizing the need, Crowley Maritime Corp. of Jacksonville,

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1. Tioga Marine Terminal, Philadelphia, PA: Owned by the Philadelphia Regional Port Authority, the Tioga Marine Terminal has been identified as a possible site to receive and store natural gas liquids from the Marcellus Shale for export to Europe and South America. Navigator Gas, a private, London-based company, is prepared to make a $100 million investment in the terminal.

2. Philadelphia Energy Solutions, Philadelphia, PA: Formerly Sunoco, Inc., now Philadelphia Energy Solutions under a joint venture between Sunoco, Inc. and Carlyle Group. At 1,400 acres, it is the largest refinery on East Coast with a capacity of 330,000 barrels per day. The company produces a wide range of fuels, including gasoline, low sulphur diesel, kerosene, butane and propane, and its largest customer is Sunoco's 4,700 gas stations.

3. Exelon, Eddystone, PA: Former coal plant transformed into the Eddystone Rail Co. with an approximate $80 million investment.

4. Trainer Refinery, Trainer, PA: Monroe Energy acquired the idled ConocoPhilips Refinery (formerly Tosco & BP) in 2012 to make jet fuel exclusively for Delta Airlines.

5. Marcus Hook, PA: In use for storage and distribution of natural gas products. Formerly owned by Sunoco, Inc., now by Sunoco Logistics Partners, it is the proposed terminus of Mariner East, a 300-mile pipeline designed to move propane and ethane from the Marcellus Shale.

6. Magellan Terminals, Wilmington, DE: Magellan Midstream Partners L.P., located within the Port of Wilmington, acquired the refined petroleum products facility in 2005 from Delaware Terminal Co., investing $72 million.

7. Delaware City Refinery, Delaware City, DE: PBF Energy purchased the idled Delaware City refinery from Valero (formerly Premcor, Shell, Star, Texaco & Getty).

8. Eagle Point, Westville, NJ: Formerly Coastal, now owned by Sunoco Logistics. Receives Bakken crude by rail and used for storage & transfer of natural gas liquids.

9. NuStar, Paulsboro, NJ: NuStar Asphalt Refining Co. owns the former CITGO plant.

10. Port of Paulsboro, NJ: This new facility, a $300 million project underway by South Jersey Port Corp, is slated to open in late 2015.

11. Paulsboro Refinery, Paulsboro, NJ: Also owned by PBF Energy, this former Valero plant refines heavy, sour crude which is abundant in Western Canada and cheaper to refine and light crude.

Coast Guard Focuses on Oil Industry Regs

It's no surprise that the U.S. Coast Guard recently finalized regulations requiring nontank vessel owners and operators to develop and implement vessel response plans (VRPs) for oil discharges. What is surprising to some, however, is the circuitous route the process has taken.

"In 2009, Coast Guard updated its rules relating to oil spill removal requirements for tank vessel and marine transportation related facility response plans," said Maritime Exchange Vice President Lisa Himber. "The final rule was a long time in the making, with the initial Notice of Proposed Rulemaking first published in 2002."

The implementation of that rule was delayed, pending the promulgation of the Salvage and Marine Firefighting final regulation in 2008. Since that time, however, the Coast Guard has been enforcing the statutory requirement to prepare and submit oil spill response plans for nontank vessels of 1,600 gross tons or greater.

The 2009 revisions to the tank vessel VRP regulations clarified the salvage and marine firefighting services that must be identified in VRPs and established new response plan requirements for each of the required salvage and marine firefighting services. As a result the compliance date for plans was delayed until February 2011.

On the same day the Coast Guard promulgated the final rule for tank vessels, the agency published a notice of proposed rulemaking for nontank vessels, defined as any self-propelled vessel, that is not a tanker, of 400 gross tons or greater. The rule would apply to any such vessel operating in U.S. navigable waters, but not those engaged in innocent/transit passage.

Adoption of the final rule came on September 30 of this year.

Under the new rule, among other provisions the plans must identify qualified individuals responsible for response activities, identify and ensure by contract or other approved means the availability of private personnel and equipment necessary to respond to a worst-case discharge, include training, equipment testing and drill requirements, be updated periodically and is subject to resubmission and approval for significant changes. As drafted, these new requirements closely mirror existing requirements for tank vessels

"For most of us, this will not be an issue," said Jeff Parker, Vice President of Customer Service for Hamburg Süd North America, Inc., noting that many commercial cargo ship operators had already established such plans.

But for others, this may mean a dramatic change in business process.

That's because these new regulations require the nontank vessel response plan to be consistent with the local Area Contingency Plan, and in Sector Delaware Bay that means they have to be able to comply with all the sensitive booming strategies contained in the plan.

This is no easy feat. The Delaware River port is comprised of 110 miles or river and bay and numerous sensitive area booming strategies, which translates to almost 100,000 feet of boom. This will require each vessel to have an Oil Spill Response Organization capable of meeting that requirement. Currently the Delaware Bay and River Cooperative is the only OSRO with this quantity staged locally.

On October 25, the Coast Guard released Marine Safety Information Bulleting #38-13 which clarifies the implementation date and notice of arrival requirements outlined in the final rule.

More Regs Coming?

In late October, the Coast Guard published a notice announcing that it considering new measures to reduce the risks of oil spills in oil transfer operations from or to a tank vessel and soliciting public comments, as required under the Coast Guard Authorization Act of 2010. The Coast Guard posed a series of questions which are designed to elicit comments regarding minimizing the possibility of spills in transfers of oil to or from tank vessels.

"This is intended to be a risk-based regulatory scheme," said Capt. Kathy Moore, Coast Guard Captain of the Port for Sector Delaware Bay. She noted that the Coast Guard "intends to focus on operations that have the highest risks of discharge, including operations at night and in inclement weather . . . and it highlights, among other aspects, booming strategies and the safety of personnel."

The notice does not make clear whether it is meant to refer to cargo or fuel, and there is no indication what data the Coast Guard may be using that indicates the risk has not already been minimized to the extent possible.

According to George Murphy of South River Maritime, the Delaware River port community has a long and successful record of proactively and voluntarily improving operations, citing particularly the formation of the DBRC. "Under the umbrella of the Maritime Exchange, this port community will work together with the Coast Guard to ensure we are doing all we can to reduce risk while at the same time avoiding unnecessary regulations," he said.

Thanks also to Kathy Metcalf of the Chamber of Shipping of America, who contributed to this article. For more information, contact Lisa Himber at lisa.himber@maritimedelriv.com.



Sunoco: A Long History – A Bright Future

With its beginnings in the 19th century, Sunoco is certainly not the new kid on the block. Sunoco got its start on March 27, 1886, and within a few years, the company had acquired pipelines, leases and storage tanks – and was emerging as one of Ohio's leading suppliers of crude oil. On March 17, 1890, it became The Sun Oil Company of Ohio and was producing, transporting and storing oil as well as refining, shipping and marketing petroleum products.

In 1916, the Sun Shipbuilding and Dry Dock Company was established, a subsidiary that took the company into the shipbuilding business. In 1920, Sun opened its first service station in Ardmore, Pennsylvania. The name changed to Sun Oil Company in 1922.

Throughout the first half of the 20th century, the company diversified and expanded, establishing operations abroad, including a brief foray into mining. In 1929 it entered the oilfield equipment business, and one of the most dramatic events of the 1930s for the company – and the refining industry – took place when Sun placed on stream the world's first large-scale, commercial catalytic cracking plant in Marcus Hook, Pennsylvania, in 1937.

In 1958, Sun introduced the Custom Blending Pump, a novel system for dispensing a choice of five octane grades of gasoline from a single pump. It revolutionized the method of marketing gasoline

Major restructuring reshaped the company in 1975, when it organized into 14 operating units, two property companies and a non-operating parent company. This was accompanied by a move to new corporate headquarters in Radnor, Pennsylvania. Reflecting the diversification of the company, Sun Oil Company was renamed Sun Company, Inc. in 1976. Since then, there have been further restructurings.

Today, Sunoco, Inc. maintains a one-third interest in the Philadelphia refinery, the largest on the east coast, which it had threatened to close. The dominant partner is the Carlyle Group, a private equity firm. Together they equal Philadelphia Energy Solutions to operate the refinery.

Like PBF Energy, Philadelphia Energy Solutions has built a "high-speed crude oil unit train unloading facility" to access crude from North Dakota and other mid-continent locations." The facility can unload two1.5-mile-long trains in 24 hours, according to the company's website.

CEO Philip Rinaldi said PES decided to invest in rail . . . because it would cost "multi-billions to build a pipeline from North Dakota."

Jim Savage, president of United Steel Workers Local 10-1 which operates the refinery, estimates PES will soon haul "about half" by rail.

Sunoco Logistics, a separate limited partnership, owns facilities in Marcus Hook, Pennsylvania and Eagle Point in Westville, New Jersey. Both are being used as storage and transfer facilities for refined products. Eagle Point is also handling crude and Marcus Hook natural gas liquids.

The Marcus Hook terminal, which is partially located in Claymont, Delaware, is the proposed destination of Mariner East, a 300-mile pipeline designed to move propane and ethane – byproducts of natural gas extraction – from the Marcellus Shale, which spans Western Pennsylvania, West Virginia and Ohio. These liquids will then be processed, stored and distributed to local and foreign markets.

"The Marcus Hook terminal is gearing up to become a world class hub for natural gas liquids – such as ethane, propane and butane. This will give producers in the Marcellus and Utica Shales their closest access for exports," said Jeff Shields, spokesman for Sunoco Logistics.

When LPGs (liquid petroleum gas) start to flow through Mariner East next year, eventually ramping up to 70,000 barrels a day, Capt. Michael P. Nesbitt, marine operations manager, predicts an uptick in ship traffic.

Crude can't be exported, but demand for liquid byproducts is increasing in Europe and South America.

"I think many in the port would agree with me that we are encouraged for the potential growth in this area, having been one of the most active crude oil ports to the metamorphosis with natural gas liquids and rail where new jobs replace some of those that were lost**,** and the port economy can be sustained, "Nesbitt said.

New Zealand Ambassador Tours Port of Philadelphia



New Zealand Ambassador to the U.S., Mike Moore, met with local business leaders in November at the Packer Avenue Marine Terminal in South Philadelphia to discuss trade relations between the U.S. and New Zealand. (l-r) Leo A. Holt, President, Holt Logistics Corp; James T. McDermott, Executive Director, Philadelphia Regional Port Authority; Ambassador Moore; Michael Holt, Holt Logistics Corp; and Maritime Exchange President Dennis Rochford.

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The Importance and Value of Marine Industry Training

Spending time with API and DBRC

By: LT Eric Nielsen
U.S. Coast Guard

The Coast Guard Marine Industry Training Program offers incredible opportunities for Coast Guard employees to intimately learn specific facets of the marine industry. Participants in the program work directly for industry partners for up to one year. In addition to building superior government/industry working relationships, the program affords industry sponsors an opportunity to share detailed business considerations and limitations, so that Coast Guard regulatory activities most effectively promote safety, while limiting undue burden on the maritime industry.

This past summer, I participated in Port Safety/Security Industry Training (PSSIT), in which I worked at the American Petroleum Institute (API) in Washington, DC and at the Delaware Bay and River Cooperative (DBRC). In addition to building relationships with numerous industry partners, I polished my understanding of the collective efforts to strengthen marine contingency planning.

Industry Involvement in Strategic Planning

API is the largest oil and natural gas industry trade association, representing over 500 production, refining, distribution, and service companies. While at API, I learned the importance and value of industry trade associations. In the wake of Hurricane Sandy, API led the "whole community" effort to develop the National Response Framework (NRF) Emergency Support Function (ESF) #12 – Energy Annex information flow and process model. This model and the supporting Oil and Natural Gas (ONG) Industry Emergency Preparedness and Response Handbook, educate and bolster efficient and effective communication and response amongst government regulators, public communities, and other stakeholders before, during and after any incident.

The National Preparedness System, National Response Framework, and the Incident Command System provide the frameworks and processes that should be utilized by all stakeholders in responding to any event.

ESF's are comprised of 15 essential services needed during incidents and support the frameworks by providing the structure for coordinating resources and capabilities across public and private infrastructure. As evidenced by the response to Hurricane Sandy, the frameworks and processes are just that – processes. To be most effective, users must understand how the critical elements of each ESF interface.

Effective response requires the most efficient delivery of resources and information to ensure populations are secured and that essential services are provided in a timely manner. The strategic focus of response and recovery efforts following Hurricane Sandy should have been the critical elements of the ONG supply chain, as opposed to the 3,500+ individual point-of-sale locations in the greater tri-state area.

API seized the opportunity to improve future ESF #12 response by increasing educational outreach efforts of the oil and natural gas supply chain. As part of the Marine Industry Training Program, one of my projects was to work with interagency partners to determine the essential infrastructure assessment considerations, government/industry response actions, government/industry critical information requirements, and potential government regulation waivers. This information was integrated into clear and succinct flow charts which will be utilized by key decision-makers during future responses.

API did not create these tools in a vacuum; a collaborative and iterative development process was utilized, where government regulators and ONG industry partners developed and refined these products over several months.

The efforts of the interagency and industry working group were presented to the President at the 2013 Hurricane Season Briefing. The White House subsequently recommended that the ESF #12 information flow model be utilized as a foundation to design information flow models across all 15 ESFs. Further information on this effort and other API information can be found at www.api.org.

Industry Involvement in Operational Planning

Upon completion of my time at API in early July, I transitioned to DBRC. There, I further refined my understanding of the oil and natural gas industry and came to fully appreciate the efforts of oil spill response organizations. The DBRC is a not-for-profit corporation formed in 1977. As a prominent member of the Sector Delaware Bay Area Committee, DBRC plans for and responds to oil discharges and hazardous substance releases in the Delaware River, Delaware Bay and the surrounding Atlantic Ocean.

Area committees are comprised of federal, state, local, non-governmental organizations, private-sector industry and community members. U.S. Coast Guard and Environmental Protection Agency representatives serve as Federal On-Scene Coordinators (FOSC), managing all pollution and hazardous substance response activities throughout the United States.

Following amendments to the Federal Water Pollution Control Act (FWPCA), area committees are charged with maintaining area contingency plans (ACP) that provide guidance to prevent, mitigate and remove worst case discharges from vessels, offshore, and onshore facilities. DBRC's intimate knowledge of environmentally sensitive areas and oil spill response planning laid the foundation for the Sector Delaware Bay ACP. This plan not only drives efficient and effective response to events such as the M/T ATHOS 1 oil spill, it also enables coordinated prevention, response and recovery efforts for all contingencies. Incorporating the refined ESF coordination strategies into operational and tactical plans (such as the Sector Delaware Bay ACP) will prove to be invaluable during future multi-faceted incidents like Hurricane Sandy.

Historically, over 1 million barrels of crude oil have been imported via the Delaware Bay and River each day. Today, the port also serves as a key ONG export conduit because of its geographic location, existing ONG infrastructure, and access to shale oil and natural gas. As world ONG markets continue to shift, response plans must also adapt to changing economic and environmental conditions.

My primary and ongoing project at DBRC has been to identify and transition the geographic response plans and booming strategies contained within the ACP to into an accessible computer-based platform.

Identified options must be accessible to all port partners and remain usable during all contingency events, including mandatory evacuations, power, and internet outages. Utilizing an interactive geographic information system (GIS) that is functional on multiple platforms, such as Environmental Systems Research Institute's (ERSI) ArcGIS, Google Earth, or the National Oceanic and Atmospheric Administration's (NOAA) Environmental Response Management Application (ERMA), will ensure the ACP remains dynamic, relevant and useful during all types of events.

The Sector Delaware Bay ACP and further information on DBRC can be found at www.dbrcinc.org.

The Value of Industry Training

As I gained detailed port and business knowledge by visiting and learning from numerous port partners, I connected the strategic, operational and tactical level interdependencies amongst communities, industry and government. The visited organizations include: Pilots Association and Mariners Advisory Committee for the Bay and River Delaware, Maritime Exchange, Philadelphia Regional Port Authority, South Jersey Port Corporation, Kinder Morgan, Vane Brothers, NuStar Asphalt, PBF Energy, Monroe Energy, Sunoco Logistics, Overseas Shipholding Group, Philadelphia Energy Solutions, and a host of others. Only after detailed exposure to these organizations did I fully understand the importance of oil spill response strategies and contingency plans such as the ACP.

The Coast Guard Marine Industry Training Program is an invaluable opportunity for both CG and industry participants. As I settle into my new billet as Sector Delaware Bay's Marine Environmental Response Branch Chief, the relationships that I have built and the knowledge I have gained during industry training are already paying dividends. Sustained Coast Guard and maritime industry participation and collaboration through the industry training program will further enable sensible regulation and maritime safety for years to come.

Interested Coast Guard applicants can find detailed information by searching industry training on CGPortal. Interested industry sponsors can explore future training possibilities with CG-7411 by calling (202) 372-2366.



Muddy Waters: Jurisdiction Over the Delaware River and Bay

Legal Ease

By: Scott Gunst, Esq., Reeves McEwing, LLP

Throughout history mankind has used waterways to create natural borders. With these natural divisions comes a history of boundary and jurisdictional disputes including between Virginia and Maryland, Ohio and Kentucky, and New York and New Jersey, among others.

The history between the States of Delaware and New Jersey is no different. Numerous disputes have led to an interstate compact agreement, three Supreme Court decisions, the threatened use of the National Guard, and the re-commissioning of the USS NEW JERSEY to ward off an invasion. With these disputes aside, no one can argue with the proposition that the states of Delaware, New Jersey, and Pennsylvania must to work together to successfully promote the growth of the ports as well to balance environmental regulations affecting the ports.

The Delaware-New Jersey Border

Delaware and New Jersey have disputed their border rights over the Delaware River since the birth of our nation. These have led to three Supreme Court decisions establishing the boundaries between Delaware and New Jersey on the Delaware River and Bay.

The first major dispute between the two states started in the mid-1800s after Delaware passed a law requiring New Jersey fishermen to obtain Delaware fishing licenses. New Jersey brought suit against Delaware to declare the long-disputed boundaries. The case went on for many years and was ultimately dismissed in 1907 after Delaware and New Jersey created the Compact of 1905, later approved by Congress.

The Compact of 1905 established Delaware and New Jersey's riparian rights to the Delaware River, concurrent jurisdiction with respect to civil and criminal process as well as the concurrent rights of regulating the fishery. However it did not specifically address or affect either state's territorial limits, rights or jurisdiction over the Delaware River, nor its subaqueous soil. These omissions would lead to future disputes and litigation.

A second action was brought in 1934 by New Jersey to determine the rights to the subaqueous soil after a dispute arose over the rights to an oyster bed within the twelve-mile circle of New Castle, Delaware. In *New Jersey v. Delaware II,* the Supreme Court established the boundary line between Delaware and New Jersey in the River below the twelve-mile circle and the Delaware Bay.

The Court traced Delaware's title through a series of deeds originating from a 1682 deed to William Penn granting him all the lands lying within the twelve-mile circle of New Castle, including the River, its islands and submerged lands. On reviewing the Compact of 1905 the Court determined that it did not affect either state's territorial limits, rights or jurisdiction over the River's subaqueous soil. The Supreme Court held that Delaware had title to the subaqueous soil within the twelve-mile circle.

The Supreme Court also held that the boundary between the two states below the twelve-mile circle and into the Delaware Bay is the centerline of the main shipping channel. The Court found that after the Revolutionary War there was no treaty or convention establishing a boundary between Delaware and New Jersey.

When independence was achieved, international law was applied to establish water boundaries between the states. Under the doctrine of "Thalweg," international law divides boundaries by the middle of the main shipping channel, where one exists, and not by the geographical center of the river banks. The Court looked at Fisher's Chart of Delaware Bay and found that there was a well-defined navigation channel on the Delaware Bay and River as early as 1756. Applying the Thalweg doctrine, the Supreme Court held that below the twelve-mile circle, the boundary between Delaware and New Jersey is the middle of the Delaware Bay and River's main shipping channel.

Development of Environmental Regulations and Interstate Cooperation

The environmental movement began in the late 1950s, and Delaware enacted several statutes regulating the submerged lands of the Delaware River. In 1971, it implemented the Delaware Coastal Zone Act (DCZA) which was established to protect Delaware's coastal zone and prevent a danger of pollution to the coastal zone. The DCZA prohibits "heavy industry uses of any kind" and "offshore gas, liquid or solid bulk product transfer facilities."

In 1972, Congress passed the Coastal Zone Management Act (CZMA) which encourages states to develop coastal zone protection programs in exchange for federal funding; each state's coastal management plan (CMP) must be approved by the National Oceanographic and Atmospheric Administration (NOAA). Once a CMP has been approved, proposed projects contained within a state's coastal zone must conform to the plan.

In 1979, Delaware's CMP was approved by NOAA, and in 1980, New Jersey's CMP was approved. Each state's CMP is different, as some states are less restrictive to industrial activities in the coastal zone while others are more so. Because of these differences, states must cooperate to encourage development of their coastal zones.

Following the decision of *New Jersey v. Delaware II,* the states cooperated to develop structures extending from New Jersey into the Delaware River. From 1969 to 2006, any New Jersey project that extended out into the Delaware River beyond the low water mark had to obtain coastal permits from both states. During that time, three structures were built, and Delaware issued permits for each. In 1972, Delaware rejected the construction of an LNG unloading facility extending from New Jersey into the Delaware River, because the facility violated the "heavy industry uses" and "bulk product transfer facilities" provisions of the DCZA. New Jersey did not object to Delaware's rejection at that time. However, this would be the harbinger of things to come.


Scott Gunst, Esq.

New Jersey v. Delaware III

In the mid-2000s, British Petroleum planned the construction of an LNG offloading facility in New Jersey. The project, termed "Crown Landing," included the construction of a pier which would extend approximately 2,000 feet from New Jersey into the Delaware River. In addition, the project required the dredging of approximately 1.24 million cubic yards of subaqueous soil and affecting approximately 29 acres of riverbed within Delaware's jurisdiction.

In 2004, BP sought Delaware's permission to construct the project. Delaware denied the request and in support of its denial cited the DCZA which prohibits "bulk product transfer facilities" and "heavy industry uses." These same prohibitions were relied upon in Delaware's 1972 decision prohibiting the construction of an LNG facility.

Rather than accepting Delaware's decision, a dispute quickly escalated. New Jersey threatened to withdraw funds from Delaware's banks; Delaware considered mobilizing the National Guard to project its border; New Jersey's legislature looked into re-commissioning the battleship NEW JERSEY to repel a possible invasion by Delaware. In the end, cooler heads prevailed, and rather than firing the 16" guns of the NEW JERSEY into Delaware, New Jersey took to the pen and fired a complaint, hauling Delaware back to the Supreme Court for a third time.

In *New Jersey v. Delaware III,* New Jersey brought suit against Delaware seeking a declaratory judgment that under Article VII of the Compact of 1905 New Jersey had the authority to construct the Crown Landing project.

The Supreme Court looked to the Compact to determine what riparian rights New Jersey had over the subaqueous soil within the twelve-mile circle. While Article VII allows each state to exercise riparian jurisdiction of every kind and nature under the laws of that respective state, Article VIII specifically states that the Compact does not affect "the territorial limits, rights, or jurisdiction of either state…or the ownership of the subaqueous soil." Based on Article VII of the Compact, the Court determined that New Jersey has riparian rights

continued on page 14

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Aker Philadelphia Shipyard and Crowley Announce Plans for New Tankers

Aker Philadelphia Shipyard, Inc. (APSI), and Crowley Maritime Corporation are expanding the cooperation initiated with the sale and delivery of two product tankers in 2012 and 2013. The expanded partnership includes four new product tankers with deliveries in 2015 and 2016, with the possibility to build four additional product tankers with deliveries through 2017. The parties have signed binding shipbuilding contracts for the first four tankers with a total contract value of approximately $500 million.

"The shale revolution is creating industrial opportunities throughout the United States and specifically here in Philadelphia. We are pleased to expand our partnership with a first class operator like Crowley to help meet the nation's longstanding goal of energy security," said Kristian Rokke, President & CEO of Aker Philadelphia Shipyard.

The new 50,000 dwt product tankers are based on a proven Hyundai Mipo Dockyards (HMD) design which incorporates numerous fuel efficiency features, flexible cargo capability, and the latest regulatory requirements. The vessels will be constructed with consideration for the use of LNG for propulsion in the future. HMD and APSI collaborated on the successful construction of 14 product tankers at APSI between 2005 and 2013.

Design and procurement activities are already underway to support the start of construction of the first tanker in January 2014.

APSI is currently constructing two 115,000 dwt crude oil carriers for SeaRiver Maritime, Inc., ExxonMobil Corporation's U.S. marine affiliate. Both of these crude oil tankers are scheduled for delivery in 2014.

"It's an exciting time. Since 2011, Aker Philadelphia Shipyard has tripled in size," said Rokke. "We won orders for $1.1 billion, were able to recall workers laid off in 2010, and we've continued to invest in our facility of 1,110 employees for the future."



Aerial view of the Aker Philadelphia Shipyard.

Aker Philadelphia Shipyard is a leading U.S. commercial shipyard constructing vessels for operation in the Jones Act market. It possesses a state-of-the-art shipbuilding facility and has earned a reputation as the preferred provider of oceangoing merchant vessels with a track record of delivering quality ships.

CG Instrumental to Safe, Efficient Waterway

continued from page 1

three states, three port authorities and multiple layers of government – work together. Sure they get animated about cargo, but when it comes to safety and security, they are team players. I was shocked how well they work together."

Volatile weather makes the inland location of Delaware River ports increasingly attractive to shippers, said Moore.

"We are busy. We do have fewer deep-draft petroleum ships, but we have more smaller ships and more barge traffic as a result of changes in the petroleum industry. It's the diversity of this port that makes it exciting and more resilient to economic changes.

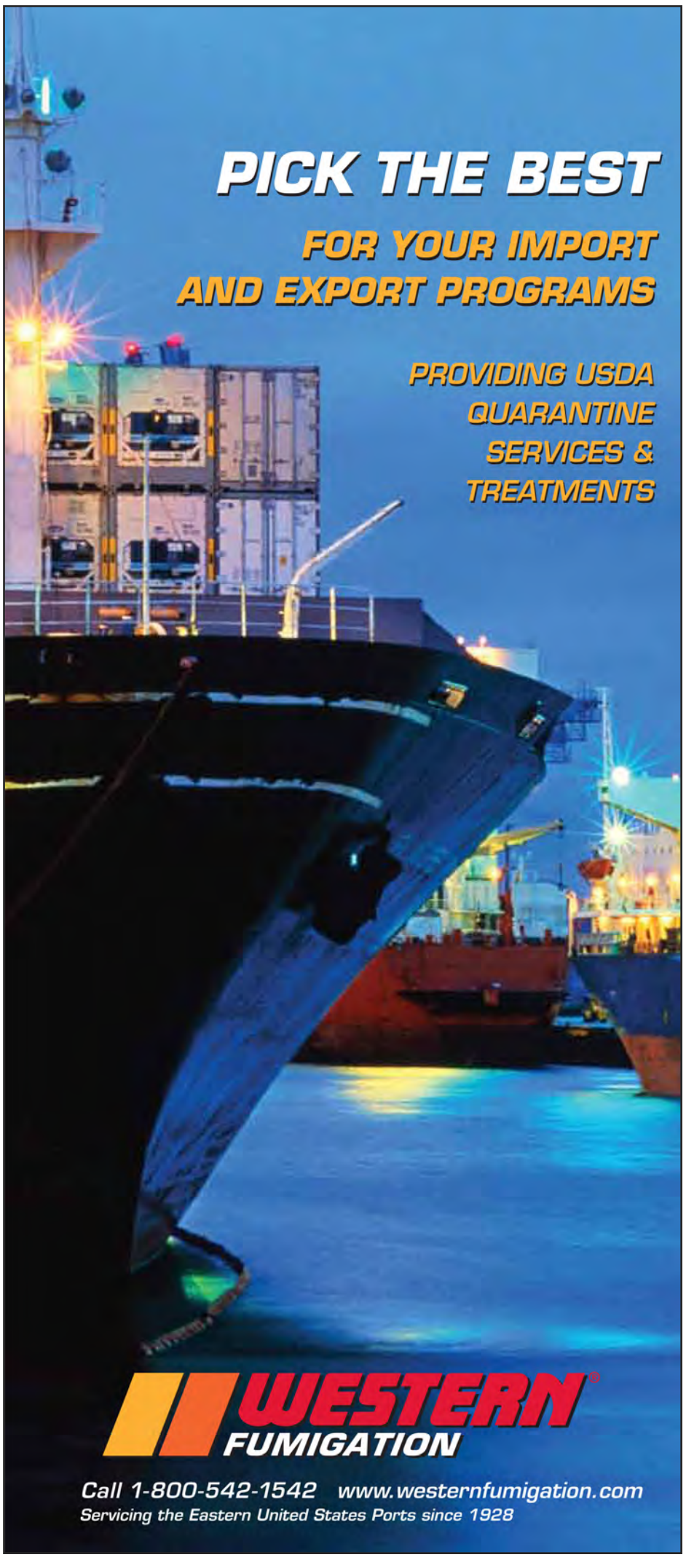
Maritime traffic peaked on the Delaware River in 2006 with 2,847 ships. Last year the number was 2,076, slightly higher than 2010 when it hit rock bottom at 2,028 ships.

When Philadelphia Energy Solutions, PBF Energy, NuStar Asphalt and Eddystone Rail Co. crank up the volume to capacity of inland crude and petroleum byproducts from the Marcellus Shale, Western Canada and North Dakota, Moore predicts a spike in exports that will dwarf the decline in imported crude. She is also optimistic that the opening of an expanded Panama Canal will bring new shippers to the river.


In November, Capt. Moore (left) accepted an award on behalf of the Coast Guard Sector Delaware Bay from Father Peter Stube, Executive Director of the the Seamen's Church Institute. SCI honored the Coast Guard at its annual fall gala.

Despite the Paulsboro accident which is still in the courts, Moore said she has "no issues" with the increase in rail service into the port. She commended the oil refineries with keeping the Coast Guard up-to-date on plans and permits.

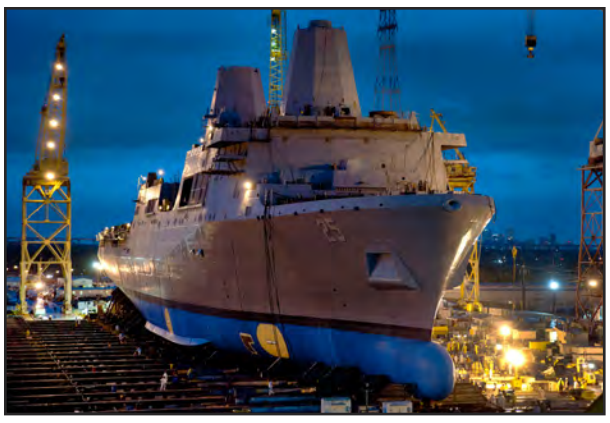
"Petroleum cargoes transferred to and from rail is a bit less challenging than transferring the same product to ships and barges because of the need to accommodate the vessel's movement in the water," explained Moore.





USS SOMERSET to be Commissioned at Penn's Landing

By: Michael D. Kearney
USS Somerset Commissioning Committee



The ship's name honors the passengers and crew of United Airlines Flight 93.

USS *Somerset* (LPD-25) will be commissioned in Philadelphia on March 1, 2014. She is the ninth *San Antonio*-class amphibious transport dock and the fifth ship of the United States Navy of that name – in this case for Somerset County, Pennsylvania. Like her sister ships, USS *New York* and *Arlington*, she is named in commemoration of the September 11, 2001 attacks. The name honors the passengers and crew of United Airlines Flight 93 whose actions prevented terrorist highjackers from reaching their intended target, forcing the airplane to crash near Shanksville, in Somerset County.

Over the weeks following the Flight 93 crash, recovery personnel retrieved more than 95 percent of the airplane's wreckage from the crash site. An American flag was hoisted on the top of a power shovel or "dragline" on a hill dominating the area. The dragline had been used in coal stripping at one time, and the equipment with the flag became a symbol of the effort.

In the summer of 2008, the dragline's 22-ton steel bucket was melted down and cast into LPD 25's bow stem, embodying the strength and determination of the people of the United States: to recover, to rally, to take the fight to the enemy.

Somerset's keel was laid down on 11 December 2009, at Northrop Grumman's Avondale shipyard in New Orleans, Louisiana. She was launched on 14 April 2012, with her christening on 28 July 2012. Mrs. Mary Jo Myers, wife of General Richard Myers, former Chairman of the Joint Chiefs of Staff is the ship's sponsor.

The versatile *San Antonio*-class ships incorporate both a flight deck to accommodate CH-46 helicopters and MV-22 Osprey tilt-rotor aircraft and a well deck that can launch and recover landing craft and amphibious vehicles. The *San Antonio* class' increased vehicle space and substantial cargo carrying capacity make it a key element of twenty-first century Amphibious Ready Groups, Expeditionary Strike Groups, and Joint Task Forces.

The ships are 684 feet long with a beam of 105 feet. Displacing nearly 25,000 tons, they draw 23 feet of water at full load. Four diesel engines produce 41,600 shaft horsepower propelling the ship in excess of 22 knots.

In addition to performing their primary mission, *Somerset's* sister ships have supported anti-piracy operations and provided humanitarian assistance and foreign disaster relief operations in Haiti after the earthquake.

Somerset is the last of the commemorative ships to be commissioned. The cities of New York, New York and Arlington, Virginia (the Washington, DC metro area) provided tremendous support for the commissioning of the sister ships. The USS *Somerset* Commissioning Committee, supported by the Philadelphia Council of the Navy League, is tasked with raising the funds to support commissioning events. While the Navy funds the ceremony itself, ancillary expenses for the ship and her crew require hundreds of thousands of dollars. We are confident that that port communities of the Delaware River, Pittsburgh, and Erie will meet the challenge in supporting the Commissioning Committee.

Commissioning a US warship is a tradition that has been in practice since 1775. It is the most significant event in the life of the ship. Many dedicated volunteers are working to ensure that Somerset's commissioning events are a success. Be a part of it. For a listing of events and levels of support for tax-deductable donations, visit our website: www.usssomersetcommissioning.org.

USS Somerset Commissioning Committee
PO Box 56198, Philadelphia, PA 19130
Phone: 610-687-7699
info@usssomersetcommissioning.org



USS SOMERSET prospective commanding officer, CAPT Thomas L. Dearborn and crewmembers toll the bells at the 2013 Flight 93 commemoration in Somerset County, Pennsylvania.

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Quiet Shipyard Makes Noise

I first heard about Rhoads Marine Industries from Maritime Exchange board member William Moran. At that time, both Bill and I were seeking to join the prestigious Armed Services Council of the Union League of Philadelphia, headed up by Exchange board member Adm. Joseph Hare, Vice President of Rhoads Shipyard Operations.

After our first meeting with Adm. Hare, we were invited to take a tour of Rhoads' new facilities at the Navy Yard and to learn some background on Rhoads Marine Industries.

This new company is a unit of Rhoads Industries – a family-owned company that has provided industrial fabrication and maintenance services to the mid-Atlantic region since 1938.

The re-commissioning of the Rhoads Shipyard facility started in January, 2010 and proceeded rapidly over an 18-month period, during which time Rhoads invested millions of dollars in restoring functionality to the pier, dry dock pump house, caisson and winches, lay-down areas, shipyard portal cranes and associated warehouse and shop facilities.

Today, Rhoads Industries operates a state-of-the-art facility for some top-notch customers to include Aker Philadelphia Shipyard, Northorp Grumman, Penn Maritime, Overseas Shipholding Group, and the Navy Sea Systems Command.

Some of Rhoads' recent projects include:

- Supplied turbo generator systems for U.S. Navy aircraft carriers GEORGE BUSH (CVN-75) and GERALD FORD (CVN-76);
- Provided mobile "Tiger Team" support to Lockheed Martin for alterations to the vertical launch missile systems of the Aegis Class of guided missile cruisers;
- Removed propulsion plant components from the ex-USS YORKTOWN, THOMAS S. GATES and TICONDEROGA;
- Repair, maintenance and overhaul of barges for the City of Philadelphia, Overseas Shipholding Group and other customers;
- Preparation of ex-USS RADFORD for use as a marine reef;
- Repair to the U.S. Army Corps of Engineers Hopper Dredge MC FARLAND; and
- Repair to Great Lakes Dredge and Dock Hopper Dredge ILLINOIS.

Rhoads Marine Industries started out with 45 employees in 2010, and today it employs up to 200 craftsmen, depending on project requirements.

Adm. Hare told me he believes Rhoads is "fortunate that there is such an outstanding labor pool in Philadelphia . . . our workforce brings a unique expertise to our operations and is a driving factor in our success in this region."

All of us at the Maritime Exchange wish much success to this rapidly growing shipyard. We are also pleased to have Adm. Joseph Hare on the Maritime Exchange Board of Directors, and we value his extensive marine experience.

I should also report that Bill Moran, his wife Marian, and this writer, were asked by Adm. Hare to join the Union League Armed Services Council, which orchestrates all military events at the Union League. It's a sincere privilege to work with this great American.



CACC Honors Markell as a "Friend of Chile"



On November 22, Pennsylvania State Senator Mike Stack (2nd from right) presented a citation to the Governor of Delaware Jack Markell (left), the 2013 recipient of the Friend of Chile award. The award is bestowed each year by the Chilean & American Chamber of Commerce in recognition of an individual who demonstrates the strong and deep commercial, trade, cultural, and diplomatic relationship between the Greater Philadelphia region and the Republic of Chile. Also honored at this year's event for lifetime achievement were Tom Mastromarco (2nd from left) and Harold Sbrocco (represented by his daughters) for lifetime achievement.

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Oil Industry on the Delaware

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Florida ordered four 330,000 barrel tankers this summer from Aker Philadelphia Shipyard for $500 million with an option to buy four more. Aker is also building two tankers for Exxon Mobil Corp. affiliate SeaRiver Maritime. The surge has allowed Aker to return to full employment of 1,000 workers after several lean years.

Fill 'er Up – New Faces on the River

Like Sunoco, Inc., Wawa has a string of gas stations – more than 260 in the five-state area – that need a predictable supply of petrol. To that end, it is leasing 13 tanks, capable of storing 1 million barrels of fuel from Magellan Midstream Partners, L.P. at the Port of Wilmington. Wawa is Magellan's biggest customer, according to Operations Supervisor Andy Zaun.

Headquartered in Tulsa, Oklahoma, Magellan operates the longest refined products pipeline system in the country through terminals in 22 states. It came to Wilmington in 2009, investing $72 million in the site with room to expand, to strengthen its east coast presence.

Navigator Gas Transport Co. doesn't have a home on the Delaware River yet; but CEO David Butters wants to lease space at Tioga terminal for storage and a berth to handle a ship a week. Negotiating a "reasonable price" for rail service, he said, appears to be his biggest obstacle at this time.

Based in London, Navigator Gas already hauls about 140,000 barrels of propane from Marcus Hook to Europe and South American every two weeks.

"It's small, but a beginning. These liquids are extremely valuable because they can be used in heating, cooking, feed stock to petrochemical plants. They can also be transported by rail, truck or pipeline, unlike natural gas which is more limited," said Butters.

"Prices are depressed here because of the abundance, but very strong in other countries. Pennsylvania is sitting on a treasure trove of assets."



PBF Energy, Inc., which purchased the former Valero refineres in Paulsboro and Delaware City, is using a fleet of 2,400 cars to haul about 60,000 barrels per day of light Bakken crude and 35,000 barrels per day of heavy crude from Alberta, Canada to Delaware.

Overcoming the Obstacles

While "big oil" has traditionally been characterized as the enemy in certain quarters, there's no doubt that communities value the contributions these oil companies make in our region. In both Marcus Hook and Delaware City, for example, and undoubtedly in cities across the U.S., communities were devastated by the loss of jobs and its ripple throughout the local economies. Elected officials worked hard to salvage what they could and help broker new deals wherever possible.

Now that these facilities are back on-line, for the most part residents are more willing to work with companies than to fight them at every turn.

Transporting increasing volumes of oil by rail changes the safety and security regimen as well. Though concerns stemming from recent rail accidents are making headlines, oil transport by rail is certainly nothing new. According to the American Association of Railroads, the rail industry has been moving oil for over 150 years.

According to the AAR, "Railroads have a strong safety record for moving hazardous materials, including crude oil, with 99.9977 percent of all rail hazmat shipments reaching their destination without a release caused by a train accident."

"The oil refiners, barge operators and railroads are committed to safety," Rochford said. "Clearly, they are concerned about the environment and the health of their neighbors, but there is also an economic incentive to remain accident free. Companies are going to do all they can to prevent incidents."

But the reality is that accidents do happen. The Coast Guard and water- and land-side first responders, in collaboration with industry, make training, prevention and preparedness a priority. As you'll read in this issue of *The Beacon*, a lot of talented people spend a lot of time and effort ensuring that operations are as safe as possible.

"The bottom line is that the oil industry is important to the Delaware River ports and to consumers as a whole. Local business operators and labor have responded admirably to the changing environment. Our ports are sure to prosper as a result of their efforts." Rochford said.

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Q&A With PWD's Kelly Anderson

continued from page 1

Website and Database Portal: The EWS website is the operational backbone of the system. The website also includes a Spill Model Analysis Tool that allows users to simulate and track spills for spill response purposes.

PWD has been implementing upgrades over the years to ensure that the EWS continues to serve as an advanced surface water protection system, addressing the growing demand for water supply monitoring and for notifications about water quality events. EWS is helping to protect the drinking water supply of over three million people in the region.

Q: How does the EWS work?

A: The single most important function of the EWS is to provide rapid notification of water quality events that might impact public drinking water supplies and industrial water intakes. One key benefit provided by the Early Warning System is to assure that rapid communication of emergency events helps avoid intake of potentially harmful water into drinking water treatment plants or industrial water intakes.

The system allows members to rapidly enter information about water quality events. Once an event is entered, the EWS automatically notifies all registered users about the event, typically within 10 minutes of an event report. The system utilizes email, computer telephony, and a secure web site to communicate EWS information to the members.

One of the most valuable and unique aspects of the EWS is that system participants/members input the pollution spill information. The members meet regularly to review the operation of the system, discuss water quality events, and consider improvements. Because the technology for water quality monitoring devices and information systems is advancing rapidly, the EWS is continuously improved to assure that it remains effective into the future. As the region grows, there will be increased reliance on a dependable source of high quality source water, as well as the need to manage additional threats to water quality.

Q: Can you describe how the Port Security Grant Program helped to advance the EWS?

A: In May of 2011, the Philadelphia Water Department was awarded funding from the Port Security Grant Program to upgrade EWS mapping and the spill analysis tools. In January 2012, PWD engaged an application development team, which completed the improvements in June 2013.

The project involved upgrading GIS mapping technologies used to locate and map spills for EWS users. The upgrade allows the user to locate spills more effectively when reporting an event and also improve geographic coverage and display of the river contamination when the user views reported events.

The objective of the Tidal Spill Trajectory Tool is to accurately predict the movement of chemical, biological and radiological agents in the lower Delaware River under tidal influence. Thus, in the event of an accidental or deliberate contamination event, this tool adds capabilities that existing tidal models cannot offer, by incorporating the effect of wind and weather on the movement of water pollution in tidal settings.

The Tidal Tool uses the National Oceanic and Atmospheric Administration's (NOAA) Delaware Bay Operational Forecast System (DBOFS) model and Physical Oceanographic Real-Time System (PORTS) data as the source of real-time hydrodynamic forecast predictions for the tidal Delaware River and Bay. Real-time tidal modeling code and tidal flow results have been integrated into the EWS web interface, providing greatly enhanced detail on tidal flows in the Delaware Estuary reaches.

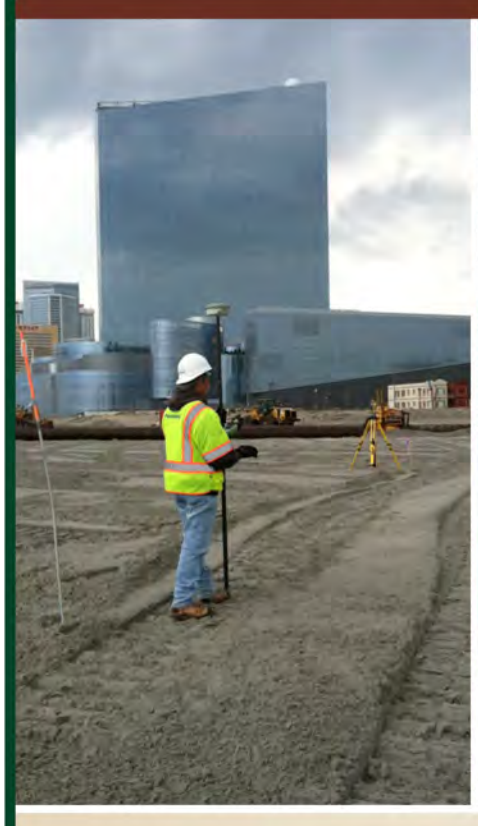
When a water contamination event in the lower Delaware is reported, the EWS user can log into the EWS web site to see the projected spill path of the contaminant and the estimated arrival times to the water system intakes along the spill path. EWS members can now see the tidal movements in the Delaware River and display an animation of the spill's tidal trajectory on a map. With this functionality, the EWS provides a more accurate tool to predict the spill trajectories in the tidal Delaware River and improve event response.

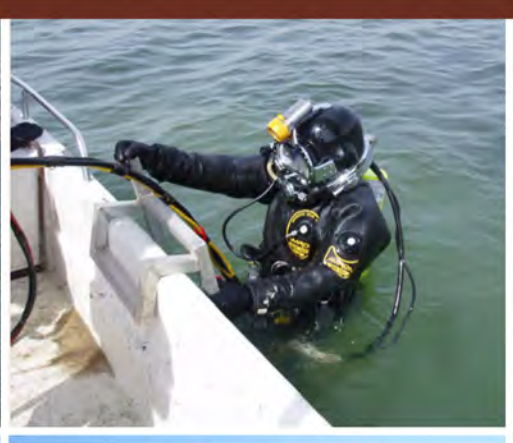
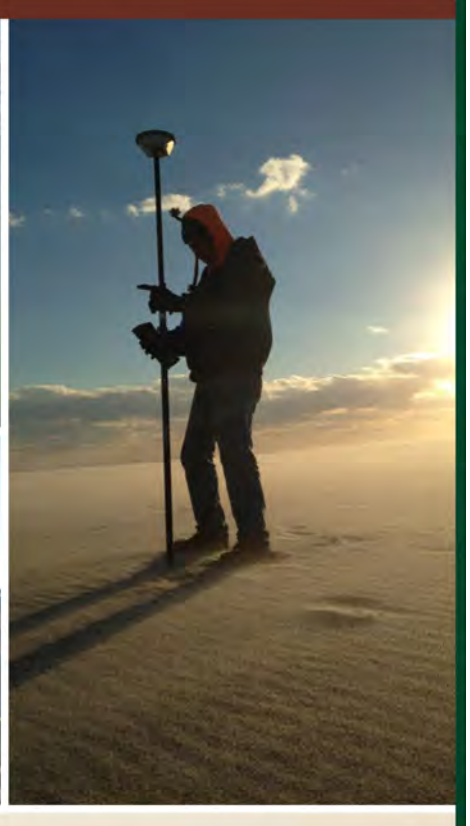
Q: Who has access to the EWS? How does someone become a partner?

A: The Early Warning System is a secure private network. The EWS Partnership includes representatives from industries who withdraw water from the Schuylkill and Delaware Rivers for daily operations, as well as public and private drinking water suppliers in the coverage area, and representatives of government agencies. Interested parties can contact Ms. Anderson at 215.685.6245 or Kelly.Anderson@phila.gov for more information.

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Legal Ease

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within the twelve-mile circle.

A riparian landowner has a bundle of rights to use the waters his property abuts, including the right to wharf out and to access navigable waters of a stream. However, these rights are subject to law and regulation of the state in which the stream is situated. The Supreme Court thus concluded that New Jersey's riparian rights within the twelve-mile circle are subject to Delaware's regulation. While New Jersey had the right to construct a wharf, it could only do so if it did not violate Delaware law.

Rather than hold that New Jersey's riparian rights within the twelve-mile circle are subject to Delaware's law and regulation, the Supreme Court held that New Jersey may grant and exercise authority over "ordinary and usual riparian rights" for the construction, maintenance, and use of wharves within the twelve-mile circle extending beyond the low-water mark. Delaware may exercise governing authority over those wharves to the "extent that they exceed ordinary and usual riparian uses." Though the Court failed to define what is considered ordinary and usual riparian uses, it determined that the Crown Landing project went beyond the ordinary or usual and therefore, Delaware had the authority to prohibit the construction of the facility.

The Supreme Court's decision was not unanimous. The dissent argued that the majority's opinion failed to explain the "extraordinary character" test it set forth and also that the particular riparian right at issue in the case was the right of wharfing out.

The activity at issue is nothing more or unusual than what would have occurred in 1905 when the Compact was created. In 1905 wharves were used primarily for the transfer of bulk cargo and heavy industrial use. While the liquefied natural gas industry was not developed in 1905, similar loading and unloading activities were occurring on wharves.

Future Development on the Delaware River and Bay

For future port development on the Delaware River and Bay to be successful, New Jersey, Delaware, and Pennsylvania must work together.

For centuries, Delaware and New Jersey have fought over jurisdiction on the Delaware River. Consistency, port growth, and the resulting economic development on the Delaware River and Bay could be properly balanced through cooperation with the need for responsible environmental regulation.

Today, some policymakers are suggesting that Delaware revise its CZMA in light of changes in both the environmental and economic climates since the Act was first written. As clearly illustrated here, decisions made by one state can dramatically affect the activities of another.

It is worth noting in a later suit brought by Delaware against the Federal Energy Regulatory Commission, FERC determined that the Crown Landing project was subject to coastal zone consistency reviews and approval by New Jersey, Delaware, and Pennsylvania before FERC approved construction of the project.

Interstate cooperation is the key to the future success of the development of the tri-state regional port.

Scott Gunst is a Licensed Deck Officer and Associate in the Law Firm of Reeves McEwing LLP with offices in Philadelphia, Pennsylvania and Cape May, New Jersey. He may be reached at 267-324-3773 or sgunst@lawofsea.com.

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Hueber Launches New Facility in Marcus Hook



On October 18, the Moran family opened their new Marcus Hook, Pennsylvania facility for Hueber Launch Service. Celebrating the event are (l-r): Maritime Exchange Chairman John Reynolds, Pilot's Association President Capt. Ward Guilday, PA State Representative Steve Barrar, Hueber Launch Services Managing Partner William Moran, and Exchange President Dennis Rochford.

On October 18, members of the Delaware River maritime community gathered at 45 E. Delaware Avenue in Marcus Hook, Pennsylvania to celebrate the opening of the Moran family's newest office and warehouse at Hueber Launch Service.

"We believe in the strength of the maritime industry on the Delaware River, and this investment shows our level of commitment to its growth," said Managing Partner Bill Moran. "The new facility will provide more comfort to our customers as well as increased confidence in the warehousing of stores awaiting final delivery."

Guests, including representatives for Congressman Patrick Meehan (R-PA), State Representative Steve Barrar, (R- PA/160), members of the Marcus Hook Borough Council, the Coast Guard and maritime industry enjoyed the non-stop slide show that captured the timeline of extensive and complete renovations of the refurbished site over a 12-month period.

The site will house six full-time employees and additional part-time employees, who provide round the clock personnel and stores transfer services.

"It is extremely gratifying to see this type of development in our Delaware River port community, and we wish Hueber Launch Service great success in this new business enterprise," said Exchange President Dennis Rochford.

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Editorial

DBRC – Not Just Tankers Any More

Coop a valuable resource for the entire region

The Delaware River and Bay Cooperative (DBRC) may not have as long a history as many of the other maritime organizations in the tri-state region, but it certainly has made its mark. With a primary purpose to plan for and respond to oil spills on water in the Delaware Valley, the DBRC is focused on sensitive area protection, open water skimming, and strategic planning.

To meet this goal, the Coop, incorporated as a 501(c)(4) "social welfare" nonprofit organization, is responsible for the operation and maintenance of three major Oil Spill Recovery Vessels (OSRVs), open water skimming systems, numerous support vehicles, including a crane truck, and several storehouses of oil recovery equipment. All of this is managed with a staff of only 18 people, 10 of which serve as rotating crews on the major OSRVs.

The DBRC also plays a large role in the port's preparedness against spills. In conjunction with the US Coast Guard, and the states of Delaware, New Jersey and Pennsylvania, the organization surveys all sensitive areas annually, and these surveys ensure the Area Contingency Plan is kept up to date. The ACP provides for effective implementation of response actions to protect the people, natural resources, and property of the Delaware River and Bay coastal and inland zones from the impacts of oil spills.

Given that the states have no obligation to conduct these surveys, without the Coop, it is likely these specific annual reviews and updates would not take place.

And while we hope the DBRC is never again activated, it should give us all a great deal of comfort to know that President Rich Gaudiosi and his team are on the job. As will be explained, this is more important now than it has been in the past.

The DBRC was organized by the local petroleum industry in the mid-1970s – well in advance of the Exxon Valdez incident and its resultant federal legislation – and continues to be supported by the oil industry today. Since its founding just over 30 years ago, the organization has responded to almost 140 events. Throughout its history, the Coop has been driven by the leadership of the industry it serves and its focus on strategic thinking.

But like other aspects of the oil industry, the environment under which the DBRC must operate is changing dramatically as well.

The Coop has a fixed overhead budget which is funded by its members, largely based on volume and throughput. So if one refiner decreases or otherwise changes the focus of its operations, as has been the case in this region over the last several years, the entire revenue model must change. Further, as its members look to land-based oil transportation from the shale gas fields, versus on tankers from foreign ports, so too must the DBRC reevaluate its operations to ensure it continues to serve its members and the tri-state region as a whole.

In addition, recent changes in the complexities of the petroleum industry in the Delaware River and Bay and the evolving relationship between the industry and governments since the Deepwater Horizon Oil Spill have reshaped the preparedness and response expectations placed on the industry. Recently, the organization launched a new program to provide spill management services, including personnel and technical resources to assist member companies during a response/recovery effort should one occur.

It is likely that many in the maritime community may not even be aware of this valuable local asset. Those in the container and general cargo sectors have not historically been focused on oil spill prevention and response. But with the Coast Guard's promulgation of new Non-Tank Vessel Response Plan requirements, all vessels greater than 400 gross tons are compelled to develop and operate under Vessel Response Plans just like those required for oil tankers under the Oil Pollution Act of 1990.

Of concern are the oil transfers associated with bunkering operations and potential breaches of bunker tanks. The final rule outlines the requirement to plan for responding to a worst case discharge and a substantial threat of such a discharge. So now all commercial cargo ship owners/operators will be required to contract with Oil Spill Removal Organizations (OSROs).

For obvious reasons, carriers which call at multiple U.S. ports would prefer to deal with one OSRO nationwide rather than different organizations in every port they call. Yet there is a very strong argument to be made for utilizing the services of a local response organization like DBRC.

Foremost among these is the pre-staging of almost 100,000 feet of boom and speedy response of assets already nearby. The reality is that most other response organizations simply do not have similar capabilities ready to go in this region. And even those not directly involved in spill response understand that the faster the spill is contained, the faster it is cleaned. The result: less damage to natural resources and man-made structures along our waterway and reduced disruption to businesses using our waterways. And with the faster remediation comes an exponential decrease in the costs to mitigate a spill.

Also of import is the local knowledge the Coop staff bring to bear. The Coop is deeply engaged in this community, participating in exercises, drills, planning initiatives and, equally relevant, the myriad meetings and networking events that are so critical to fostering relationships among the many partners involved in any incident response.

Those who are DBRC members are fortunate to have such a resource at their disposal. Those of us who live and work in this region are equally lucky.

Adieu, Mr. Martocci

Anyone in this region who conducts business with Customs and Border Protection knows Allan Martocci. This fall, Al quietly retired from his position as CBP Area Port Director for the Consolidated Philadelphia Port. A respected member of the Delaware River maritime community, Al served CBP for 47 years, including 37 years in the Delaware River port region and six years as Area Port Director.

During his career in Philadelphia, including his many years as an assistant Port Director, Al time and again expressed his willingness to work with "the trade," as he calls us, to facilitate international commerce. Although he often didn't provide the desired response to issues raised by the maritime business community, Al left no doubt that he was a man committed to his CBP mission.

One thing was certain: Al has been among of the region's foremost leaders in his ardent determination for and support of the Maritime Exchange Maritime Operations Committee, and he doggedly worked with Exchange members to improve processes and solve problems to the extent he was able.

The Exchange thanks Al for his integrity and his service to our regional port community. We bid congratulations to Al for his extraordinary career and wish him a long, happy and healthy retirement.



Letters...

Dear Editor:

I would like to share with your readers the success we at Rhoads Marine Industries have enjoyed through our advertising efforts in the Maritime Exchange "Beacon." Starting any new company or business line is never easy, especially in a down economy. When contacted by potential customers interested in our ship repair/lay berth services, I always ask how they were informed of our business. Often the reply is that they saw our advertisement in the Maritime Exchange "Beacon." Having been a reader of the "The Beacon" for many years, I can also attest to the "readability" of the publication, focusing on the local port and its community makes it an enjoyable and informative read from cover to cover.

Sincerely,

Captain John Gazzola
Rhoads Marine Industries

The Maritime Exchange encourages readers of *The Beacon* to comment and give us your thoughts on any article we have published or other maritime-related issues.

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Dorothy Mather Ix, Treasurer

Switching Gears on Maritime On-Line Development

Since the conversion of the Maritime On-Line (MOL) TRACS® system to the Automated Commercial Environment (ACE) last year, the Exchange has has been busy working on modifications to the system, some resulting from federal automation changes and others based on suggestions from system participants.

MOL was conceptualized and developed in the 1980s as a community-based system. The local participants and the Exchange came together to implement a system that not only met federal reporting requirements, but also made sense from a business perspective to streamline operations through the collection and dissemination of advance schedules and other information. This is a practice that continues to this day.

Over the past several years, meeting the many changes to federal reporting requirements has been a primary focus of the Exchange. Customs and Border Protection implemented Advanced Security Filing and stow plan data (known as 10+2), and then mandated the migration from the legacy Automated Commercial System (ACS) to ACE for reporting ocean cargo manifests. During this time, Coast Guard promulgated several changes to the Advanced Arrival and Departure Notice system which included new data elements and many changes to the business rules for reporting.

These changes required an enormous amount of effort, planning and resources which kept the Exchange's IT and Operations staff busy with rules review and specification development, code testing (internally and with external users), deployment, and finally support of the new systems.

Now that major federally-mandated conversion projects are complete, the Exchange is switching gears to work on some of the many enhancements to Maritime On-Line suggested by system users.

Exchange staff collects and reviews all requests from participants, and prioritizes them based on business needs and impact to the overall user community. Enhancements that impact larger segments of the user community are given a higher priority. However, federal mandates that affect compliance always take precedence.

One of the major projects now underway involves enhancements to the Automatic Identification System (AIS), the real-time vessel position component of MOL. The Exchange is currently updating the core engine that powers the system, and is re-writing the vessel replay functionality. Just like any other system, periodic updates to operating systems and software versions are necessary to maintain compatibility and functionality with current trends and hardware, and the upgrade of the core has become necessary to implement future enhancements the Exchange has slated.

The new AIS replay functionality will provide better tools to response and security personnel by providing a more user-friendly interface, and it will expand the time-frames through which vessels can be tracked. The system will allow a replay of any geographic area for a duration of up to 12 hours. The user can step through vessel movements in one minute increments, and control the speed of the recorded playback.

Several other AIS enhancements are also on the books for future development. The Exchange will update the geofence functionality that currently allows users to set a logical zone on the river with notifications generated when a vessel enters or exits the zone, or exceeds a speed within the zone. The enhancement will allow a "moving" geofence to be created on a vessel – this will follow the vessel and provide alerts when other targets broach the perimeter drawn.

In late October, Coast Guard released a new schema to report arrival and departure notices. This is the latest of several modifications released by Coast Guard over the past two years. Probably the most significant change incorporated the reporting of Longshore Worker Declaration information which replaced the paper filing of the Customs I-418 form.

Other modifications to NOA/D On-Line requested by users have been made, such as numbering crew and passengers for easier identification, data entry enhancements to the spreadsheet and the web site, and implementing additional error checking. Other modifications are either under consideration or in progress.

This year, several enhancements have already been implemented to TRACS, and others are on the way. Among the changes already made include filing of partial Permit to Transfer quantities, automatically closing Foreign Remaining on Board bills of lading, and other enhancements that help prevent data entry errors.

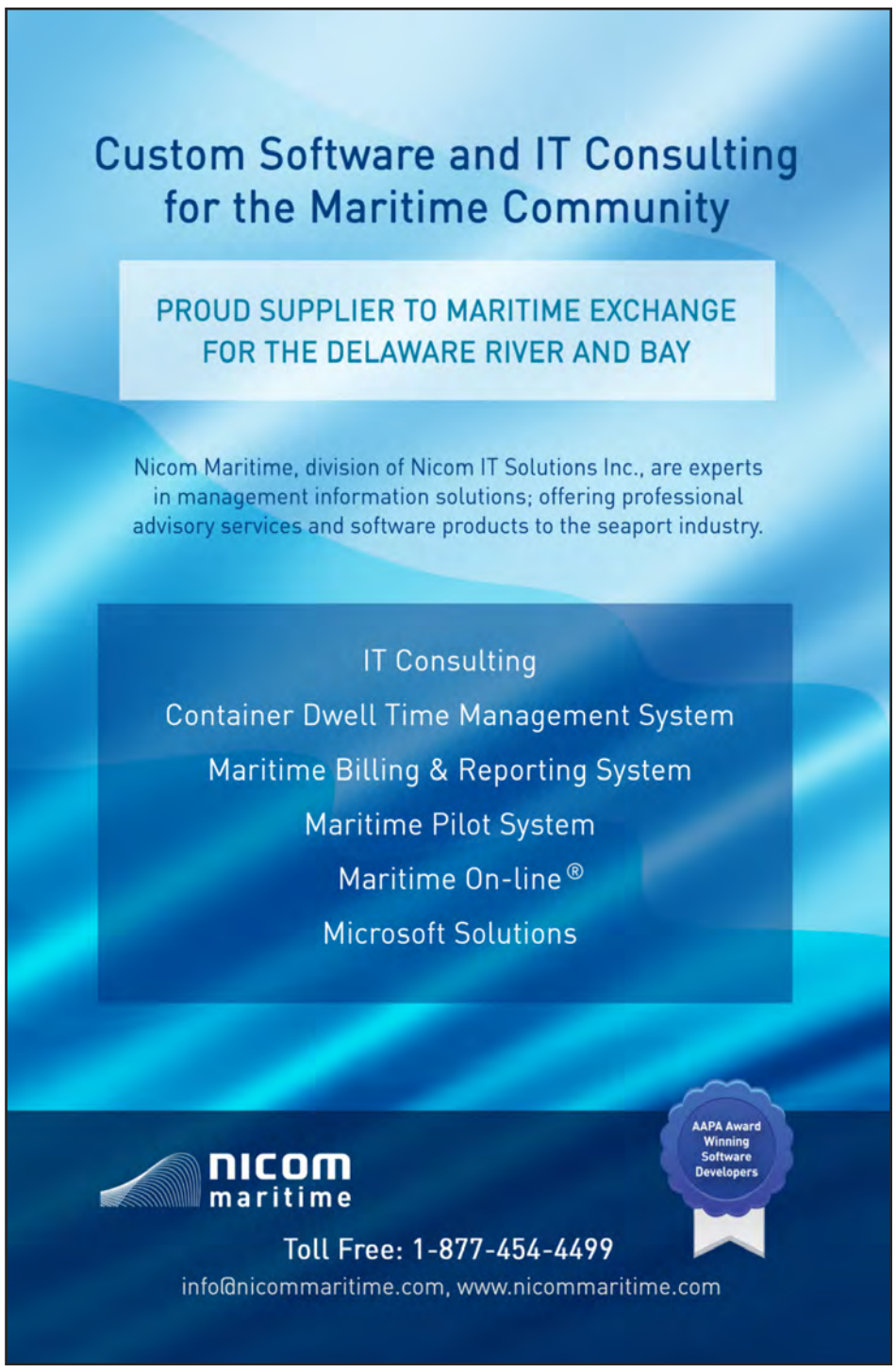
The Exchange is also making several modifications as requested by the user community. These changes will streamline the data entry and reporting process and are aimed at reducing data entry errors, and increasing productivity through improved data entry processes.

Last, but certainly not least, is the project to overhaul the entire MOL system back end to be more compatible with newer versions of web browsers. It has been several years since the last major system re-write, and industry standards have been altered to the point that much of the basic MOL infrastructure must be modernized to maintain compatibility with new PCs, operating systems, and web browsers.

The Exchange maintains, operates, and supports Maritime On-Line 24 hours a day, seven days a week. The development of the system would not have been possible without the active participation of its user community that has provided valuable direction and suggestions for almost 30 years.

The Exchange is also extremely grateful to the States of Delaware, Pennsylvania, and New Jersey for their continued support of the Maritime Exchange's mission to help promote and protect the businesses of the Delaware River and Bay.

Partial state funding has allowed the Exchange to maintain the community-based system that not only provides a cost-effective mechanism to meet federal mandates but also enhances the infrastructure of the Delaware River and Bay by providing advanced vessel schedules, real-time positions, and ship-to-shore communication services that increase the competitiveness of the region, those that operate on the river, and their customers.





Notes & News

Royal Pest Solutions celebrated the 30th anniversary of its Vice President of Operations **John Achzet** in September. John is an integral part of the Royal Family and began as a pest management technician. He rose to take over development of Royal's fumigation business in 1987. He remains active in both divisions, as well as in Royal's leadership role in the Food Protection Alliance and its director of Alliance Pest Solutions, a related business operating in the Midwest and Gulf states. Known for his maxim that "you're only as good as your last fumigation," John has trained fumigators, pioneered new applications and new treatments, consulted on design of facilities and spoken at international conferences. Congratulations, John!

Ricardo Maldonado, Executive Director of the **Chilean & American Chamber of Commerce of Greater Philadelphia**, was voted Business Person of the Year at the Hispanic Choice Award ceremony held at the Merriam Theater in October. Ricardo received the Trailblazer award for his highly successful work between the East Coast of the United States and the Republic of Chile. "Ricardo is an outstanding leader, and our region has benefitted greatly from his tireless efforts to promote and sustain strong commercial and trade relations between Greater Philadelphia and the Republic of Chile," said Rob Wonderling, President and CEO, Greater Philadelphia Chamber of Commerce. "I am honored to work together with Ricardo and the CACC, as well as our other affiliates, to strengthen the business community in Greater Philadelphia." ¡Muy bien, Ricardo!

Welcome Aboard

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Upcoming Events

12/05/13	Annual Joint Holiday Dinner Ballroom at the Ben, Philadelphia, PA Contact Eileen Bartlomiejus, 215-922-6293 or ebart513@gmail.com
	Traffic Club of Philadelphia Holiday Party Union League, Philadelphia, PA Contact tcphila@gmail.com
12/11/13	**Maritime Exchange Executive Committee Meeting**
	DRPA/PATCO Board Meetings
12/12/13	Mariner's Advisory Committee Meeting La Veranda, Philadelphia, PA Contact Scott Anderson: marinersadvisory@yahoo.com or 215-925-1524
12/14/13	Independence Seaport Museum Annual Parade of Lights on the Delaware
12/17/13	Philadelphia Regional Port Authority Board Meeting
01/08/14	**Maritime Exchange Board Meeting**
01/14/13	Tri-State Maritime Safety Association Board Meeting
01/21/14	Seamen's Center of Wilmington Board Meeting
	Philadelphia Regional Port Authority Board Meeting
	Traffic Club of Philadelphia Annual Dinner Hyatt Regency Penns Landing, Philadelphia, PA
02/12/13	**Maritime Exchange Executive Committee Meeting**
02/18/13	Philadelphia Regional Port Authority Board Meeting
02/19/13	DRPA/PATCO Board Meetings
03/11/13	Tri-State Maritime Safety Association Board Meeting
03/12/13	**Maritime Exchange Board Meeting**
03/18/13	Seamen's Center of Wilmington Board Meeting

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

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