Deal signed for Wilmington port facilities

For the Port of Wilmington, Sept. 18, 2018 was a day filled with pomp, ceremony, and mutual accolades. That was the day that Delaware Gov. John Carney announced that the Diamond State Port Corp. had reached an agreement with GT USA Wilmington, referred to as GT, a subsidiary of Gulftainer Company Limited, to take over management and operations at the state-owned port.

“Our selection of Gulftainer came after a thorough search,” said Delaware Secretary of State and DSPC Chairman Jeffrey W. Bullock in April, when the proposal was placed before the port board for a vote. “Our potential partner had to meet four very specific criteria. It had to be able to grow jobs, provide a return on investment, and maintain relationships with existing clients and port labor, and of course it had to demonstrate its credibility.”

After Bullock signed a nonbinding letter of intent in December 2017, negotiations started in earnest. Under the concession agreement, GT would pay a royalty, based on throughput volumes, of up to a $6.1 million annual concession fee in year one, with that figure rising to $13.1 million by year 10, when facilities are running at full capacity. DSPC will continue to own the real property, and GT will acquire the existing assets. The company has agreed to invest $584 million over the first 10 years of its 50-year concession agreement with DSPC. In the first three years, GT expects to spend at least $60 million in improvements to the existing port site. In all, the Port of Wilmington is slated for $73 million of improvements under the deal, beyond the two new $12 million gantry cranes put into service last year.

According to Badr Jafar, Chairman of Gulftainer’s Executive Board, these sums are “. . . necessary to help the ports realize their full potential, the fulfillment of which is expected to generate $1.2 billion of increased economic activity for the State of Delaware,” over the life of the concession.

The promised facilities investment is exactly what the Port of Wilmington needs. “The State of Delaware recognized that the port must have a substantial influx of dollars to further modernize its facilities to keep up with current and future demand,” said Exchange President Dennis Rochford. “To that end, a public-private partnership appeared to be the ideal solution.”

GT also plans to spend a total of $411 million to build out the Edge-maroo site, a 114-acre parcel acquired by the port in 2016, as a state-of-the-art container handling facility. Edge-maroo is about two nautical miles north of the Port of Wilmington.

Exchange to strengthen MOL security

The Maritime Exchange is pleased to announce that it received an award under the 2018 Port Security Grant Program to improve its cybersecurity posture.

“Mitigating cybersecurity risks is not a once and done project. Rather it is a continual exercise of discovery, vigilance, training, prevention, and mitigation,” said Exchange IT Director Michael Fink. “The Federal Emergency Management Agency’s continued support of cyber-related projects is great news for the many organizations that struggle to find funding needed to keep pace with the ever-changing cybersecurity landscape.”

FEMA added cybersecurity as a program priority in 2013. Applicants are eligible to apply for funds to conduct comprehensive cyber vulnerability assessments, implement new technologies, and close identified gaps. Last year, the agency funded thirty-two cybersecurity-related projects.

“The concern over cybersecurity and the potential compromise of facility supervisory control and data acquisition systems, or SCADA, was the driving force to apply for various port security grants to address the issue,” said PBF Energy Security Manager William T. Robinson. “PBF Energy, the parent of the Delaware City Refining Company and the Paulsboro Refining Company, first sought grant funds to support an initiative targeting intrusion attempts by upgrading software geared toward detecting viruses and protecting the identity of the internal network by masking computer signatures. The next step was to secure hardware that would support this protective measure.”

Among other functions, the Maritime Exchange operates the Maritime On-Line® system to provide the private and public sectors with vessel schedules including anticipated, and historical movement information. MOL also includes a portal to fulfill electronic federal filing requirements for cargo manifests, stow plans, advanced arrival/departure notices, crew manifests, and a real-time geospatial system that displays vessel locations and other information in real time.

“The Maritime Exchange’s network, including its computer systems and services, is used by multiple federal, state, and local entities to ensure the safety and security of the nation’s port facilities, vessels, commodities, and especially port workers,” said Exchange President Dennis Rochford. “The award for the Maritime On-Line® system will allow us to improve our cybersecurity posture.”

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Interview with

Joseph V. Martella
Area Port Director
U.S. Customs & Border Protection

Q: When starting new positions, many leaders spend a good deal of time talking to peers, employees, and customers to learn about their new environments. Yet you had the benefit of serving as acting port director prior to joining the Philadelphia team. Since you’ve been on board, what changes have you put in place and how do you see those as helping to facilitate commerce at our seaports?

A: The time I served as acting area port director was a great experience and significantly beneficial to me. It allowed me to learn two things. One, as a temporary port director, I was here to keep the rudiments until a permanent port director could take command. That allowed me the time to talk to colleagues, employees, and our stakeholders, and to observe local relationships, business practices, and operational challenges. Two, the experience made me want this command position and its associated challenges more than ever.

Since I assumed command full time, we have increased our enforcement posture to ensure the safety and security of our port, port facilities, vessels, commodities, and especially port workers. We have conducted surprise multi-agency compliance examinations that resulted in the arrest of dangerous criminal fugitives and removal of illegal aliens.
The mid-term elections have finally come and gone. Needless to say, the political landscape nationally and regionally has changed dramatically. Political pundits were not surprised to learn that the Democrats have taken control of the House of Representatives and the Republicans held on to their majority in the Senate.

Our Congressional delegation in Southeastern Pennsylvania and South Jersey has a new profile, with six new members elected to the House. As I mentioned in my column in the last issue of The Beacon, five House members, all of whom were strong advocates for issues critical to our regional port, decided not to seek re-election and retired from Congress. We’ll miss these champions of our port, who include Ryan Costello (R-Pa.), Charlie Dent (R-Pa.), Rodney Frelinghuysen (R-N.J.), Frank LoBiondo (R-N.J.), and Pat Meehan (R-Pa.).

A number of Senators and Representatives we have worked with over the years were re-elected on November 6. U.S. Sens. Tom Carper (D-Del.), Bob Casey (D-Pa.), and Bob Menendez (D-N.J.) were returned to office. Also, heading back to D.C. are U.S. Reps. Brendan Boyle (D-Pa.), Dwight Evans (D-Pa.), Lisa Blunt Rochester (D-Del.), and Brian Fitzpatrick (R-Pa.). Thanks all for your continued service on our behalf.

Newly elected to the House of Representatives are Madeleine Dean (D-Pa.), Chrissy Houlahan (D-Pa.), Andy Kim (D-N.J.), Mary Gay Scanlon, (D-Pa.), Jeff Van Drew (D-N.J.), and Susan Wild (D-Pa.).

Mary Gay Scanlon and Susan Wild won special elections to fill the remainders of terms left vacant by incumbents who chose not to run for office again. They were sworn into office in mid-November for the current session of Congress, and they will take the oath again in January as part of the incoming 116th Congress.

With so much at stake at the federal level, such as port security, trade policies, dredging, navigational safety, staffing, funding, and innumerable other issues, full engagement with our new Congressional delegation will be a high priority going into next year. Toward this end, and in order to effectively represent the interests of port stakeholders throughout our regional port, Pilots’ Association President Jon Kemmerley and I will travel to Washington, D.C. early next year to meet with members of our Congressional delegation and their staffs to brief them on these pressing issues.

The question is, what political landscape must the new Congress navigate between now and the 2020 presidential election? If the past two years are a prologue, then the next two years will be equally challenging — if not more so — in terms of passing significant legislation that is signed into law by the president.

One area where common ground may be found lies in the area of infrastructure. This past year, Congress passed two significant pieces of legislation, signed into law by the president, the America’s Water Infrastructure Act (S.3021) and the Fixing America’s Surface Transportation Act (S.3587), also known as the FAST Act. Both address a broad range of infrastructure needs, including investment in ports and waterways, railways, and intermodal hubs.

With most issues related to the maritime industry, an industry that accounts for more than one-quarter of the national GDP, decisions are rarely made along partisan lines. So there is a possibility the administration and the Congress (even with the Republicans controlling the Senate and the Democrats controlling the House) can work together to pass a broad infrastructure bill that would include provisions to invest in ports throughout the U.S.

Of one thing I am certain — there is no certainty about how the next two years are going to play out. For observers who relish the art of politics, if you liked the past two years, you are going to love the next two.
Port stakeholders look to expand CATZOC

“We really hit the ball out of the park with this one,” said Pilots’ Association President Jonathan Kemmerley. “The Pilots, the Exchange, and the Mariners’ Advisory Committee are always working to facilitate maritime commerce, and to do that we’re constantly engaging our federal partners to effect positive change. This time, the results were better than we could ever have anticipated.”

Kemmerley was referring to the May 2018 designation of the entire Delaware River waterway as CATZOC A2—the first waterway in the nation to reach this level. Achieving this status was the result of a partnership between the Army Corps of Engineers and the National Oceanic and Atmospheric Administration, requested by the maritime business community.

CATZOC stands for category zone of confidence. It’s the measure used to determine the quality of sea floor survey data.

“Improving survey quality and upgrading the CATZOC classification allows operators to accommodate smaller margins of error while still ensuring safe navigation of maritime approaches and constrained environments. These decreased tolerances allow ships to maximize their loads, ultimately increasing inbound and outbound cargos,” said Rachel Medley, chief of the Customer Affairs Branch for the NOAA Office of Coast Survey.

45-foot deepening steady as she goes

In late October, the Corps’ Philadelphia District announced it had awarded a contract for $13.5 million to Norfolk Dredging Company of Chesapeake, Va., to dredge the Delaware River main shipping channel.

The work involves dredging approximately 1.6 million cubic yards of sediment from the Marcus Hook and New Castle Ranges of the Delaware River main shipping channel. Of this total, 1.3 million cubic yards of material will come from routine maintenance dredging. An additional 300,000 cubic yards will be removed from the Marcus Hook Anchorage as part of the ongoing 45-foot main channel deepening project.

Contract work is expected to begin in early December, with an anticipated completion in the winter of 2019.

New carrier calls Tioga terminal

In late August, Atlantic RoRo Carriers Inc. had its first vessel call at Philadelphia’s Tioga Marine Terminal. The “M/V Warnow Sun” is part of ARRC’s multi-cargo handling vessels of breakbulk, project cargo vessels, vehicles, contain- ers, and heavy lift ability operating between St. Petersburg, Russia, Antwerp, Belgium, and the U.S. East and Gulf coasts.

“ARRC Lines calling PhilaPort is a perfect fit,” he said. “The types of cargos the line carries match the terminal’s capabilities extremely well.”

“In any port or terminal in the United States North east,” said Rick Shannon, president of ARRC. “The Tioga Marine Terminal, DRS, and PhilaPort teams offered the right mix of capabilities and facilities, equipment, and support for us to grow our cargo volumes. We are working closely with our partners at the Port of Philadelphia and Tioga Marine Terminal on warehousing operations, and we now have the right partners for this expansion.”
Exchange rolls out newest round of MOL enhancements

Like little elves, the Exchange staff has been busily working on enhancements to the Maritime On-Line® system over the last 12 months. “It’s been a very busy year for us,” said Exchange Director of Operations Paul Myhre, “as we tackled improvements to MOL security and new features requested by users.”

Security upgrades included creating stronger password requirements and providing users the ability to recover their usernames and reset their passwords electronically. “Upgrading the password requirements will help combat the growing cyber threat that exists in today’s world,” Myhre said.

The TRACS system received its fair share of updates as well, all designed to enhance the user experience. One such change adds status information to the manifest activity log when users delete bills of lading. Another allows users to delete bills that do not include cargo records or shipper, consignee, or notify party data. A third expands TRACS critical port status emails to include notifications for CBP error codes.

“The emails we receive from TRACS let us monitor the status of a manifest in real time without staring at a computer screen around the clock,” said Braden Logistics Owner/Operator Ashley Stephens. “All of the information available in the bill of lading status and the activity log, coupled with the alerts and the support from Exchange staff, help us better serve our customers.”

Further TRACS programming includes preventing users from updating vessel arrival information after sending it to CBP and adding supplemental bill of lading information for manifests not created in TRACS but sent by CBP.

Other changes were designed to streamline system administration. System operators now have the ability to easily retrieve deleted manifests or bills of lading for participants, eliminating the former manual process which was labor and time intensive.

Administrators can also more easily find employee records and update facility and company names without jeopardizing the integrity of the data associated with those records — so MOL automatically preserves information when facility or company names change.

The Exchange is currently finalizing an enhancement to send alerts when manifests created are not sent to CBP in a timely fashion. “We expect to roll this out in November, and this completes a series of enhancements funded in part by a grant from the Pennsylvania Department of Transportation,” Myhre said.

As always, the Exchange welcomes suggestions from system participants about potential future enhancements. Contact Paul Myhre at pmyhre@maritimedelriv.com to learn more about Maritime On-Line and how it can help improve communications and operations.

Attention Exchange members: 2019 is calling

Can you believe we are approaching the end of another calendar year? With 2018 drawing to a close, it is time to consider membership renewal for 2019 so you can enjoy uninterrupted member benefits and services.

Why renew?

As Exchange members are aware, our aggressive government affairs program and comprehensive online suite of port information applications benefit all segments of international trade and marine transportation.

Exchange members are encouraged to participate in our standing committees — all designed to provide a neutral gathering place that fosters discussion and exchange of ideas. Perhaps you are a member of the CBP-USDAAgriculture Working Group that was instrumental in bringing the successful wood packing material pilot to the region in February of this year. Or maybe you are a long-standing member of the Maritime Operations Committee and look forward to hearing the latest updates from CBP and Coast Guard.

Renewing your membership ensures you can continue to participate in these important discussions.

These committees direct the Exchange on the issues of concern to our membership. This in turn allows the Exchange to focus efforts where most needed to resolve matters most important to you.

And then there are the numerous publications available only to Exchange members, such as the Daily Clips Summary, Federal Register Highlights, monthly President’s Report, and our annual port directory — not to mention the ongoing email broadcasts providing up-to-the-minute updates.

Not only do Exchange members enjoy reduced advertising rates in our publications, but their ads will be seen by the most relevant and port-specific audience.

Please expect renewal notices and invoices to arrive via U.S. mail in early December.

Not a member? Join today!

If you are not yet a member of the Maritime Exchange, consider joining the premier advocate to speak on your behalf. The whole is definitely greater than the sum of its parts, and adding your voice will benefit not only your company, but the entire regional port industry. Visit www.maritimedelriv.com to download the application or contact Beverly Ford at 267-670-7946 or bford@maritimedelriv.com to learn more.

A hearty “Thanks!”

To our members, the one thing we can never say too often is “thank you for your continued support!” Exchange members identify issues necessary to improve our economic climate and suggest improvements to our Maritime On-Line suite of computer programs. Their valuable input ensures we can continue to provide superior service — and results! Simply stated, Exchange members are key to the success of Delaware River ports. Make sure 2019 finds you among this important group.
Overfalls group inducts five into Del. Maritime Hall of Fame

Class of 2018 includes two from maritime business community

Delaware is a small state, yet every so often a select few are recognized for their contributions to the state’s maritime history and culture.

The Delaware Maritime Hall of Fame, sponsored by the Overfalls Maritime Museum Foundation, honors those who have given uniquely and generously of their skill, energy, heart, and time in building Delaware’s maritime heritage. The foundation is a volunteer organization committed to preserving one of America’s last remaining lightships, the Lightship Overfalls.

Among the 2018 inductees into the Delaware Maritime Hall of Fame were Capt. Stephen Roberts, a river pilot since 1984 and former chairman of the Mariners’ Advisory Committee — and a long-time friend to and supporter of the Maritime Exchange.

“It is extremely humbling to be counted among such august company,” Roberts said. He noted how many people in the port helped provide guidance and steer him toward success. “As chairman of the MAC, [former Coast Guard captains of the port] Merrie Austin and Kathy Moore were especially supportive. In fact the entire Waternets team was a huge help to what we were trying to get done.” He also specifically recognized fellow pilot Capt. James Roche. “Jim appointed me as MAC chairman and kept me going through the rough spots,” he said.

Roberts also expressed appreciation for the support and friendship of the Maritime Exchange. “Between, the MAC, the Exchange, and the Pilots, we are the neutral entities that keep the port working together,” he said.

Under Roberts’ leadership the MAC tackled such complex issues as deep-draft development and time in building Delaware’s maritime heritage. From 1999-2003 he volunteered many hours for Tall Ships Delaware, Delaware Port Days, and maritime festivals. Since retirement, he has continued to volunteer and work for the port. In 2016, the Port of Wilmington Maritime Society honored him with the John R. Babiarz award for his significant contributions to the Wilmington port.

Congratulations to all the 2018 inductees into the Delaware Maritime Hall of Fame!

Pat Cooke led his local during a period of unprecedented growth in the Port of Wilmington, and he contributed to Wilmington’s good reputation for quality longshore labor,” said Robert Palaima of Delaware River Stevedores. “He still keeps his hand in the port as a dispatcher for the Ports of Philadelphia Marine Trade Association.”

Cooke’s vision, advocacy, and fostering of partnerships between labor and management were major influences on successful operations at the Port of Wilmington and the surrounding community. From 1999-2003 he volunteered many hours for Tall Ships Delaware, Delaware Port Days, and maritime festivals. Since retirement, he has continued to volunteer and work for the port.

Capt. Roberts also inducted

The foundation also chose Patrick R. Cooke, a member of ILA Local 1694 who has worked on the river for over 40 years. Beginning his career in 1962, he ultimately became a crane/heavy utility operator and was soon promoted to superintendent of a stevedoring company. In 1988 Cooke was elected president of the ILA Local 1694 and served for 10 years.

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Capt. Stephen Roberts
The annual U.S. Coast Guard birthday celebration took place on August 8 at the Union League of Philadelphia. Joining the guest of honor, retired Coast Guard Admiral Thad Allen (center), at the event were (l-r) Dennis Rochford of the Maritime Exchange, Capt. Jonathon Kemmerley of the Pilots’ Association, John Reynolds of Atlantic Logistics, and retired Navy Admiral Joseph Hare.

NIST to provide much-needed cyber help

On August 14, President Trump signed a bill designed to help the little guy. The bi-partisan NIST Small Business Cybersecurity Act provides sorely needed support for smaller organizations with limited resources to combat the ever-growing number and increasing sophistication of today’s cyber attacks.

The law requires the National Institute of Standards and Technology, or NIST, to provide clear and concise resources to help small businesses identify, assess, and reduce their cybersecurity risks. NIST must ensure, among other things, that the resources are generally applicable to and usable by a wide range of small companies, that they assist small businesses in mitigating common cybersecurity risks, can be implemented using commercial and off-the-shelf technologies, and are based on international standards to the extent possible.

“As businesses rely more and more on the internet to run efficiently and reach more customers, they will continue to be vulnerable to cyber attacks. But while big businesses have the resources to protect themselves, small businesses do not, and that’s exactly what makes them an easy target for hackers,” said Sen. Brian Schatz (D-Hawaii), Ranking Member of the Commerce Subcommittee on Communications, Technology, Innovation, and the Internet. “This new law will give small businesses the tools to firm up their cybersecurity infrastructure and fight online attacks.”

Four years ago, the Senate unanimously passed the Cybersecurity Enhancement Act of 2014, codifying the industry-led process for the NIST Cybersecurity Framework, a comprehensive voluntary guide for organizations to reduce cybersecurity risks. While the framework continues to play a key role in improving the cyber resilience of U.S. entities and is widely used by many larger companies, it is often beyond the reach of smaller businesses.

Under the law, NIST must develop the new resources within a year. Ultimately, it will attempt to provide easy-to-follow guidelines that small organizations can implement affordably.
Another change for the Port of Wilmington

I first saw the Port of Wilmington while aboard my first ship to sea, the MOORMACBAY, as we were heading up the Delaware to Philadelphia in June of 1965. I would pass the Port of Wilmington many times over the next seven years on merchant ships, without ever entering that port. It would be eight years later, in 1973, while working for DuPont in New York, when I would finally visit the Port of Wilmington to attend one of DuPont’s ships. The ship was a bulk carrier, bringing ore for one of the local DuPont plants. Lavino Shipping was our agent and our stevedore. George Lavino was the boarding agent, and he introduced me to Doris Dawson, who was port director. As I remember, it was a successful port call, and I would visit the port at least monthly over the next few years to see our ships discharge. I was also pleased to see my good friend from Fort Schuyler, Donal Alferi, become port director in 1974. The Port of Wilmington has come a long way since 1965 (the same year the Rowland family started Wilmington Tug), and I am happy to say I am still engaged with this tremendous global port complex.

It all began when the port opened in 1923 at the same location where the Swedish settlers first landed on the Christina River, aboard the “Kalmar Nyckel,” in 1638. The port started on 101 acres of land purchased from the Lobdell Car Wheel Company, with three cranes with 5- to 30-ton capacity. Its strategic location on the Delaware River, only 65 miles from the Atlantic Ocean, immediately gave the Port of Wilmington an edge over its competitors upriver.

Almost 100 years later, the Port of Wilmington now occupies 308 acres of land and handles every type of cargo including, but certainly not limited to, containers, autos, refrigerated cargo, bulk orange juice, steel products, petroleum products, and bulk ore.

On September 18, 2018, Gov. John Carney, the DSPC, and GT USA Wilmington, LLC finalized an agreement that is expected to significantly expand the Port of Wilmington and create thousands of new jobs at one of Delaware’s most important industrial sites. The agreement stipulates GT’s plans to invest as much as $600 million in the port over the next ten years, including approximately $410 million for a new container facility at DuPont’s former Edgemoor site, which the Diamond State Port Corporation acquired in 2016.

This is welcome news for the Port of Wilmington and the Delaware River, and we wish Gulftainer much success.

Become a Steam Engineer with Steamboat SPLASH

Delaware River Steamboat Floating Classroom, Inc. is a 501(c)(3) educational non-profit that sails from Lambertville, NJ.

Part-time job opportunity from May through September:

- for USCG steam engineers
- for those with a NJ/PA boiler operator’s license, complete a training program with one of our veteran engineers and then apply for your USCG steam engineer’s license

609-414-3676  info@steamboatclassroom.org  www.steamboatclassroom.org

More productive than ever

At PhilaPort, we haven’t just changed the city skyline with the recent addition of our two new super post-Panamax cranes — We’ve improved our ability to serve you.

Philadelphia is a port of customer satisfaction. Our Port Development Plan is underway to double our capacity, investing in our terminal infrastructure and to make sure we have what it takes to move your goods as quick and efficient as you need.

www.philaport.com
On 11 October 2018, RADM John Nadeau, the Assistant Commandant for Prevention Policy, introduced the Coast Guard Maritime Commerce Strategic Outlook at the American Waterways Operators conference in Houston, Texas. From the introduction:

“America is a maritime Nation. It is a Nation shaped by seafarers who recognized the tremendous economic potential derived from unrestricted access to the oceans, internal waterways, deepwater ports and protected straits and bays. This geo-strategic advantage favorably shapes our Nation’s security, economic prosperity, and global standing.

“American prosperity remains inextricably linked to the fate of the maritime environment. In an era of increasing technological and political change, we continue to be a maritime Nation that has come to expect free access to, and movement within, the maritime environment. Access to outdoor recreation, fisheries and mineral resources, global commodities, and markets for manufactured goods define the American experience. Our waterways, a wealth of natural resources, and marine transportation networks, remain critical to our prosperity, our security, and our identity as a Nation.”

This document establishes three lines of effort that are critical to the success of the Coast Guard.

Facilitating lawful trade and travel on secure waterways

Any disruptions to the Maritime Transportation System, whether man-made or natural, will have a cascading and potentially devastating effect on the domestic and global supply chain and America’s economy and national security. As the lead federal agency protecting our MTS and the primary regulator of the maritime shipping industry, the Coast Guard advances American prosperity by securing ports and waterways and ensuring vessel safety. We will achieve this by managing risks to critical infrastructure, through efficient delivery of Coast Guard services, supporting uniform and consistent vessel and facility standards, and promoting resiliency and unity of effort among all MTS stakeholders.

Modernizing aids to navigation and other mariner information systems

America must be competitive as a global trading partner, and the Coast Guard will drive modernization of IT networks and applications that enable us to assess, monitor, and manage risk. The service will optimize traditional navigation systems as we build the next generation of waterway management and aids to navigation systems. Further, we’ll seek to adapt regulatory frameworks, applications, and standards to accurately incorporate the implementation of emerging technologies that will transform maritime operations, such as autonomous systems and new logistics platforms.

Transforming workforce capacity and partnerships

The maritime operating environment is increasingly complex, and the Coast Guard must transform its workforce and strengthen its partnerships with other enabling organizations to meet the increased demand on America’s waterways. We will leverage the capabilities of third party organizations that conduct work on our behalf, while providing a robust oversight regime that monitors their performance and ensures compliance with required standards.

I encourage members of the Delaware River and Bay maritime community to review and share the strategic outlook. It contains information and statistics for promoting the value of maritime commerce to industry outsiders and outlines the Commandant’s long-term vision to support and grow maritime commerce in the United States.

The strategic outlook can be found at: https://www.dco.uscg.mil/Our-Organization/Assistant-Commandant-for-Prevention-Policy-CG-5P/Marine-Transportation-Systems-CG-5PW/Maritime-Commerce/.

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

USCG releases strategic outlook for maritime commerce
GT solidifies its operation
continued from page 1

The partnership is also expected to bode well for longshore labor and other jobs. “We did [this deal] to protect the very good jobs generated through the port,” Carney said. “One of the commitments Gulftainer has made, in addition to the investment in the facilities, is to invest in our workforce.”

Jafar said Wilmington’s enhanced operations “will have the potential to generate well over 6,000 direct and indirect new jobs.”

Under the state’s requirements, GT agreed to use the existing unionized labor force and to use union labor for capital improvement projects. The parties expect substantial cargo gains between the two facilities. Historically, Wilmington has handled a broad mix of cargos, from regular containerized banana services to seasonal fruit imports, breakbulk steel, bulk orange juice, livestock, petroleum, and project cargos such as wind turbines.

According to the published term sheet, GT will grow container volumes by more than 100%, to 780,000 TEUs, from current levels, and a 75% increase in non-container cargos is expected. Transfer took place Oct. 3

The deal was announced and signed on Sept. 18, with the DSPC handing over operations on Oct. 3. At that time, all DSPC administrative employees were offered employment by GT to facilitate the transition while GT solidifies its operations. Those who chose to stay became GT employees, and Eric Casey, who most recently served as director at Virginia International Terminals, took over as Chief Executive Officer of GT’s Wilmington operations. Previous port director Gene Bailey has been retained by DSPC as a consultant to represent its interests in the oversight of the transition.

Exchange augments cybersecurity measures
continued from page 1

The federal government provides many other resources to combat ever-evolving cyber threats. Among them, the National Institute of Standards and Technology has developed a cybersecurity framework for companies to use in developing their own strategies (see the NIST article on page 6). The National Cybersecurity and Communications Integration Center provides cyber-related information, training, risk and vulnerability assessments, and incident response and recovery resources. The Coast Guard, FBI, and other agencies have each issued guidance to industry and the general public. But FEMA’s grant program continues to be one of the most valuable resources available to the maritime industry.

“PBF Energy’s significant footprint within the region, operates three fuel terminals, and a pipeline, dictates that we be responsible for taking progressive measures to ensure our cyber networks for the benefit of the entire port,” Robinson said. “Much of what has been described would not have occurred as quickly as it has without the Port Security Grant Program, leaving us a potential target.”

The importance of FEMA’s support of cybersecurity projects in the Port Security Grant Program cannot be overstated. “Criminal tactics and tools evolve, becoming more sophisticated with each passing day. To survive, the maritime industry must dedicate the necessary resources, educate our workforce, and modernize our systems and tactics to meet these threats,” Fink said.

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CACC executive director experiences a taste of Chile!

By: Christina Lista, Executive Director
Chilean & American Chamber of Commerce

On August 4, 2018, I embarked on a three-month trip to Santiago, Chile. As the executive director of the Chilean & American Chamber of Commerce of Greater Philadelphia, my role is to represent American business interests in Chile — specifically those of the significant fruit trade industry in the Greater Philadelphia region — and to grow and strengthen the relationship between our region and Chile. My primary goal for this mission to Chile was to expand and deepen the CACC’s network and partnerships in the private and public sectors. I also wanted to develop my Spanish language skills and immerse myself in Chilean culture.

During my time in Santiago, I worked remotely from Nisum Chile’s offices. Martin Lewit, General Manager of Nisum Latin America, is a proud supporter and partner of the CACC through our partnership with Ch1l3 a Digital Country, Chile’s IT sector brand.

While at Nisum, I shared working space with employees from 15 different countries who provided a very warm welcome. I participated in Spanish and dance lessons and was an avid lover of “free fruit Thursdays.” My ability to learn about other countries from my diverse office mates, while residing and working in Latin America, exemplifies the truly attractive business environment Chile offers to individuals and companies from all over the world.

I held numerous meetings with various Chilean organizations such as InvestChile, AmCham, Imagen de Chile, Chiletec, StartUp Chile, ProChile, and many more. I was able to participate in many professional activities as well, including ProChile’s Enexpro and LAC Flavors. I also attended ASOEX’s Blueberry Debate in Talca, Chile and was active in IPWA, the International Professional Women’s Association, in Santiago. My favorite IPWA event was with the American Ambassador to Chile, Carol Perez. She spoke to our group of approximately 20 women about the path to her career, the struggles she faces as a woman in a male-dominated culture, and how important it is to seek out sponsors and support from one another.

Spanish was a challenge for me — often times I would tell people I came to Chile to learn Spanish and they would laugh. This is because Chileans do not speak standard Spanish . . . they speak “Chileno,” their own variation of the language with slang, a dialect that is completely foreign to most native Spanish speakers. Not to mention that Chileans speak extremely fast.

However, I persisted and tried to communicate. Some of my favorite conversations were with my Uber drivers and random Chileans who were adamant on helping me learn the language. After a few months, I can confidently say “I can get by” in Chile, and I am looking forward to continuing my Spanish language studies here at home.

Of course, my travels would not have been as memorable without seeing the diverse geography of Chile firsthand. I traveled to San Pedro de Atacama where photos I have seen online came to life in front of my eyes. I also traveled to Vina del Mar, Valparaiso, Concepción, Algarrobo, Isla Negra, Caja del Maipo, Casablanca, and throughout the metropolitan area of Santiago. I even got to see Mendoza and Buenos Aires in Argentina.

It is hard to describe my incredible experience in Chile. Not only did I achieve my original goals of developing and strengthening new and existing ties between the Greater Philadelphia region and Chile, but I also learned so much about the country, its culture, and about myself. As a twenty-five year old woman, this opportunity could not have come at a better time. Not only did I grow personally and professionally, but I gained a second family in Chile.

I sincerely thank my board members for encouraging and supporting this initiative and for allowing me to achieve a dream of living and working abroad. Chile is full of extraordinary opportunities. I feel more confident in our work than ever before.
The Vane Brothers Company, a marine transportation provider that operates out of a Philadelphia City Dock facility and several other U.S. locations, is celebrating its 120th anniversary this year. The company, which began in Baltimore as a ship chandlery, performs bunkering duties with 130 tugboats and petroleum barges working all along the East Coast. The Vane Launch division, which primarily delivers ship’s stores and supplies, has a facility at the Philadelphia Navy Yard.

Vane Brothers was started in 1898 by brothers Captain William Burke Vane and Captain Allen P. Vane. Today, the fourth generation of the Hughes family guides Vane Brothers: C. Duff Hughes celebrated 25 years as president of the company in 2016. Congratulations!

POW welcomes first Moroccan citrus vessel

The Port of Wilmington, Delaware had the honor of receiving the first breakbulk shipment of fresh Moroccan citrus to arrive in the U.S. for the 2018-19 season.

The “M.V. Belgie Reefer,” a specialized refrigerated vessel, docked at the Port of Wilmington on November 7, 2018, on behalf of a long-time port customer Fresh Fruit Maroc.

On arrival, the “Belgie Reefer” began discharging its cargo of over 574,800 boxes of fresh clementines. Wilmington is a major port of entry and distribution center for the seasonal importation of fresh Moroccan citrus, including Nour and Nadorcott clementine varieties.

During this season, which runs through March, Wilmington anticipates receiving approximately 12 shiploads of fruit from the Moroccan Atlantic port of Agadir. The arrival of the “Belgie Reefer” marks the 19th consecutive year that the port has been receiving express, breakbulk shipments for Fresh Fruit Maroc.

“We are privileged to continue as the port of choice to serve our customers and trade partners for timely distribution of the freshest available fruit to North American consumers,” said Eric Casey, the port’s chief executive officer.

Susan Bricks, representative for Fresh Fruit Maroc North America, said, “Wilmington has been a great partner for us over many years — important not only to our group, but to our customers. We are looking forward to another successful season.”

Cargo is stored in the port’s 800,000 square foot on-dock refrigerated warehouse complex before distribution to markets throughout the U.S. and Canada. The Port of Wilmington handled more than 10,700,000 boxes of Moroccan citrus in the 2018-19 season.

CSPC tool has new look

The Consumer Product Safety Commission’s Regulatory Robot, an online tool that helps users determine the U.S. safety requirements that apply to specific consumer products, has a new look and enhanced functionality.

Bullock named as 2018 Friend of Chile

The Chilean & American Chamber of Commerce will honor Delaware Secretary of State Jeffrey W. Bullock with its prestigious Friend of Chile award on November 30. The award luncheon will take place at the Union League of Philadelphia, and a veritable who’s who of Delaware River port stakeholders are expected to attend.

Bullock enjoys a varied political pedigree and has dedicated most of his professional career to public service. In 2006, he served as chief of staff to former governor and current U.S. senator for Delaware, Thomas Carper. He was also chief administrative officer to Sen. Christopher Coons during Carper’s tenure as New Castle County Executive. Bullock, who is Delaware’s 80th Secretary of State, was first appointed to the position in January of 2009 by then-Gov. Jack Markell. Reconfirmed by the Delaware Senate in January 2017, Bullock now serves under the Carney administration.

In more than eight years as secretary of state, Bullock has been a transformational leader in advancing priorities in the areas of education, job creation, and more efficient and effective government.

In bestowing this year’s Friend of Chile award, the chamber is recognizing Bullock’s pursuit of economic development opportunities and job creation for the tristate region. Bullock, who chairs the Diamond State Port Corporation board of directors, led the process which resulted in the recently signed agreement with Gulftainer to operate the Port of Wilmington.

The Maritime Exchange is pleased to add its congratulations to the long list of many already received by Secretary Bullock on this well-deserved honor.

Stress: A maritime constant

By: Rev. David Reid MA AFNI
Seamen’s Church Institute of Philadelphia and South Jersey

Stress affects everyone, but seafarers must cope with stress that is a direct result of their unique environment.

Those who have never worked onboard a merchant ship may find it difficult to comprehend the stress that affects the daily life of a seafarer. Throughout my eight years at sea, the majority of my experiences were positive. Yet I served with people who were stressed by the environment and clearly suffered various states of anxiety and depression. I know of two senior officers who disappeared at sea under circumstances ultimately attributed to them taking their lives. Suicide is the extreme case, but all the factors that affect everyone, plus the uniqueness of a life at sea, affect seafarers.

We need to be mindful of their stress and be ready to help.

One constant focal point for seafarers is the stress that results from heavy weather. In port, a ship is upright and static as it lays peacefully alongside the berth. However, at sea during a Force 12 storm in swells that may tower 15 meters or more, the ship will be moving, vibrating, shuddering, and shaking as it combats the immense energy of the ocean. These conditions may last for days and weeks during major transatlantic crossings.

As a chaplain, I do my best to assess the stress levels. Are the seafarers tired? What is their mood? Are their expressions positive or negative? I recently met a third engineer who was tense, worried, and clearly needed to get ashore. He asked if I could take him somewhere to send money home. Recognizing that this man was apparently under stress, I agreed. I brought the first sign of positive expression, and as we left the vessel and proceeded ashore, I wondered why he needed to wire money home.

Typically, seafarers’ wages are paid by direct deposit into their bank accounts, which means their families have funds to meet ordinary expenses. Seafarers will draw cash at a port to meet expenses, but otherwise, life on board a merchant ship is a cashless one.

Many seafarers may experience periods of several months before a suitable shore leave opportunity presents itself. Often reduced time in port, logistics, and security challenges present formidable obstacles to get ashore.

For a seafarer working six-on, six-off watches, choosing to go ashore means giving up rest time or trading a watch with a colleague. That means paying that watch back, which brings the added stress of a double watch.

Why did the third engineer need to wire money home, and why was this so urgent? The rest of the story revealed itself as we drove along in the SCI van. When I asked him to tell me about his family back home, my passenger began to talk about his young wife who had just given birth to his daughter, a daughter he had only seen on Skype. The conversation continued at length about his life as a seafarer and the different shipping companies that had employed him.

It was during the dialogue that he revealed the root of his stress. The company had been paying his wages late, and his family desperately needed funds. Fortunately, I had just delivered two Wi-Fi hotspots to his ship. The man was upset about it because he would be able to let his wife know the money was on its way. (Here, we also see why communication for seafarers is so important.)

On our return trip, he was in a much better mood; a heavy burden had been lifted because he was able to make sure his family was provided for. We parted at the foot of the gangway.

In the 21st century, one might ask the question: what is the role of a modern seafarer mission? The answer is that we are on the frontline of the well-being of seafarers. An active presence onboard the ship does make a difference, and we bring connectivity to the internet and transport ashore.

Seafarers will experience stress in the everyday rhythm of their voyages. In our shore-based lives, we hear about the latest hurricane that threatens the coast, but we are rarely conscious of the many merchant ships at sea doing their best to navigate away from the worst of that storm — or what being onboard a ship in heavy weather does to the health of a seafarer.

For most of us, the loss of internet service for just a few hours would cause unbelievable stress. Imagine what seafarers experience when they are unable to connect with their families for several weeks. Then layer on other stressors, such as sleep deprivation and loneliness. We can, therefore, appreciate how important our seafarer missions are and why they are an integral part of a healthy shipping industry.

We are not a nice to have — we are a must have.
The Delaware Bay chapter of the Women’s International Shipping & Trading Association will host the WISTA USA Annual General Meeting and Conference on April 25-26, 2019 in Philadelphia. WISTA USA is a member of WISTA International, a networking organization dedicated to attracting and supporting women at the management level in the maritime, trading, and logistics sectors.

The theme of the 2019 conference is “Women Making Waves,” and it will bring leaders in international shipping and logistics to the Philadelphia waterfront for a day of making connections, sharing information, and learning about challenges and opportunities.

The event will take place at the Independence Seaport Museum on Friday, April 26, and a reception and dinner will kick off the event on Thursday evening.

Chapter Vice President Lisa Reeves, of Reeves McEwing LLP, formally announced the conference at a WISTA wine tasting on October 17. Shown above, Linda Collier of Collier Wines treated members and guests to a tasting of wines from women-owned vineyards around the world.

Contact chapter President Cynthia Hudson at cynthia.hudson@hudsonanalytix.com or Lisa Reeves at reeves@lawofsea.com for more information.
Seafarer’s Friend renamed to honor Hick Rowland

Wilmington Tug receives 2018 award

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

Since November of 2004, the Seamen’s Center of Wilmington has annually recognized those who have shown kindness to seafarers and to the center. The Seafarer’s Friend Award has given the center an opportunity to acknowledge and thank associations, churches, corporations, and individuals for their dedication to mariners arriving in our state.

As the center staff, volunteers, and directors reeled over the tragic death of founding board member H. Hickman Rowland, Jr., there was much discussion as to how we could properly remember such a great proponent of seafarers. Board member and river pilot Kelly McCandless suggested renaming the award for Capt. Rowland. “No one regarded seafarers, nor sought support for them in the manner of Hick. He was always willing to put in the effort to ensure that they had an advocate and to know they would be welcomed into a home away from home,” she said.

And so, this first year that SCW is using the new award name, the Hickman Rowland Seafarer’s Friend Award, it is also fitting to give this tribute to Wilmington Tug. Since the inception of the center, not only was Hick generous in time, spirit, and financial donations, but his employees have been equally supportive. From the port captain who has overseen the annual fire suppression inspection to the mechanic who takes a look at an ailing van, all of the Wilmington Tug employees jump in to help the center.

They donate used clothing and help to find prizes for fundraisers. They fix a flat tire and make sure their tug is in pristine condition for our Tug Boat Cruise. They deliver Christmas at Sea ditty boxes to the ships docked at the Delaware City Refining Company, and they help keep the SCW office staff apprised of arrivals and departures. Their generous spirit is unmatched.

Capt. Rowland was a pretty humble fellow. He didn’t like to draw attention to the many causes he assisted. But we know he was proud of the way all of the Wilmington Tug crew has for many years stood tall beside the center and our mission to greet and assist seafarers. No matter what our need, they were always right there beside us helping. No group of people is more deserving.

Christopher Rowland, Allen Gage, Maurice Furlong, David Walters, James Pyle, and Bill Martin pose with their Hickman Rowland Seafarers’ Friend Award, bestowed upon Wilmington Tug at the Port of Wilmington Maritime Society Annual Dinner on November 6, 2018.
The Dante Mattioni Division (DMD-043) U.S. Navy Sea Cadet Corps program, sponsored by the Maritime Academy Charter High School in Philadelphia, took a special firepower tour of the “USS New Jersey” in October. The cadets had behind-the-scenes access to the interior of the number one 16-foot gun turret and their evening chow on the mess deck. Now in its fourth year, the division currently has 20 cadets motivated and eager for similar enriching experiences. The Cadet Corps program is a national youth leadership development organization that promotes interest in naval disciplines while instilling strong moral character, life skills through leadership, and technical programs modeled after the Navy’s professional development system. Retired Coast Guard Chief David Hentnick and instructors Theresa Karnes and Matthew Wilson run the program.

Visit www.maritimecharter.org for more information.

MACS Sea Cadet Corps sees battleship up close

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Q&A with area port director Martella

continued from page 1

from the seaport environment. We also recorded several substantial narcotics seizures, including the nation’s largest fentanyl seizure and the seaport’s second-largest cocaine seizure in nearly 20 years.

I have also made stakeholder engagement a priority. The Area Port of Philadelphia, which includes seaport facilities in the tristate Delaware valley, is economically significant to the United States. We must improve our relationships with, and responsiveness to, our regional stakeholders to maintain the vital port service that CBP is a regulatory authority, but we are also a trade facilitator. We are working harder with our trade stakeholders to identify mutually-beneficial initiatives, such as public-private services agreements, that improve the safety and security and the import/export climate in the area port in order to attract new business.

To that end, my trade team hosts frequent meetings and phone conversations with our stakeholders to discuss trade challenges, and we conduct CBP briefings with importers to explain our regulatory authority. We have also established a central CBP email account that allows my trade staff to immediately address any concerns communicated by our trade community.

One issue we continue to address is staffing. We have added officer and agriculture positions but, like everywhere else, we can always use more. To help increase applicants for CBP positions, I created a regional recruiter team within our existing staff to attend more job fairs and hiring events. This is an additional collateral duty.

Q: Local CBP and Exchange members have a long history of working collaboratively to solve problems and to improve operations. How does this compare with other locations where you’ve served? Do you see any opportunities ahead to further improve vessel, cargo, and crew processing in our region in the immediate future?

A: Each CBP port location has its own nuances. CBP ports in New York or Los Angeles may have larger bulk and container volumes; but the Area Port of Philadelphia outpaces them both as one of the nation's leading agricultural hubs. As such, we have very specific supply chain needs for perishable commodities. The short shelf-life of perishables requires that CBP quickly inspect, mitigate potential threats, and release the commodities into the U.S. marketplace. And so it is vital that all stakeholders — work in concert.

CBP’s primary goal is to facilitate legitimate trade and travel, and the Area Port of Philadelphia continues to employ innovative measures to support that goal. One example is the use of mobile technology. CBP officers and agriculture specialists can now transmit documents and release commodities and cargo onto-the-spot upon inspection, and if necessary, as soon as any identified threats or risks are mitigated. Previously, we had to return to our offices to complete paperwork, which resulted in unnecessary delays. Another example is the incineration of infused damage and wood packing material. Previously, importers had to take on the expense of returning infested damage and WPM. This practice has allowed our trade community to realize significant savings that they have reinvested into their businesses. This cost-savings incineration initiative can help generate new business to the Area Port of Philadelphia.

My staff and I will continue to listen to our trade community stakeholders, especially when they encounter potential regulatory hurdles that build processing delays, and work with them to develop common-sense solutions that help improve CBP’s inspectional efficiency.

Q: Can you tell us about the biggest challenges CBP is facing in this region — the “What keeps you up at night?” question. How have you begun to address these? What can the trade community do to help?

A: CBP officers and agriculture specialists serve as guardians of our nation’s borders. We are charged with protecting our communities, our nation, our agriculture, and our economy, and we take that responsibility seriously. We recognize that transnational criminal organizations will attempt to smuggle dangerous drugs, illegal aliens, and counterfeit merchandise, among other illicit things into the United States, and we must stop them. That threat risk is great and forces me to ask if we’re doing everything we can to mitigate those threats.

I also continually ask myself what more we can do to improve our travel and trade facilitation mission. One thing we can do is to ensure our stakeholders fully understand the tremendous responsibility that our protection mission places on our facilitation mission. Not all importers are honest brokers. We saw that during significant fentanyl and cocaine seizures this year. We saw that from the more than $30 million in counterfeit consumer goods we seized this year. We saw that from the more than 500 counterfeit driver’s licenses and other fraudulent identification documents we seized this year. Each one of these discoveries impacts all of us. From increased health care costs to burglaries by drug addicts, to unsafe consumer goods that harm consumers and hurt American workers, to identity theft. The threats are real. We have increased our enforcement posture to attack these challenges head-on. We all work hard to help make our communities and our citizens safer.

But, we recognize that we cannot do this alone. CBP continues to work closely with our law enforcement partners at all levels of government, and CBP communicates our “see something say something” awareness campaign to the public and our trade and travel stakeholders. Our stakeholders know when something doesn’t seem right. They can alert local law enforcement or CBP and someone will investigate their tips.

The Four Chaplains at the Phillies

On September 16, just before game time, The Chapel of Four Chaplains Memorial Foundation, on behalf of all of the veterans, chaplains, and families it serves, accepted a donation from Phillies Charities and the Clothier family in memory of LTJG Girard Clothier, who served the U.S. Navy with distinction in the late 1960’s onboard “USS Donner” ( LSD-20). Pictured here with Mrs. Sherry Clothier and the Clothier family are Senior Chaplain Rev. Gary Holden, Administrator of Chapel Programs Michelle Nolfi, Chapel Board Chair Capt. Louis Cavaliere, and Director of Phillies Charities Sophie Riegel.

Q: To wrap up on a positive note, please tell us what you like best about living and working in the Delaware Valley?

A: Compared to New York City and Los Angeles, Philadelphia and by extension, the Delaware Valley, offers a unique balance of big city hustle and bustle with a close kind, small town feel. We’re a very busy maritime industry, but we also have plenty of room for business growth, which makes the future here very exciting. New York is my home, but navigating the streets and sidewalks there can be very interesting, if you know what I mean. Philadelphians seem to be a bit more friendly and accommodating to strangers. I am also constantly amazed at the depth of history Philadelphia offers. From the President’s House, where George Washington lived as our nation’s first president, to the Liberty Bell and Constitution Center, the United States’ first banking institutions, and the living history at the Independence Seaport Museum, Philadelphia displays the unique beginnings of commerce and power of our fledgling nation.
DHS must complete TWIC assessment

It would by no means be a stretch to say that the Transportation Worker Identification Credential program has been characterized by uncertainty since the TSA started issuing cards in 2008. Though the mists of time might have clouded our memories, many can still recall some of the early bugs the process brought up. Cards never delivered, cards that didn’t work, and fingerprint capture errors were just a few of the initial glitches. Over time, TSA worked through its problems, and getting TWIC cards today has for the most part become routine, albeit still quite expensive.

We then turned our collective attention to TWIC card readers. With the help of the security and maritime industries, TSA developed a TWIC reader specification, and vendors began designing equipment to meet the requirements. While a pilot program tested the cards and the readers, it certainly couldn’t be called a clear-cut success.

Despite this, the program pressed ahead.

Fast forward about 10 years, and the Coast Guard publishes a final rule mandating use of TWIC readers only at facilities handling a specified numbers of passengers or some CDG, or certain dangerous cargos. The rule was to become effective this past August.

In June, the Coast Guard proposed a three-year delay in the implementation date for certain facilities. Industry was perplexed by the measure and uncertain how to implement the rule moving forward.

That confusion didn’t last very long. In August, the president signed a law that would delay all TWIC readers until after the Department of Homeland Security submits an assessment of the program to Congress. The measure grew out of, among other issues, the Coast Guard’s inability to explain the benefits of the recent scope change.

In late September, the DHS Office of the Inspector General released its report on Coast Guard oversight of the TWIC program after Public Law 114-278, signed in December of 2016, required a comprehensive TWIC assessment.

One of the first things that jumps off the page of the OIG’s report is that Coast Guard did not complete its assessment of the security value of TWIC because “DHS experienced challenges identifying an office responsible for the effort.” Wow.

OIG also noted that “The Coast Guard needs to improve its oversight of the TWIC program to reduce the risk of transportation security incidents.”

We can only now ask, “Does it?”

Does TWIC really make ships and ports any safer? What’s more, do the benefits outweigh the costs to produce, obtain, and use the cards, especially the hidden costs of seafarers who have shore passes needing escorts in order to be able to take their much-needed leave?

Another part of the problem is that policy decisions are sometimes uninformed. The entire river is classified as critical habitat because the sturgeon “may” inhabit anywhere. But really, it’s more than unlikely the fish are going to congregate near areas where ships routinely operate. Surely the prop disturbance if nothing else would drive them elsewhere. While everyone wants to protect the species, policies must be backed up by hard data, not speculation.

As it now stands, well over two million workers have spent more than a quarter of a billion dollars obtaining biometric, chipped TWICs that will only be used with readers at about 500 (or even fewer) sites, about 3.5 percent of the vessels and facilities covered under security plans.

Yet DHS finalized a TWIC rule despite not having an understanding of whether the program has value.

Congress was absolutely correct in requiring that DHS fully evaluate the program before moving forward.

Are the fish really driving maritime commerce?

When you’re a marine terminal owner or operator, many factors drive your decision to make facility improvements. Most of these are obvious, like cash flow, market conditions, and future economic outlook. With others, operators may find themselves in a fine kettle of fish.

On the Delaware River, as at many U.S. ports, facilities must also consider the sturgeon: today, the migrating and spawning habits of the Atlantic and short-nosed sturgeon govern when dredging and pile driving will take place as much as any other consideration. This also explains why the last phase of the main channel deepening project has taken several years to complete. Two issues are in play: the Endangered Species Act and critical habitat designations. With so much of the Delaware River basin designated as critical habitat for these sturgeon, dredging windows have been closing. As it has evolved, most work must now take place during the September-October timeframe.

Needless to say, this is not logical for most terminals — maintenance dredging is necessary after silting, often resulting from spring storms, not based on calendar dates. Further, requiring that all terminals complete needed projects at the same time is logistically impractical given that they are competing for the same dredging equipment.

At the beginning of the work process is the permit application, which has turned into the largest hurdle. Turnaround times, for example, are not easily predicted. This largely results from the fact that multiple terminals are submitting applications at the same time to meet the allowable dredging windows, and thus the governing agencies are inundated with paperwork all at once. Also, because several different federal and state offices are involved, a delay is somewhat understandable. Yet it also ought to be fixable.

At a recent meeting of the Exchange’s Private Berth Dredging Committee, attendees learned that while we thought there were 200 Atlantic sturgeon in the river, the number appears to be closer to 1,000. That’s extremely good news for everyone.

What’s more, officials from the National Marine Fisheries Service stated categorically that “there are no restrictions” on the Delaware River and that permit approvals can take as little as a few days. That was news to the industry members present. There is obviously a disconnect somewhere.

We clearly need to protect the sturgeon. But we also need to allow reasonable accommodation for those who need to maintain or expand their facilities.

The first thing the agencies can do, working alone or in partnership with industry, is to obtain the data necessary to make informed decisions. While such a study may take several years, other opportunities exist to improve processes in the meantime.

For example, the federal and state agencies could issue written guidance similar to a Coast Guard Navigation & Vessel Inspection Circular — that outlines in plain English what is allowable, what is required, and when. This is critical to ensuring everyone is on the same page.

We also recognize that government offices are chronically understaffed. To compensate for this in the private sector, companies generally require thorough employee cross training. Since permit applications tend to linger when someone is unavailable due to vacation or extended leave, it appears this cross training does not take place. Perhaps this can be put in place or improved where needed.

Finally, the agencies need to be aware of the full chain of events that must occur in coordination for a successful dredging event. One broken link in the chain upsets the entire schedule, which is not only needlessly expensive but also affects other terminals downstream in the process. To achieve this understanding, more effective and frequent communications is paramount. Participating in this committee is a good start, but more effort is needed.
The paperwork — or shipping papers — used in the process of preparing shipments for overseas transport can be somewhat voluminous, confusing, and tedious. Included are shipping instructions, booking requests, master instructions for bills of lading, bills of lading, and among them is a document known in the industry as a dangerous goods declaration (DGD).

In addition to this paperwork, myriad regulations and laws relate to hazardous materials shipments, and those provisions must be considered in how to best communicate dangerous characteristics of cargo for transport overseas. Also needed is a clear and complete disclosure of any characteristics of dangerous cargo that would affect the method and manner of shipment overseas.

On July 14, 2012, the “M/V MSC Flaminia” was crossing the Atlantic Ocean bound for Antwerp, Belgium. It departed New Orleans, La. fourteen days earlier where it was loaded with certain dangerous cargos. Early that morning, alarms sounded, and smoke was seen arising from one of the holds. An explosion followed resulting in the deaths of three crewmembers, destruction of numerous cargo containers, and serious damage to the vessel.

Several lawsuits sought compensation for death, bodily injury, loss of cargo, damage to the vessel, and for contribution and indemnification. Some of the original claims were settled, including those alleging wrongful death and bodily injury. Remaining claims were based on theories of negligence, statutory violations, and breaches of contractual obligations.

This past September, a decision by the U.S. District Court, Southern District of New York, rendered the opinion on the liability aspects of the case. One of the critical issues addressed was the propriety of the method the shipper utilized in communicating information to the carrier as to safety concerns and/or characteristics of the dangerous cargo.

To decide this issue, the Court had to evaluate the facts and determine whether the shipper or its representatives made clear and full disclosures of a dangerous chemical cargo’s characteristics and conditions, which would affect whether the carrier would accept the dangerous cargo and the way it would be stowed. The Court concluded that there was not proper and full disclosure of some critical characteristics of the dangerous cargo that would have affected the carrier’s decisions.

In reaching its conclusion, the Court considered “three intertwined regulatory schemes” which address the shipment of dangerous goods — the Hazardous Material Code, the International Maritime Dangerous Goods (IMDG) Code, and the Safety of Life at Sea Convention (SOLAS).

The Court noted that SOLAS requires “an obligation to provide appropriate information on the cargo sufficiently in advance of loading to enable the precautions which may be necessary for the proper stowage and safe carriage of the cargo to be put into effect.” It further stated that “information shall be confirmed in writing and by appropriate shipping documents prior to loading the cargo on the ship” and that “appropriate information” is defined as including “any relevant special properties of the cargo” as well as “all necessary information about the cargo to enable the shipowner or ship operator to ensure that... the cargo can be safely stowed and secured on board the ship and transported under all expected conditions during the intended voyage.”

Several arguments were made supporting full disclosure: that by putting disclosures on documents such as booking confirmations or seaway bills, the shipper fulfilled its legal obligations; that the IMDG regulations do not require dangerous goods declarations to contain more information than U.S. statutory information, such as the IMDG classification of the cargo; and that the vessel owner knew of this type of dangerous cargo, had carried it previously, and had access to safety information about the cargo.

The Court reviewed such documents as the manufacturer’s booking request, the shipper’s booking to the carrier, master instructions for the bills of lading, and a DGD. The DGD did not contain any specific characteristics of the cargo that would make it potentially unsafe for shipment or affect the carrier’s decision to accept the cargo and/or how to stow it properly and safely. Some safety information on other documents was mentioned.

Here, the shipper only provided the carrier with DGDs and master bills of lading instruction. The Court found that it was a shipping industry practice that carriers use the DGD as a primary source of information regarding the safe handling of dangerous cargo while in transit. The Court also found that the carrier, due to the volume of cargo it carries internationally, acted reasonably by relying only upon the DGDs to provide it with key information concerning the safe transport of cargo.

The Court further concluded that a carrier must ensure it receives a valid DGD before transporting dangerous goods. It also found that even though a carrier may have general knowledge of dangerous cargos it carries, such knowledge does not relieve the shipper of its obligation to provide the carrier with proper warnings and safe transport information.

The whole crux of failing to provide proper disclosures is the basic principle of a failure to warn of reasonably foreseeable dangers. In that context, it is only necessary to prove that the shipper failed to warn the carrier about dangers the shipper could not have reasonably expected the carrier to be aware of, and such warning, if given, could have affected the way the cargo was stowed.

The Court concluded that the most significant failure of the shipper was its omission of significant safety information on the dangerous goods declaration. The shipper did not follow industry-accepted standards of warning of the danger of this cargo due to the circumstances of the case. The Court also concluded that various unconnected references to some safety aspects of the carriage of cargo were insufficient to fulfill the shipper’s duty to clearly and expressly warn a carrier of any special handling precautions or practices that must be observed to carry the cargo safely.

This case illustrates the need for shippers to coordinate an effective, clear, and unambiguous method of disclosing dangerous characteristics or conditions of a dangerous cargo to the carrier and follow the applicable laws and regulations in the process.

James W. Johnson is a founding member of Ricci Tyrrell Johnson & Grey.
Calendar of Events

11/23 Independence Seaport Museum River Alive! Exhibit Opens
Penn’s Landing, Philadelphia, PA
Visit www.phillyseaport.org

11/27 GT USA Wilmington Chilean Fruit Season Kick-Off & Operations Planning Meeting, Port of Wilmington Boardroom, Wilmington, DE
Contact Debra Thompson, dthompson@gulftainer.com

11/28 Ports of Philadelphia Maritime Society Board Meeting

11/30 Chilean and American Chamber of Commerce Annual Friend of Chile Awards Luncheon
Union League of Philadelphia
Contact Christina Lista, clista@chamberphl.com

12/6 Joint Holiday Dinner, Ballroom at the Ben, Philadelphia, PA
Contact Lynn Krueger, 302-547-3405
World Trade Center Delaware Gala
Hotel Du Pont, Wilmington, DE
Contact info@wtcde.com, 302-656-7905

12/7 Chilean & American Chamber of Commerce Annual Fresh Fruit Workshop Philadelphia Wholesale Produce Market
Contact Christina Lista, clista@chamberphl.com
AMSC Main Meeting
ExxonMobil Tech Center, 600 Billingsport Road, Paulsboro, NJ
Contact Glena Tredinnick, glena.t.tredinnick@uscg.mil

12/8 Independence Seaport Museum Parade of Lights
Penn’s Landing, Philadelphia, PA

12/11 South Jersey Port Corporation Board of Directors Meeting
AMSC Cyber Subcommittee Meeting
USCG Sector Delaware Bay, Philadelphia, PA
Contact Glena Tredinnick, glena.t.tredinnick@uscg.mil

12/12 Maritime Exchange Executive Committee Meeting
12/13 Mariners’ Advisory Committee Meeting
01/24 Traffic Club of Philadelphia 111th Annual Dinner
The Lucy, Philadelphia, PA
Contact Maureen Waddington, 215-593-3144

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