The Maritime Exchange is pleased to announce that it recently signed an agreement with the Pennsylvania Department of Transportation for a $100,000 grant from the commonwealth’s Multi Modal Transportation Fund. The grant will support funding projects which encourage economic development and help ensure a safe and reliable system of transportation.

“We’re extremely excited about this opportunity as the MTF program typically funds things like road, bridge, and rail projects,” said Exchange Vice President Lisa Himber. “Using the multimodal fund for port-related projects, not to mention computer system improvements, is an extremely unique application. We’re hopeful that additional program funds can be allocated to maritime initiatives in the future.”

Coupled with its own dollars, the Exchange plans to invest a total of $150,000 into its Maritime On-Line system under this project.

“Act 89, Pennsylvania’s far-reaching, bipartisan fund, for the first time giving the state a dedicated source of transportation funding,” said Exchange Vice President Lisa Himber. “Using the multimodal fund for port-related projects, not to mention computer system improvements, is an extremely unique application. We’re hopeful that additional program funds can be allocated to maritime initiatives in the future.”

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Preparing for high-visibility events often takes thousands of people hundreds of hours. What average Americans — and even some within the international maritime industry — do not realize is that waterway operations near high-profile activities can be thrown into a tailspin when dignitaries come to town.

At issue is the protection of national security interests in and around Delaware Bay, according to the Exchange. “We have a list of nearly 40 public sector agencies and organizations, as well as law enforcement and first responders — rely on the Exchange AIS to obtain information about what ships are in port and where they are,” Himber said. Members also turn to the Exchange system to help investigate incidents and assess traffic patterns.

The bulk of the work will enhance individual MOL applications, with the significant majority of the funds earmarked to improve the TRACS cargo manifesting and release system. “We have a list of nearly 40 enhancements suggested by our users,” said Exchange Director of Operations Paul Myhre. These range from the very simple, such as modifying reports and data to the very simple, such as modifying reports and data to obtain scheduling information. Fast forward one year and not much has changed. Planning for the 2016 Democratic National Convention in Philadelphia required the same time-consuming processes.

Unlike commercial cargo ship movement information, which is available from a single source through Maritime On-Line, no one system can provide tug/barge schedule data.

To plan for the DNC, Sector Delaware Bay met with port stakeholders collectively and individually to brief the maritime community regarding the effects of the convention on the waterway.

Exchange Vice President Lisa Himber participated in one of the meetings. “Accommodating security needs is always challenging to commercial operations,” she said. “But with effective information sharing and communication, we usually get through it with little problem.”

The challenges increase when information is not easily available. Adding tug movement information to the vast amount of ship data available through the Exchange would provide a single source

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A Stanford University alumnus and a Rhodes Scholar, Sen. Cory Booker also received an honors degree in History from the University of Oxford and completed his J.D. at Yale Law School. Elected to the Newark City Council at the age of 29, Booker then served as Mayor of that city for seven years, beginning in 2006. In 2013, he won a special election to represent New Jersey in the U.S. Senate, and on November 4, 2014, Senator Booker was re-elected to a full six-year term. Today, as New Jersey’s junior senator, Cory Booker brings an innovative and bipartisan approach to tackling some of the most difficult problems facing New Jersey and the country.

Q: Why is supporting the maritime industry important to you?

A: So often when considering the maritime industry in New Jersey, we think of our ports in the northern part of the state, but commerce along the Delaware River should not be understated. Just as the Port of New York and New Jersey is an economic driver for the state, New Jersey also enjoys a robust maritime industry in our southern counties. The industry interacts with multiple federal agencies, from the Department of Transportation to the Department of Homeland Security, to ensure that communication is robust.

Since my time as mayor of Newark, I have had a deep appreciation for the significance of the maritime industry to our economy. Maritime commerce provides good-paying jobs and helps to drive the economy of not only New Jersey and the region, but of the nation. I am excited about the potential for growth and opportunity for the industry along the Delaware River and Bay in particular.
With the general election campaign in full swing following the Democratic and Republican national conventions in July, legislative actions by the Congress will be somewhat limited.

Scheduled to return from its summer recess on September 6, Congress will recess again for the general election campaign by the first week in October. This allows a scant four weeks to pass appropriations bills and other must-do legislation. The possibility of a lame-duck session following the November 8 general election may add some flexibility to this schedule.

Congress is required to pass the FY17 budget by October 1, the beginning of the new fiscal year. If it does not meet this deadline, Congress retains the option of passing a continuing resolution to either a date certain in December or to sometime in the beginning of the next year.

During this window, federal agencies such as the Corps of Engineers, Coast Guard, and Customs and Border Protection continue to function and provide basic services at FY16 spending levels. New initiatives and related resources will not be forthcoming until final FY17 appropriations are passed and signed into law by the president.

As in previous years, enactment under regular order of one or two bills is a possibility, or Congress may opt to combine the 12 separate appropriation bills into one omnibus spending bill.

As an example of the impact this approach would have on port operations, the Corps of Engineers would have to wait until January or February to release its 2017 Work Plan. The Work Plan allocates funding levels for specific construction and related projects.

In addition, as noted in a story on the opposite page, Congress may pass the Water Resources Development Act of 2016, which includes language requiring full utilization of the Harbor Maintenance Tax for its intended purpose.

One issue to track as we make our way through the general election campaign is the position of major party candidates on trade.

With the reauthorization of Trade Promotion Authority in the Bipartisan Congressional Trade Priorities and Accountability Act, signed into law by President Obama on June 29, 2015, Congress established important procedures. One of consequence is to ensure certain and timely consideration of legislation to implement the highly consequential Trans-Pacific Partnership trade agreement when the President transmits this legislation to Congress. Given the widespread debate on trade throughout the course of both the Democratic and Republican primary campaigns, TPP and its role in U.S. engagement in the global economy is significant, if not central, to issues in the general election.

It is unclear whether President Obama will be able to move TPP through the Senate should Congress meet in a lame-duck session subsequent to the election. This uncertainty results largely from the fact that the Republican Party’s official platform specifically states that “… significant trade agreements should not be rushed or undertaken” in a lame-duck Congress.

Finally, it brings us great pleasure to note that the Senate included $4.2 million its FY17 Department of Homeland Security Appropriations bill for use by Coast Guard for Aids to Navigation. We are hopeful the House companion bill will also include this sorely needed level of funding.

Whatever the uncertainties and outcomes this year, including the results of the November general election, we need to be positioned to build on our accomplishments and be prepared to advance an agenda next year in Washington consistent with the short- and long-term goals of our regional port.

Denise Bedford
WRDA critical this year

The 2016 Water Resources Development Act has an even chance of approval by Congress when members return from summer recess on September 6. Critical to our nation’s ports, WRDA is a significant piece of legislation. Before the break, the Senate Environment and Public Works and the House Transportation and Infrastructure Committees had approved this authorization act.

While WRDA authorizes a wide array of programs and projects, the legislation includes language that achieves progress towards full utilization of the Harbor Maintenance Tax for its intended purpose of maintaining our nation’s shipping channels and harbors. On an annual basis, the HMT currently generates $1.6 billion, but only $1.2 billion is expended for maintenance dredging and related projects. One goal of this legislation is to make full HMT spending automatic and permanent.

“The members of our regional congressional delegation have been supportive of these efforts,”’ said Exchange President Dennis Rochford. “They realize the mandatory expenditure of HMT revenue for maintenance dredging will benefit the Delaware River port complex.”

The Maritime Exchange, in close cooperation with the American Association of Port Authorities, the Dredging Contractors of America, the National Association of Maritime Organizations, and other port interests throughout the country, has worked at the forefront to secure congressional support for this legislative language.

Why it matters

WRDA authorizes the U.S. Army Corps of Engineers to plan, design, and implement — among others — the nation’s coastal, inland waterway, and navigational channel construction and maintenance projects. It sets the Corps’ workload priorities and is what keeps the Delaware River, its tributaries, anchorages, and the main channel open for business.

In theory, WRDA covers a two-year period. “After the first WRDA in 1974, Congress had planned to pass WRDA bills biannually,” Rochford said. “But Congress has passed only two WRDA’s since 2000,” making the 2016 legislation even more important.

“We are optimistic, based on recent indications, that the Congress could pass this bill in September, or perhaps in a lame-duck session after the election,” said Jim Walker, Director of Navigation Policy and Legislation for AAPA. “Passage of this bill would mark the first time in 16 years that WRDA legislation was passed at a two-year interval.

PRPA selects new CEO

The Philadelphia Regional Port Authority Board of Directors recently announced the selection of Jeff Theobald as PRPA’s next chief executive officer.

Theobald, most recently the President and CEO of Ports America Outer Harbor Terminal, LLC, will assume his new duties in August. He replaces James T. McDermott, Jr., who retired in April.

“AAfter a compre-hensive national search . . . we are delighted to welcome Jeff as our Chief Executive Officer,” said Gerard H. Sweeney, PRPA Chairman.

“Jeff Theobald is a seasoned maritime industry executive with a proven track record. He has extensive expertise in terminal operations, international supply chains, strategic planning, contract negotiations, and financial controls, and will prove invaluable in overseeing port growth plans. He has excellent strategic vision and is joining at the right time, as so many projects and initiatives at the Port of Philadelphia are coming to fruition.”

At Ports America Outer Harbor, Theobald was responsible for a 200-acre container terminal facility in the San Francisco area, which included oversight of 50 management staff and over 200 union employees. He designed strategic plans for both the commercial account and capital investment sides of the business.

Prior to his time at Ports America, Theobald held several senior level maritime industry positions over the course of his career, most notably as a senior executive for ocean carrier APL, LTD, where he started in port terminal management and ultimately rose to senior vice president of global operations, networks, and terminals.

“This is a critical time for the port, with bold initiatives like our Southport Development Project and the Delaware River channel deepening project either nearing completion or hitting their stride,” said Pennsylvania Governor Tom Wolf, “and in Jeff Theobald we will have a strong, experienced, guiding hand to assist our board in assuring that these and other projects are successfully completed and, more importantly, deliver maximum benefits to the people of Pennsylvania.”

Theobald also spent time as a successful maritime and transportation consultant, advising clients such as McKinsey Consulting, the Port of Seattle, and global terminal operator DP World.

“I am delighted that the PRPA Board asked me to join the team at this very exciting time for the Port of Philadelphia,” Theobald said. “I look forward to doing everything I can to assure that the port meets the challenges of the future and fulfills its great potential.”

Crisis management: Readiness through planning, drills, and exercises

By: Dennis P. Tully

As we are all too well aware, emergencies, critical incidents, and business disruptions do not occur at the most convenient time, or the time of our choosing.

That these events occur with disturbing frequency, in facilities and in businesses throughout the maritime transportation system, is why preparing for such an event could mean the difference between your business surviving the disruption, or not. This is the premise upon which tools such as business continuity, contingency of operations, disaster recovery, and contingency plans are based. It is also why the Maritime Transportation Security Act of 2002 mandates maritime security planning and is codified in 33 CFR 105.

But the catch is: even if you have all these plans, are your employees familiar with them? Are they updated regularly? And, perhaps most importantly, do your day-to-day practices reflect that which is written in your plans? More often than not, the answer to the above questions is “no.”

Even with plans required by regulations, such as facility security plans, it is not uncommon to find operators who do not perform the simplest of actions set forth in their plans. Whether it’s through lack of knowledge, attempts to cut costs, apathy, or a lack of education, not following your own plan increases your liability and places your business in jeopardy.

So how do you ensure that you have the proper plans, that they are up to date, and executed as written? It’s not as daunting a task as it seems. In this day and age, it is a good idea for your business to have a version of most of the plans mentioned above. And, it’s a matter of developing the proper plans for your business. That process begins with understanding what each of the plans is and what each is designed to accomplish.

Business Continuity Plan – Used mainly by private industry, the BCP formalizes the task of understanding risks to the enterprise, identifying its mission-critical assets and then developing, obtaining, documenting, and testing procedures and resources that will ensure continuity of the key operations in the event of an accident, crisis, or business disruption. It involves (1) risk mitigation planning (reducing the possibility of the occurrence of disruptive events), and (2) business recovery planning (ensuring continued operation during and after a crisis).

Continuity of Operations Plan – Similar to the BCP, the COOP is used by public entities to ensure continued operation and delivery of vital services during a crisis.

Disaster Recovery Plan – The DRP is a documented process or set of procedures to recover and protect a business’s IT infrastructure and data in the event of a major disruption. Such a plan specifies procedures an organization is to follow in the event of a disaster.

Contingency Plan – A contingency plan will detail the specific steps and actions to be taken when specific events occur that negatively affect the operations, security, financial health, professional image, supply continued on page 12
DHS offers free cybersecurity services

As cyber threats continue to become more sophisticated, more people are paying attention. From the entry-level clerk to the executive suite and the boardroom, folks are finally starting to understand that the risk is real, it costs billions of dollars each year, that everyone is responsible for protecting electronic systems, and no one is immune.

The federal government is focusing more intently on the timely identification and sharing of cyber threats, indicators, and vulnerabilities. The Department of Homeland Security leads the federal effort to secure the nation’s critical infrastructure by helping the private sector prepare for, prevent, mitigate, and respond to cyber threats. As part of this mission, DHS provides information and services to help other government agencies and the private sector improve their cybersecurity posture, limit their risk exposure, and reduce rates of exploitation.

Many of these DHS programs and resources have been compiled under a single website run by US-CERT, the U.S. Computer Emergency Readiness Team. From best practices, guidance, and new threat information, to scanning services and self-assessment tools, DHS provides programs and information on www.us-cert.gov that can be valuable to companies and organizations of any size.

The Risk and Vulnerability Assessment and Cyber Hygiene are examples of these free services. Through the National Cybersecurity Assessment and Technical Services program, known as NCATS, DHS scans participants’ systems for known vulnerabilities and configuration errors. The agency will also conduct penetration tests to help plug gaps that cybercriminals can use to gain access. For more information, contact DHS at ncats_info@hq.dhs.gov.

Automated Indicator Sharing is another free DHS service. AIS enables the automated two-way exchange of cyber threat indicators between the federal government and the private sector. By sharing malicious IP addresses and senders of phishing emails, participants can incorporate this information into their respective intrusion prevention systems—effectively creating a community blacklist. According to DHS, almost 40 companies and a handful of government agencies currently participate in the program. Visit www.us-cert.gov/ais for more information and to sign up for AIS.

Through US-CERT, DHS also posts and disseminates current cybersecurity alerts, vulnerability announcements, system patch availability, security tips, and more. Visitors can subscribe to email distribution lists and manage the types of information they wish to receive. Through its Critical Infrastructure Cyber Community Voluntary Program, known as C³ and pronounced “C cubed,” DHS provides guidance and industry-specific resources and tools and promotes communication and information sharing. C³ provides cyber resilience self-assessment tools, training resources, recommended best practices for control systems, and toolkits for small and mid-sized businesses that are just beginning to look at cybersecurity.

Hardening systems against cyber-attack is not a one-time project with an end date, and organizations simply cannot rely on prevention as an effective plan to stop cyber criminals. It requires a never-ending and evolving strategy to prepare for, prevent, mitigate, and recover from attacks. Maritime facilities and other critical infrastructure present extremely high-value targets for criminals and terrorists alike. Through US-CERT, DHS provides a starting point for companies new to developing plans, as well as tools and resources for companies looking to improve existing cybersecurity programs.

Please join the Exchange in welcoming its newest directors:

- **David Chenowith**
  Regional Northeast Manager
  T. Parker Host, Inc.

- **Sean Clancy**
  Director, Delaware River Operations
  Independent Container Line, Inc.

- **Steve Clark**
  Commercial Manager, Shipping Services
  GAC Shipping (USA), Inc.

- **Frederick J. Iuliucci, III**
  General Manager
  Vane Brothers Company, City Dock

- **Lisa Reeves, Esq.**
  Reeves McEwing LLP

Congratulations also to **Robert A. Herb**, President of Terminal Shipping Co., who was recently elected as Exchange Treasurer.
First “Neo-Panamax” Shipping Vessel Calls Port of Philadelphia

On August 3, the first of a new class of “Neo-Panamax” shipping vessels called the Port of Philadelphia to begin a new phase of transport along the Delaware River. The “MSC Sophia Celeste,” an 8,800 TEU (twenty-foot equivalent unit) vessel operated by the Mediterranean Shipping Company docked at the Packer Avenue Marine Terminal in South Philadelphia for the first time, making it the largest ship to ever call the Port of Philadelphia.

“This new service comes as a direct result of the opening of the Panama Canal Expansion,” said David Whene, President of Greenwich Terminals LLC, operator of the Packer Avenue terminal. “Coupled with the near completion of the Delaware River Deepening Project, the Port of Philadelphia is poised to capitalize on this new service line as the only direct U.S. East Coast port of call between the west coast of South America and Europe.”

The “Sophia Celeste” was completed in 2014 and has an on-board capacity of 8,819 TEUs, of which 1,462 are designed with refrigerated container plugs for transporting perishable cargo. The ship is the first to trade on MSC’s newly redesigned South America West Coast-USA-Northwest Continent service line, which makes stops in Chile, Peru, Ecuador, and the Bahamas before calling Philadelphia and then heading to Rotterdam. Holt Logistics projects this new weekly service will not only produce more imports from South America through Philadelphia but will also increase volume from South America West Coast-USA-Northwest Continent service line to the Midwest destined for export to Northwest Europe.

Two super post-Panamax cranes arrive at PAMT

Holt Logistics Corp. and Greenwich Terminals, LLC also recently announced the purchase of two new super post-Panamax container cranes for installation at the Packer Avenue terminal in South Philadelphia. The cranes are expected to be operational by late 2017.

“These cranes will give Packer Avenue the ability to service the largest ships in the world,” said Thomas J. Holt, Jr., President of Astro Holdings, LLC, leaseholder of PAMT. “With the recent opening of the Panama Canal expansion, we are excited to continue investing in our port facilities to accommodate the expected increase in volume for many east coast ports. We are also thankful for the continued public-private partnership with the Commonwealth and Philadelphia Regional Port Authority that has helped to drive growth at our facilities and look forward to a productive relationship for years to come.”

ZPMC in China manufactured the two cranes. The super post-Panamax classification denotes cranes that are able to handle vessels of approximately 22 or more containers wide.

“The commitment demonstrated by the purchase of these two new cranes, coupled with the completion of the Delaware River deepening project, will position the Port of Philadelphia, and particularly the Packer Avenue Marine Terminal, as a burgeoning destination for shippers in the post-Panamax global economy,” said Gerard H. Sweeney, PRPA Chairman. “We applaud Holt Logistics and Greenwich Terminals for this latest example of how private investment and public sector partnership work best together with the result being increased and sustainable opportunities for the many workers that support these efforts.”

The cranes are the latest in a series of enhancements at PAMT aimed at modernizing the facilities. Recent investments include a multi-million dollar entrance/exit gate improvement project, technology infrastructure improvements, and purchases of new reach stackers and reefer plugs for increased efficiency. Holt Logistics and PRPA are jointly exploring a densification project at PAMT that will significantly increase capacity on the terminal, with plans for additional capital expenditures totaling over $100 million.

“The commonwealth has recognized the importance of the Delaware River since its very beginnings,” said Pennsylvania Gov. Tom Wolf. “This private investment is a clarion call for those who wish to share at the table of transportation infrastructure and the opportunities it presents . . . and my administration, hands on and through the PRPA and PennDOT, is here to continue to get the job done. Most importantly this is a sign to the men and women that work in industry and logistics across the commonwealth that we are open for business.”

“This investment dramatically improves the port’s ability to compete for bigger ships and bigger cargos, and that means creating more good jobs for the working people of Philadelphia,” said Mayor James F. Kenney. “The port is [critical] to the city’s economic future, and I applaud the plan to purchase the cranes as part of the continued development of Packer Avenue Marine Terminal.”
As someone who has worked over 50 years at the Philadelphia Navy Yard and Akor Philadelphia Shipyard as a rigger and trainer, I’ve always had an interest in the history of our shipbuilding heritage. This led me to participate in the Marcus Hook Pirate Fest, where I tended a display telling the story of the Civil War submarine “Alligator,” built at Neafie & Levy.

While there, I discovered the Sun Oil Memorial for their men lost to submarine warfare and was struck by how little we know of the men, women, and ships from our area that paid the ultimate price for freedom. This led to a search of records for the many shipyards that lined our waters and a list of the ships that were lost. The count has reached a sobering 334 ships lost and 1,345 sailors. Most famous was the loss of the tanker “Cyclops,” built at Neafie & Levy.

This is not a complete list, as the search continues. It’s a story that no one seems to know. But others believe there are more lost shipyards than just the ones I found: it lost 48 ships, with 44 of them to submarine warfare, and that’s what I found: it lost 48 ships, with 44 of them civilian-crewed tankers. Most notable was the loss of the tanker “Ohio.” This ship’s delivery of fuel to the embattled British set the stage for the German supply line in Africa, turning the tide of WWII. Forgotten were two Sun-built British aircraft carriers, the “Dasher” and the “Avenger,” which took almost 900 sailors to their doom.

As the sun sets over the Delaware River, the “USS Randolph,” the first ship of the U.S. Navy, and lost her in battle off Barbados. A stray flame touched off the magazine vaporizing the ship and all but three of her 400-man crew.

The largest number of lost ships came from the New York Shipyard in Camden, N.J. Her toll was over 75 ships and 3,818 souls lost. The most famous of these lost ships were the “USS Indianapolis,” the “USS Utah,” and the “USS Oklahoma.”

Next paying the devil’s due was Sun Shipyard in Chester. Since it built mostly tankers, one would expect many of these ships to meet their ends to submarine warfare, and that’s what I found: it lost 48 ships, with 44 of them civilian-crewed tankers. Most notable was the loss of the tanker “Ohio.” This ship’s delivery of fuel to the embattled British set the stage for the German supply line in Africa, turning the tide of WWII. Forgotten were two Sun-built British aircraft carriers, the “Dasher” and the “Avenger,” which took almost 900 sailors to their doom.

One largely forgotten yard, William Cramp & Son, lost 38 ships and 1,345 sailors. Most famous was the U.S. Navy collier “Cyclops,” lost to unknown reasons during WWI in the Bermuda Triangle.

The John Reach Shipyard in Chester is another yard which has been lost to history. Roach built some of the nation’s first steel and iron ships and was arguably the best and most famous submarine during our golden age. The yard lost 19 ships and 608 sailors, mostly civilian.

My work place, the Philadelphia Naval Ship Yard, saw 13 of her hulls and 326 of her crews lost.

Hog Island Shipyard, probably the most famous of our civilian building yards, lost 55 ships and 667 sailors, U.S. Merchant Marine and U.S. Navy aboard the famous Hog Islanders.

Two sister yards built the same type emergency ships for WWI. In Bristol, Pa., the Merchant yard lost 12 ships and 194 sailors, and in Gloucester N.J., you’d have found Pusey & Jones, which lost 2 ships and 19 sailors. Neafie & Levy in Kensington lost 4 hulls and 21 men. Two more early Philadelphia yards were Birely and Hillman, adding 3 ships and 5 crew to the toll. There were 10 ships lost during the Civil War with no known builders other than “Philadelphia.” In Camden, Dialogue & Sons lost 3 ships and 54 sailors. John Mathis, also in Camden, lost 7 ships and 45 crew. Penn Jersey lost 1 ship and 4 crew.


Smaller yards also contributed to the toll. Further down river was Delaware Bay Shipbuilding in Leesburg. She lost 1 ship. Finally the small Milford, Del. yards of Vinland, William G. Abbott, and Simpler & Reville gave 5 ships to the war gods with 8 crew lost.

The count has reached a sobering 334 ships lost and 1,345 sailors. Most famous was the loss of the tanker “Cyclops,” built at Neafie & Levy.
New York shipbuilding in Camden N.J.

FROM THE BRIDGEDECK

Chairman John Reynolds

While most of us remember the twelve-story-high covered ship ways on the Camden waterfront, this writer for one did not know the history of the once world’s largest shipbuilder that was not in New York but in Camden N.J., just north of the Walt Whitman Bridge.

This great American shipbuilding company operated from 1899 to 1967, ultimately completing more than 500 ships for the U.S. Navy, the U.S. Merchant Marine, the U.S. Coast Guard, and other maritime concerns. It was founded by Henry Morse, who left the presidency of the Wilmington, Del. shipbuilder Harlan & Hollingsworth to establish a new yard at Staten Island, N.Y. but then chose a site across the Delaware River.

Grants drive MOL enhancements

continued from page 1

logging capabilities, to developing entirely new functionality. “For example, the grant will allow us to create a mechanism for users to upload permit to transfer data and to streamline hazardous cargo and to create a mechanism for users to upload permit to

system in the late 1980s. “Penn Terminals looks to the Maritime On-Line system on a daily basis to facilitate vessel and cargo processing. The system automates communications on cargo status and release between ourselves, our customers, the brokers and importers, the trucking companies who move the cargos inland and the myriad other transportation and cargo supply chain partners who must closely coordinate activities to ensure safe and efficient port operations,” said Penn Terminals President and CEO John Brennan. “We look forward to the improvements this funding will bring.”

The PennDOT grant complements other funding the Exchange receives from the Delaware and New Jersey Departments of Transportation.

“The Exchange is fortunate that the three states have been so supportive of Maritime On-Line over the years,” Himber said. “Public investment supplements the private-sector dollars that help the Exchange improve and operate Maritime On-Line for the benefit of the tristate port industry. We are extremely grateful for this support and look forward to continuing our legacy of service to the Delaware River port community.”

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Servicing the Philadelphia Ports Since 1928
Information is key to the Maritime Exchange’s success. With over 5,000 contacts in our database, keeping the information current is quite a task. Although we update our database throughout the year as information changes, we recognize that some changes may not get to us. Therefore, each summer, we reach out asking for updates. In addition to keeping our database current, the information is used to publish the annual Delaware River Port Directory.

As we have done for several years now, the Exchange contacted everyone in our database via email to request confirmations or updates. The response has been very positive, and to those who have already replied, we thank you.

If our email did not get through to you, or you have not yet responded, please send your current contact information, including name, company, phone number, email address, mailing address, and web address to dstargell@maritimedelriv.com.

If someone forwarded a copy of this newsletter to you, and you would like to be part of our mailing list, please let us know.

Thank you!

Exchange annual database update underway

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Thank you!

Tracking Tugs and barges

continued from page 1

for all Delaware River movement data. “Having more tug and barge movement information in Maritime On-Line would certainly make planning easier for our government partners, and that translates into more efficient operations for everyone,” Himber said.

How to fix it

In an effort to expand the information flow, the Exchange began meeting with towing and barge company officials this past spring. By working with port stakeholders collaboratively, the Exchange hopes to identify a mechanism for recording movement data that meets companies’ individual needs as well as the needs of the maritime industry as a whole.

On any given day, looking out on the river will provide a view of various tugs moving about. “Some estimate the total ship and tug with barge movements for 2015 was around 11,000,” said Nathan Hauser, Vice President and General Manager of Moran Towing Corporation. If this figure is accurate, there is far more tug activity than there are ship movements.

The figures are already high, and there is great potential for that number to jump. The expansion of energy-related exports and the increase in vessels operating on liquid natural gas translates to increased tug and barge traffic.

“As more and more vessels switch to LNG power, there will be an increase in LNG bunkering occurring on the river,” according to Capt. Rick Iuliucci, General Manager of The Vane Brothers Company. “Companies are starting to build LNG-powered vessels because it is greener and doesn’t increase oxide emissions associated with traditional fuel exhaust gasses,” Iuliucci said.

Ultimately, improving the overall port picture by increasing the flow of information will benefit the entire maritime community.

“It’s gratifying to know that the people we’ve talked with so far have generally expressed a willingness to share their information, though we still have a long way to go,” Himber said. “The Exchange must approach this deliberatively and thoughtfully, taking into account very sensitive commercial concerns. We’re confident we can meet the dual goal of protecting proprietary data while providing information necessary to the most efficient waterway operation possible.”

Contact Paul Myhre at pmyhre@maritimedelriv.com or 267-670-7954 to become engaged in this important conversation.
Corps of Engineers: 150 and going strong!

The U.S. Army Corps of Engineers marked a milestone birthday this year, and that gave hundreds of people the opportunity to celebrate with the Philadelphia District. For a century and a half, the Corps has played a central role in the development and maintenance of navigable waterways, management of water resources, and construction of military facilities all along the Northeast corridor.

The event took place adjacent to the Delaware River at the Independence Seaport Museum on June 15. Much pomp and ceremony, including a life and drum corps, surrounded the proceedings. The venerable George Washington kicked off the event by providing a history of the agency. North Atlantic Division Commander BG William H. Graham and Philadelphia District Commander LTC Michael A. Bliss spoke about the Corps of today and tomorrow. To cap the morning, keynote speaker and former Philadelphia Eagle Vince Papale provided a rousing, and highly entertaining, motivational message for the crowd.

Though established in 1866, the Corps’ local legacy dates back to Revolutionary times. In 1829, the Corps embarked on its first local civil works project: a quarter-mile-long stone breakwater near Delaware’s Cape Henlopen that provided refuge from storms to the hundreds of ships transiting the Delaware Bay.

“Today, the Corps Philadelphia District is responsible for maintaining more than 500 miles of navigable waterways,” said Exchange President Dennis Rochford. “Though we appreciate the Corps’ steadfast efforts day in and day out, we’re especially cognizant of the important work this agency does as we move toward completing the 45-foot main channel deepening.” The Corps is skilled in dredging capabilities, a process acknowledged as a primary means of replenishing dunes and beaches with sand as protection for coastal communities.

In the Congressional Record, Pennsylvania Congressman Robert Brady recognized the Corps for its integrity, innovation, responsiveness, customer service, and quality excellence. He also presented the Corps with a U.S. flag that had flown over the Capitol Building in Washington, D.C.

Happy Anniversary to the U.S. Army Corps of Engineers Philadelphia District!
Is the carrier’s lien of cargo for unpaid freight lost by delivery of the cargo – probably, but it depends

Legal Ease

By: A. Robert Degen, Esq.

At common law, the ocean carrier retained a maritime lien on cargo to assure payment of ocean freight. The lien however is possessory and is lost once the cargo is delivered unconditionally to the consignee. The question of the limits on the carrier’s lien however is not one that has frequently made its way through the courts. Yet last spring it did, with interesting results.

The case of World Imports Ltd., which the Third Circuit Court of Appeals decided on April 20, 2016, addressed whether the parties to a contract may extend the reach of a maritime lien beyond the normal bounds of a traditional lien. In World Imports, the cargo owner voluntarily petitioned for bankruptcy while several of its shipments remained in transit. The ocean carrier refused to deliver the cargo then in its possession due to unpaid freight charges. The carrier then moved in the bankruptcy proceeding to lift the automatic stay. The carrier claimed its possession to include unpaid freight by delivering the cargo. The court also declined to enforce the contractual provisions that purported to extend the carrier’s lien to cover prior unpaid freight.

The District Court agreed, and the case was appealed to the Third Circuit with the primary question being whether a maritime lien can extend its reach beyond the normal limits of a traditional lien. The Third Circuit Court of Appeals then held, had been lost by delivering the cargo. The court also declined to enforce the contractual provisions that purported to extend the carrier’s lien to cover prior unpaid freight. The Bankruptcy Court ordered release of the cargo in the carrier’s possession upon payment of the freight owed. Yet it held that there was no enforceable maritime lien for unpaid freight on the previous shipments which, as the Bankruptcy Court held, had been lost by delivering the cargo. The Third Circuit Court then held that the right of the ship owner to a maritime lien is so absolute and unconditional surrender. The court, relying on Bird of Paradise, held that even though the carrier’s maritime lien arises “independently of the agreement of the parties...” the parties may frame their contractual agreements to affirm the existence of a maritime lien or to extend it, modify it, or waive it altogether. In World Imports, the ocean carrier’s credit application included a clause in which the shipper granted to the carrier a general lien and security interest in any of the shipper’s property in the carrier’s possession. The credit application further stipulated that the lien survived delivery or release of the property. The carrier’s freight invoice granted the carrier a lien not only on cargo being shipped but also on prior shipments. The carrier’s bill of lading also provided that its lien “shall survive delivery, for all sums due under [the bill of lading] or any other contract or undertaking to which the [shipper] was a party.”

The Third Circuit Court of Appeals is the first court to address the validity of contractual provisions that seek to modify the lien on cargo that springs up by operation of law, holding that such a right clearly exists and is enforceable. The bankrupt cargo owner raised a number of policy concerns, arguing that the extended maritime lien could hurt innocent third parties. The court addressed these in two ways. First, it noted that the contractual language was unambiguous and contained in a published tariff. Further, there was really no greater risk to third parties beyond a traditional lien as it was applied only to cargo in the carrier’s possession as opposed to cargo that had already been delivered and which might be in the hands of third parties. The cargo owner also argued that commerce would be hampered by allowing cargo to be “held hostage.” To this the court answered that commerce would be promoted by allowing the carrier to retain its lien throughout an ongoing business relationship and by allowing two sophisticated businesses to contract for mutually agreeable transportation and credit arrangement. The court also noted the bankruptcy judge’s concern that other creditors would be disadvantaged by an extension of maritime liens, which preempt state-based commercial law. Centuries of federal admiralty, according to the Third Circuit Court, law favored the claims of the carrier above other creditors, and while it may be open for debate, it is for Congress to change the policy. This is something that in my view is unlikely to happen.

Bob Degen is the principal of The Law office of A. Robert Degen and serves as counsel to the Maritime Exchange. He specializes in immigration and nationality law and has over 40 years’ experience counseling the maritime business community. Contact him at 610-902-6050 or adegen@degenlaw.com.
Q: What have some of your priorities been on Delaware River Maritime issues during your time in the Senate?

A: I sit on a number of Senate Committees of jurisdiction that oversee port and maritime operations. First, the Senate Commerce Committee has jurisdiction over the Department of Transportation, and I sit as the Ranking Member of the subcommittee that oversees the U.S. Coast Guard. Second, I sit on the Homeland Security and Government Affairs Committee, which has jurisdiction over the Department of Homeland Security. Lastly, I sit on the Senate Environment and Public Works Committee which oversees environmental regulations as well as the Army Corps of Engineers. Through these committee assignments, I have been able to work on some maritime industry priorities, not the least of which was co-sponsoring the Coast Guard Reauthorization Act of 2015.

Seeing the 45-foot Main Channel Deepening Project through to its expected completion date in 2017 is obviously a major priority for your readers. And earlier this year, I was able to join my colleagues Senators Menendez, Bob Casey (D-PA), and Christopher Coons (D-DE) to successfully advocate for the inclusion of $4.6 million for Coast Guard Aids to Navigation in the President’s FY17 budget. With a new depth of 45 feet in the main channel, we need to ensure that navigation buoys are appropriately marked and efficiently maintained for the safety and security of transported cargo and crew.

I have advocated for the protection of the Jones Act, which has served for nearly a century to protect our national and economic security. I have argued that funds from the Harbor Maintenance Tax should go to just that: harbor maintenance.

Your readers and our port stakeholders understand the value of investment in our nation’s maritime commerce and seaports, and I have worked to ensure that my work in Washington reflects that.

Q: You mention your excitement about the potential for growth in the industry. How would you like to see the industry grow?

A: I have mentioned how economically important our seaports are, and I think the opportunities for job creation and economic stimulation are endless. So many of our ports are located in urban communities where unemployment levels are high and there are large number of economically disadvantaged families. I think there are opportunities for the industry to take advantage of a ready and able workforce through job training, apprenticeship programs, and workforce development initiatives to put more people to work. From the landside to on the water, your industry provides good paying jobs to hard working people. As increased investment in infrastructure grows, so does commerce. As commerce grows, so does the need for a skilled workforce. As I said, I am excited about the opportunities that growth in the industry provides to all New Jerseyans.
The South Jersey Port Corporation’s waterfront properties in Camden and Paulsboro are giving birth to a massive re-industrialization of Delaware River ports that will enhance economic development and create thousands of jobs.

At the SJPC Broadway Terminal, obsolete industrial buildings have been leveled, and the gleaming 600,000 square foot Holtec International campus is rising. Holtec expects to employ 5,000 scientists, engineers, designers, fabricators, and support staff at its $260 million campus by 2021.

Camden County is spending $15 million to re-align Broadway — Camden’s main north-south corridor — around the Broadway Terminal campus instead of through it. Camden County also renamed a quarter-mile section of Morgan Boulevard “Holtec Boulevard.”

The Broadway Terminal main gate, located slightly south of Morgan Boulevard, has been relocated a quarter mile north on old Broadway. The new gateway provides secure access to the marine terminal with deep-water berths, dockside rail, and high-speed electric cargo cranes, over a million square feet of warehousing and lay-down areas.

Ten miles south, construction of phase one of the SJPC Paulsboro Marine Terminal — the first new general cargo port development in 50 years on the Delaware River — is nearing completion. SJPC expects operations to begin by the end of the year.

The $200 million first phase of the new Paulsboro Terminal will include an 850-foot marginal wharf ready for the 45-foot channel, dockside rail, and a dedicated port roadway and bridge connection with access to Interstate 295. Phase two calls for an eventual marginal wharf in excess of 2,200 feet to accommodate four ships and a barge berth.

Holt Logistics already signed a deal with NLMK-USA, a subsidiary of Russia’s largest steel company, to make Paulsboro its main port to the U.S. The arrangement will result in 150 immediate jobs of an anticipated 850 Holt-created jobs at the Paulsboro facility.

Plan for the worst

continued from page 3

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Major progress at South Jersey Port Corporation

chain or market of a company. The CP is designed for many possible situations so company management immediately has a pre-defined, documented plan of action to follow.

Once the proper plans are developed and instituted, educating employees about the plans is essential. Without knowledge of the details and individual roles, and without employee engagement, the chance of successful plan implementation is limited.

Drills and exercises to review the plan are imperative. Testing the plans, not individuals, is the only way to identify gaps and shortcomings. These can then be adequately addressed and the employees educated on the changes.

Having the right plans in place, with proper support from the top and buy-in from the organization, combined with regular training, drills, and exercises significantly increases your organization’s ability to withstand a major disruption.

Dennis Tully is President of Ronin Security Solutions, based in Haddonfield, N.J. Ronin specializes in security projects, risk assessment, all-hazards risk mitigation, audits, and counter-terrorism preparation for critical infrastructure, transportation systems, processes and facilities. Contact info@roninsecuritysolutions.org or 856-429-0153.
WISTA USA to launch Delaware Valley chapter

The Women’s International Shipping & Trading Association (WISTA USA) recently announced the formation of a local chapter, encompassing the Delaware River and Bay (Pennsylvania, South Jersey and Delaware). WISTA USA is one of the largest national associations within WISTA International, which has a worldwide membership of shipowners, brokers, government officials, attorneys and others affiliated with the maritime transportation industry. The Association’s primary purpose is to provide networking and educational opportunities for women employed in shipping and trading.

WISTA USA will launch this new chapter on the evening of Wednesday, September 28. The official launch party will be held on the Philadelphia/Camden waterfront at 5:30 pm at HudsonAnalytix headquarters, 2 Aquarium Dr., Suite 300, Camden, N.J., with further details to follow. WISTAMembers, those interested in WISTA membership, and maritime industry friends and supporters are welcome to join the event.

For further information on the organization, membership and the event, contact Cynthia Hudson at 856-342-7500 or cynthia.hudson@hudsonanalytix.com. General information on WISTA USA can be found at www.wista.net/us.

NET celebrates incident-free year

Host Terminals celebrated its one-year anniversary and a big safety milestone with Northeast Energy Terminal in Philadelphia, Pa. on May 15. The staff went the full year without an incident.

Nine months into the current fiscal year, Host Terminals has zero recordable incidents, while the industry average is 6.8. “We’re very fortunate to have skilled terminal operators so focused on safety,” said Patrick Callahan, Vice President of Terminal Operations. “It has made for a great first year with NET, and we’re looking forward to all that follow.”

The Exchange staff extends sincere congratulations to all our friends at Host!
SCI announces new executive director

The Seaman’s Church Institute of Philadelphia and South Jersey board has appointed Helene Pierson as its new executive director. Bringing almost 15 years of non-profit management experience to the organization, Pierson has been extensively recognized, notably when she received the Philadelphia Inquirer’s Citizen of the Year in 2010 for her work at The Heart of Camden, Inc.

“We are very pleased to have Helene join SCI as our new executive director during these challenging times. She brings with her outstanding management expertise and education, experience in accounting and business administration, and great communication, collaboration, and fundraising skills,” said SCI Board President Roy Denmark. “We are confident that Helene will successfully navigate SCI into the future, which will enable us to continue to perform our primary function of serving the many seafarers who come to our port.”

“I look forward to serving the needs of the seafarer community in my new role while supporting our organization’s strong ministry of hosting and serving the human needs of the hard-working visitors to our local ports,” Pierson said. “In my previous role, when there has been injustice in the community that I served, I’ve been a strong advocate, and I see myself becoming the same for the seafarer community as well.”

Former Director Peter Stube will remain with the organization temporarily to help with the transition. After 37 years in the active priesthood, Fr. Stube is looking forward to a slower pace of life that will involve some ministry but will also allow him more time for children and grandchildren.
Sweeney Receives WTCGP Global Business Leadership Award

The World Trade Center of Greater Philadelphia recently honored Gerard H. Sweeney with its prestigious Global Business Leadership Award. Sweeney, who is President, Chief Executive Officer, and Trustee of Brandywine Realty Trust as well as Chairman of the Philadelphia Regional Port Authority, received the award at the 14th Annual World Trade Center’s Day celebration on May 4.

The event took place at the Independence Seaport Museum and provided the opportunity to acknowledge the role trade and exports play in strengthening the Delaware River regional economy. “We are very honored to . . . receive this award for our efforts in promoting economic development in the city and region,” Sweeney said. “On a personal note, I am also delighted that the Port of Philadelphia is receiving broader recognition of its potential as a regional economic engine and job generator.”

WTCGP is a membership-based nonprofit charged with accelerating global business growth for companies in Southeastern Pennsylvania and Southern New Jersey. It provides customized, individual trade counseling, market research and educational programs, trade mission support, and networking opportunities that connect the region’s companies with international business leaders and government officials.

SCW to host “Last Bash of Summer”

Fundraiser to Benefit Seamen’s Center of Wilmington

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

The Seamen’s Center of Wilmington, located at the Port of Wilmington, has been serving seafarers arriving in Delaware since 1990. Its supporters range from individuals to churches and the all-important maritime industry, who all help to keep the doors open and vans rolling. But with increasing insurance costs, the burden of the Transportation Worker Identification Credential obligations, and building and van repairs — coupled with ever diminishing grant opportunities — this funding is no longer enough.

The Center’s fall fundraising event will be held this year at FireStone Restaurant on the Wilmington Riverfront on Tuesday, September 13 from 4:30 – 7:30 p.m. As usual, the festivities will include several raffles and a silent auction, with prizes ranging from a weeklong stay at a home in Lewes to “his and hers” Apple Watches and even a drone.

Many readers of The Beacon derive their livelihoods from Delaware River port commerce, and we all rely on the mariners who crew the ships working throughout the waterway. Please help SCW to continue its mission to help the men and women who make it all possible.

For sponsorship opportunities or ticket information, please call 302-575-1300 or visit www.scwde.com. If you are not able to make the party, please consider a small donation. Everything helps.

We look forward to seeing you on September 13!

Tastyfrutti is born

After 32 years in the fruit import industry, Exchange member Unifrutti of America, Inc. recently announced an organizational re-branding. It will now operate under its new identity: Tastyfrutti International, Inc.

Founder and Chief Executive Officer Andreas P. Economou said, “Our brand enhancement is more than just a name and logo makeover. It is a reflection of our company’s continued commitment to our trusted client relationships.”

Based in Philadelphia, Tastyfrutti is among the foremost importers of fresh fruits from Chile, Greece, Mexico, Peru, and South Africa and handles U.S. products as well.

Best of luck to the Tastyfrutti team!
**VGM Implementation – So far, so good**

July 1 came and went with no significant disruptions or delays at ports along the Delaware River, or throughout the United States.

Prior to that date, industry’s anticipation of the implementation of the requirement for shippers to submit to the carrier the verified gross mass of containers prior to loading aboard ships was mixed. Many thought it was going to be the end of the world as we know it, with total chaos throughout the supply chain. Cargo would not load, ships would miss their schedules, and store shelves would be empty. Some thought there would be challenges, but that we would work through them over time. Others — a significant minority — expected nothing more than a minor blip.

Looks like this latter group had the more prophetic crystal ball.

The VGM requirement was promulgated in 2014 when the International Maritime Organization amended the Safety of Life At Sea Convention. IMO’s goal was to ensure optimal container stowage in order to prevent stacks of laden containers from falling overboard and causing loss of life, cargo, and property damage.

To say that the planning for VGM implementation engendered confusion, controversy, and uncertainty among partners in the supply and logistics chain would be a gross understatement. In the months leading up to the July 1 deadline, shippers called for the Coast Guard to revisit its policy, terminal operators scrambled to figure out whether they could weigh containers on behalf of shippers — and whether or not they could (or should) charge for the service — some carriers took the Coast Guard to task for reversing its stance, and whether or not they could (or should) charge for the service — some carriers took the Coast Guard to task for reversing its stance, and even the Federal Maritime Commission weighed in on the issue.

On the major point of contention, who in the supply chain could weigh and certify to the carrier the actual weight of the container, the Coast Guard past April determined that the same OSHA requirements governing terminals’ weighing of outbound containers would satisfy the VGM requirements for inbound containers.

At the same time, the Ocean Equipment Management Association, which represents most of the large container carriers calling U.S. ports, recommended “best practices” to comply with VGM, including the terminal weighing approach. The World Shipping Council kept a very useful Frequently Asked Questions document current with new questions as they arose and updated answers as they were given.

The bottom line: what appears to be an extremely successful launch of what is the official newsletter of the Maritime Exchange for the Delaware River and Bay. The Exchange encourages its readers to submit letters to the editor at any time in response to articles that appear in The Beacon or to address other topics of interest to the port community.

**Port Congestion: Our biggest priority?**

Sure, in certain times at certain places, ships may get backed up waiting for berthing space or anchorage availability. Some ports face an ongoing congestion problem. But for the industry as a whole, is it really the biggest challenge we need to overcome?

The federal government seems to think so.

As required by Congress when it passed the Fixing America’s Surface Transportation Act last December, the U.S. Department of Transportation will soon conduct a port productivity review. In short, Congress required DOT to develop port performance statistics programs at the nation’s 25 top ports by tonnage, top 25 by 20-foot equivalent unit, and top 25 dry bulk ports. By January 15 of each year, DOT must report its findings on capacity and throughput.

Then in late May, the U.S. Department of Commerce published a notice asking the public to provide suggestions on how to make our nation’s ports more competitive. Part of its 21st Century U.S. Port Competitiveness Initiative, Commerce requested shippers to weigh and require the VGM requirement for shippers to submit to the carrier the verified gross mass of containers prior to loading aboard ships was mixed. Many thought it was going to be the end of the world as we know it, with total chaos throughout the supply chain. Cargo would not load, ships would miss their schedules, and store shelves would be empty. Some thought there would be challenges, but that we would work through them over time. Others — a significant minority — expected nothing more than a minor blip.

In addition to specifying that DOT’s port productivity review would consider the implementation status of the VGM requirement, Commerce mentioned that it might consider issues as federal policies that could be modernized to promote port-related investment and performance and how the federal government can best promote the coordinated use of public funds for the development of port-related infrastructure.

The department’s goal is to ensure that seaports have the tools they need to strengthen U.S. port and supply chain competitiveness, facilitate international trade, and catalyze local, regional, national economic growth and job creation. Citing a June 2015 FMC report, Commerce is attempting to respond to the issue that “long-term port congestion and efficiency problems remain a major systemic threat that creates a drag on local, regional, and national economic growth and employment.”

And speaking of the FMC, it too has gotten into the port productivity game. While most of the commission’s activities focus on preventing unfair and deceptive practices, its mission also includes a requirement to “foster a fair, efficient and reliable international ocean transportation system.”

The port congestion report referenced above followed four public listening sessions in various regions of the country. Further activities are now underway.

DOT has yet to announce how it will develop nationally consistent port performance measures as the FAST Act requires.

Responses were due to the Department of Commerce on July 11. Comments could be characterized as, at best, sparse.

And according to a June 2016 Journal of Commerce article (“Legislating Port Efficiency”), the FMC is talking to only a few private stakeholders and holding its current initiative close to the vest. We don’t yet know what to expect.

So what does this all mean?

The good news is that various federal agencies recognize the important role seaports play in the U.S. economy.

On the other hand, that three federal entities are concurrently working separately on the same issue speaks to a major disconnect. Not to mention an expensive waste of taxpayer dollars and inefficient use of federal agency personnel time (also, needless to say, a waste of taxpayer dollars). Commerce wants to study how to coordinate use of public funds for port infrastructure development? Perhaps it should first ask how to coordinate public activities designed to study how to coordinate infrastructure development.

Finally, we have to wonder if the government is asking the right questions. We’re not by any means suggesting that port congestion should be ignored. But is it the best place for the federal government to try to help right now? If congestion really were the foremost problem in those areas where it is an issue, the marketplace should be the more likely place to resolve it.

On the other hand, ensuring sufficient Customs and Border Protection staffing, eliminating archaic CBP paper processing, and improving overall CBP officer productivity to ensure the agency can quickly and efficiently process ships, crews, and cargos is exactly the logical place for government to spend its limited resources. Meeting those challenges would go a long way toward improving seaport efficiency at all ports, not just the top 25.

This should be a higher priority.
CBP expands 559 partnerships in Wilmington

Customs and Border Protection cannot keep up with today’s cargo volumes. The agency knows it, importers and exporters know it, and so does the U.S. Congress. While additional officer billets are authorized, they are not enough, and the positions can often take years to fill.

To help ensure speedy cargo processing in the meantime, Section 559 of the Consolidated Appropriations Act of 2014 allows port operators and others to reimburse CBP for certain services. The goal of the program is to promote economic growth in cross-border trade and travel across the country.

“CBP is frequently asked to provide new or additional services at locations throughout the Area Port of Philadelphia. The opportunities under Section 559 and other public-private partnerships enhance the set of solutions available to address the increased demands on our local resources,” said Edward T. Moriarty, Assistant Port Director for the Area Port of Philadelphia.

Earlier this summer, CBP announced its selections for new 559 reimbursable services agreements that will allow approved private sector, state, and local government entities to reimburse CBP for expanded services for incoming commercial and cargo traffic and international traveler arrivals.

“These partnerships are a critical element to managing the sustained growth in international trade and travel that we are experiencing,” said CBP Deputy Commissioner Kevin McAleenan. “Ports of entry where these agreements are currently in place have realized tangible benefits from these focused public-private partnerships in the form of reduced processing times and enhanced service.”

Dole Fresh Fruit in Wilmington, Del. is included among CBP’s potential new partners. “Dole Fresh Fruit Co. has been participating in the 559 reimbursable program through the Diamond State Port Corp. since 2013, and we are excited to expand the program,” said Barbara Callaghan, who handles Customs compliance and security for Dole. In addition to using the 559 reimbursable program at its Wilmington operation, Dole will now be eligible to use the 559 program at its facilities in Texas, Mississippi, Florida, and California.

Reimbursable services under Section 559 authority include customs, agricultural processing, border security services, immigration inspection, and support services at ports of entry. Since the program began in 2013, CBP has provided over 164,000 additional processing hours. “About a dozen leading business have entered into Section 559 agreements with CBP locally, and half utilize the program on a weekly basis. Since the program’s inception, well over 1,000 Section 559 requests have been received and approved.” Moriarty said.

While some in industry support the program, it is not always seen as an appropriate or sustainable solution. “CBP has been slow to hire new officers, and even when those officers are fully hired, few will be assigned to seaports. Instead, CBP’s staffing model is to ask Congress to fund additional officers as well as rely on the industry to voluntarily pay for additional resources by using its Section 559 program,” said Susan Monteverde, Vice President of Government Relations for the American Association of Port Authorities.

Exchange Vice President Lisa Himber said members’ feelings about the program are mixed. “Clearly, no one wants to pay additionally for services already funded through user fees or tax dollars,” she said. “Yet at the same time port operators want to take advantage of all possible opportunities to ensure CBP can inspect and release cargoes as quickly as possible. That the program is expanding should send a clear signal that the process is broken.”

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<td>Philadelphia Regional Port Authority Board Meeting</td>
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For a complete schedule and event details, visit www.maritimeofdelrit.com.