Seafarer facility access back on the front burner

In the decade since regulations implementing the Maritime Transportation Security Act have been in place, owners and operators of regulated marine terminals have installed a wide array of “gates, gadgets, and guards” to harden their facilities against possible intrusion by the bad guys.

Enhanced security measures range from new and upgraded fencing and lighting, countless video cameras, command vehicles, and a host of other measures. Among the most disruptive to business operations, however, was the requirement for strictly regimented access control processes.

“One of the most challenging aspects of the MTSA, or Marine Transportation Security Act, access control requirements was changing the mentality of those responsible for hiring to understand the importance of the TWIC in the hiring process,” said Kurt Ferry, facility security officer at Greenwich Terminals, referring to the Transportation Worker Identification Credential.

By regulation, TWIC must serve as the foundation of facility access control procedures. Visitors and employees with TWIC cards can move about regulated facilities as needed, subject to owner/operator approval. Those without TWIC’s, even if they are well known to the facility, cannot come aboard the facility without escorts.

MTSA a problem for seafarers

One of the unfortunate unintended consequences of the MTSA access control requirements was the increased burden placed on seafarers who crew the vessels calling at regulated facilities. While U.S. mariners can obtain the all-important TWIC, foreign seafarers are ineligible. As a result, in every U.S. facility they call, these crew members cannot leave their ships without escorts.

“Too often in the days following 9/11, we have viewed seafarers as objects of fear and not professionals worthy of our protection and hospitality,” said Fr. Peter B. Stube, executive director of the Seamen’s Church Institute of Philadelphia and South Jersey. “Creating avenues of easier access for already vetted seafarers is necessary for their morale and well-being.”

In some areas, though not the Delaware River, these escorts come with a very high price tag – if they are made available at all.

Corps fast forwards $62.5 million for 45’ project

The Army Corps of Engineers has approved an additional $62.5 million in funding for the Delaware River 45 foot Main Channel Deepening project. Congress had already approved $35 million for the project in the 2015 Corps budget.

In addition to deepening the channel adjacent to Broadkill Beach, this accelerated funding will also be utilized to deepen the channel from just north of Edge Moor, Del. to the city of chester, Pa.

To date, $209 million in federal funding has been appropriated, and the Philadelphia Regional Port Authority, as the local sponsor, has contributed $92 million. It is anticipated the 102.5-mile project in its entirety will be complete by 2017.

Bachelet warmly welcomed to the Delaware Valley

The port community came out en masse for a gala wine reception and dinner honoring Chilean President Michelle Bachelet on January 20. President Bachelet was in the U.S. for a UN meeting and made a point to visit Delaware River ports. Shown above left is Chilean American Chamber of Commerce President Robert Palaima, who joined over 300 guests welcoming President Bachelet. “Over 70% of Chilean fruit exports come through the Delaware River,” Bachelet said. “The relationship with this region is extremely important to the Chilean economy.”

Earlier that morning, President Bachelet met with Delaware elected officials (above right), and key stakeholders from the Port of Wilmington welcomed her at a noon reception.

Starting with his successful election to the Cumberland County Board of Chosen Freeholders in 1984, Congressman Frank LoBiondo has served South Jersey on the county, state, and federal levels. In November 1994, he won election to the U.S. House of Representatives, serving constituents from New Jersey’s Second Congressional District. He was sworn into his 11th term in January 2015.

Q: As a senior member of the Coast Guard and Maritime Transportation Subcommittee which has jurisdiction over critical security issues affecting U.S. waterways, you are among those currently seeking to determine the most appropriate policies related to cybersecurity in the maritime domain. Is it truly necessary that Coast Guard promulgate maritime centric regulations to mitigate cybersecurity threats?

As a member of the House Permanent Select Committee on Intelligence, we’ve been working on bipartisan cybersecurity legislation to encourage greater sharing of best practices within the private sector while
The election results from last November resulted in Republicans taking control of the U.S. Senate while increasing their hold on the House of Representatives. Several political pundits have commented this is “truly divided government . . . a Democrat President and a Republican Congress.” This begs the question of how much gridlock, and equally – if not more importantly – how much cooperation, might we expect?

Gridlock and/or cooperation battle lines for the next two years in Washington, D.C. have already been drawn . . . the Keystone Pipeline, Iranian Sanctions, the Affordable Care Act . . . the list goes on and on.

One area relevant to our port where cooperation as opposed to conflict between the president and Congress might be the order of the day deals with trade issues. There is interest by the Obama Administration and support in Congress for Trade Promotion Authority. This legislation would provide for fast-track Congressional consideration of trade agreements negotiated by the administration. TPA would affect ongoing negotiations under the auspices of both the Transatlantic Trade and Investment Partnership and the Trans-Pacific Partnership. Countries affected by these two trade pacts include, among others, EU countries, Australia, Singapore, and Japan.

While this legislation was introduced in the last Congress, it did not gain the political traction necessary to be enacted into law. With the new political balance of power between the President and Congress, the pending completion of the expansion of the Panama Canal, the focus on strengthening our economy through the creation of middle-class family-sustaining jobs, and being on the two-year cusp of the next presidential election, maybe, just maybe, this legislation will pass the Congress and be signed into law by the President.

Local Results

Last November, four new members were elected to the House of Representatives in our region. In New Jersey, Democrat Donald Norcross was elected to represent the First District and Republican Tom MacArthur in District 3. In Pennsylvania, Democrat Brendan Boyle was elected to represent District 13 and Republican Ryan Costello District 6.

To a person, these new members, along with the rest of our tri-state House and Senate delegation, realize the importance of Delaware River ports to our local economy. Note that in late January, our local Congressional delegation was instrumental in securing over $95 million in federal funding this year for the 45’ Main Channel Deepening Project.

And as in past years, the Exchange will work with members of the delegation and their staffs to ensure they are kept apprised of those issues critical to keeping our port competitive in the ever changing global marketplace.

Saluting a Departing Colleague

As you’ll read on page four of this issue of The Beacon, the port community lost one of its strongest supporters with the February 2 passing of Capt. Mike Linton, a man with whom I had the pleasure of working for over 20 years. There was no issue or challenge to which he would not give his time and energy if he thought it would benefit the port. His leadership will be missed.

From the Helm

Issues facing the new republican congress
States support Maritime On-Line®

For many non-profit organizations, garnering funding for special projects or operating costs can be challenging in the best of times and nearly impossible most other times. The Maritime Exchange is certainly no stranger to this dilemma. However, Exchange members and the port industry at large have benefited from the generous financial support of Delaware, Pennsylvania, and New Jersey, which helps offset some of the costs associated with the Maritime On-Line system.

“We applaud you on your past accomplishments and will continue to support your efforts to enhance the MOL software,” said Delaware Secretary of Transportation Zach Brown in a recent letter to the Exchange. “We are proud to be a part of this very important transportation effort.”

As many readers of The Beacon are aware, MOL includes a suite of services to facilitate vessel movement reporting, cargo manifesting and release, and submission of crew data – and all of this is linked through the Automatic Identification System (AIS) portal.

“Keeping MOL compliant with Customs and Coast Guard regulations, user demands, and growing cybersecurity threats requires a substantial amount of funding,” said Exchange Vice President Lisa Himber. “The private sector supports this effort through fees for certain services, and we are exceedingly grateful that the states recognize the importance of MOL to facilitating maritime commerce as well.”

Sylvia Floyd-Kennard, director of HR and security for the Diamond State Port Corporation recently talked about the numerous ways the Port of Wilmington utilizes MOL. “Our accounting, operations, and marketing staffs all use the system to meet a variety of needs,” she said. “It helps us to prepare docking plans, to verify arrival and departure times, and to check vessel specifications for billing calculations, among a host of other processes.”

Originally launched in the early 1980s when the Exchange first entered vessel movement information into a database system, MOL has evolved into the one-stop information source for Delaware River and Bay international commerce activity. In addition to supporting day-to-day operations, data from the system also provide port officials with more macro-level information. “Looking at larger trends of up or down, overall traffic trends on the river, and what different commodities are moving to the various terminals,” Floyd-Kennard said.

In 1988, the Delaware River Port Authority purchased the original operating and capital funding to develop, and then to continue to operate, the TRACS cargo manifesting system. However, as economies change so do funding streams. For the last several years, Delaware, New Jersey, and Pennsylvania have benefitted from the generous support of Delaware, New Jersey, and Pennsylvania help make it happen.

Deepening the Delaware: in for the long haul

By: Lieutenant Colonel Michael A. Bliss, Commander, Philadelphia District
U.S. Army Corps of Engineers

First tasked to the Corps of Engineers in the 1980s, ready to build since the late 1990s, under construction the past five years – having navigated many and diverse obstacles along the way – the Delaware River Main Channel Deepening Project is a case study in perseverance through partnership.

And the day that “deepening” could become “deepened” isn’t far off.

Construction is still on track toward 2017 for the authorized depth of the “Delaware River, Philadelphia to Sea” federal navigation channel to officially increase from 40 to 45 feet along its entire length from Philadelphia and Camden to deepwater in the Delaware Bay. Seven contracts awarded to date – six completed and one about to get underway – together with sections of the channel that are naturally deeper than 45 feet and need no dredging – account for all but about 20 of the channel’s 100-plus miles.

But there are many in the Delaware Valley, proponents and opponents alike, who at times would have never imagined the project would get as far as it has.

Disputes between states over disposal sites. Two economic audits by the Government Accountability Office. Two lawsuits that went to federal court, both attempting to halt the project. Each year, adequate federal funding never a sure thing. And yet... hurdle by hurdle, year by year, the project moved forward.

Since Congress instituted non-federal sponsorship for Corps civil works projects in 1986, few individual projects have so clearly demonstrated one of the sponsor’s key roles: advocacy. More than any other single event, it was the 2008 signing of the Project Partnership Agreement between the U.S. Army Corps of Engineers and the Philadelphia Regional Port Authority that jump-started this project toward construction. While the Corps’ Philadelphia District team has taken the lead technically and managing the project, PRPA has worked tirelessly to identify, build and maintain a robust support network across federal and state legislators, port and maritime organizations, and the private sector.

As a result, the Delaware River port community can look forward to soon sharing in the economic benefits of an expanded Panama Canal – especially in the form of more and bigger container ships. Better still, this region will strengthen its position as one of the most vital intermodal hubs in North America, as well as holding its own among Atlantic Coast ports.

But the Corps is still really implementing the deepening, but at some point we’ll be done, and... then what?

For starters, more channel means more maintenance. Project cost forecasts included an estimated 20 percent increase in annual required dredging to maintain 45-foot depth, starting as soon as the deepening is complete. And of course we will continue maintenance of our other deep-draft navigation projects within the basin: the Chesapeake and Delaware Canal, Wilmington Harbor, the lower Schuylkill River, and the Delaware itself north from Philadelphia to Trenton.

During Vice President Biden’s visit to Penn’s Landing this past October, where contractor Great Lakes Dredge & Dock Co. was deepening the channel’s north end, he pointed out that of the countless numbers of people who drive by that location every day on I-95, most would not even notice these operations – let alone have any idea what work was being done, or how vital it is to the entire region – and to most of their lives.

Such is the nature of the Corps’ navigation mission, so much going on under the water and unseen to the general public. Deepening, maintenance, or just channel surveys – on the surface, all very unremarkable. But as long as the work gets done and done right, and that same public ends up realizing the benefits, that’s good enough for us.

Practical Uses of State Dollars

Recent state funding has been used to:

• Merge the TRACS cargo manifesting with the Ship Reporting and eNOA/D (electronic notice of arrival/departure) and Automatic Identification System (AIS) modules to create a single-window interface to cargo, conveyance, and crew data.
• Develop a new plan module when it became mandatory by Customs and Border Protection
• Modify the eNOA/D crew list module to incorporate I-416 reporting requirements
• Upgrade the MOL platform to accommodate changing Web browsers
• Replace aging infrastructure including servers and network hardware
• Enhance AIS playback functionality for greater efficiency

With the funding provided for this year, upcoming initiatives include:

• Upgrading the AIS physical infrastructure to improve reception and enhance redundancy against system outages
• Modifying TRACS reporting to meet user requirements
• Automating Permit to Transfer functionality
• Streamlining the port selection interface used in the eNOA/D crew list module
• Re-working TRACS harmonized commodity code data entry functionality to meet CBP mandates

The ultimate beneficiaries of the state funding are the system participants – the people who are responsible to process the thousands of cargo vessel, tug and barge moves each year. Personnel at private businesses, government agencies, and non-profit organizations throughout the tri-state region have access to and interact with MOL and the Exchange on a daily basis.

“The Maritime Exchange has always been very responsive to our evolving needs over the years,” said Lisa Morgan, Independent Container Lines senior director of HR. “We appreciate and understand the importance of the funding streams that allow the Exchange to continually improve their systems to ensure we are working efficiently and providing the excellent level of service our customers have come to enjoy.” ICL was one of the first carriers to come on board with TRACS in its earliest days and remains among its most active system participants.

From port customers overseas to local mariners at the terminals and truckers at the gates – and everyone in between – Maritime On-Line and the Exchange support it all. And Delaware, New Jersey and Pennsylvania help make it happen.
Michael J. Linton (1941-2015)

It was just as we were putting this issue of The Beacon to bed that we received the sad news of the passing of our colleague and dear friend, Capt. Mike Linton, on February 2, 2015.

Mike had a long and storied career with the Pilots’ Association for the Bay and River Delaware. Prior to his retirement in 2009, he was an active member of the Pilot’s Association for over 45 years, with 14 of these as its President.

Mike gave his time to many organizations over the years, including the Maritime Exchange Board and its Executive Committee. He also chaired the Mariners Advisory Committee and served on the Seamen’s Church Institute, Philadelphia Maritime Society, and Vessels Owners and Captain’s Association boards, and Mike was a member of the Delaware River and Bay Oil Spill Advisory Committee and the Council of American Master Mariners. In 2001, he was appointed by then Governor Ridge to a five-year term as a Delaware River Port Authority Commissioner, and he also served on the Delaware River and Bay Oversight (sic) Committee in Delaware.

In recognition of his efforts, Mike received the Philadelphia Maritime Society Man of the Year Award in 2001, the Spirit of the Port Award for the Seamen’s Church Institute in 2003, a Certificate of Merit from the Department of Homeland Security United States Coast Guard in 2005, and in 2006 he received the Chapel of Four Chaplains Legion of Honor Gold Medal.

Yet Mike will be most remembered for his staunch support of the project to deepen the Delaware River main shipping channel to 45 feet. Working closely with the Exchange, he tirelessly logged hundreds of miles per day to get his message out to legislators, state officials, and policy makers at the Army Corps of Engineers. Among his many other fine qualities, Mike was relentless. When he believed in something, he wouldn’t let anyone or anything stand in his way. And, he was well known for his willingness to help others.

“Mike Linton was in a very real sense a true pillar of the Delaware River port community,” said Exchange Chairman John Reynolds, a long-time friend. “During his long reign as President of the Delaware River Pilots, Mike was the first go-to guy whenever a project or new business was being contemplated. It didn’t matter how crazy the idea, if it had a chance of bringing ships to the Delaware, Mike was always there for you. We will all miss him very much.”

With the channel deepening project now so close to completion, we are saddened that Mike wasn’t able to see it to the end.

Our thoughts go out to Sue, his wife of 43 years, and his children Jennifer and Josh.

2015 – The year of cloud, mobility, and your data center

By: Bill Kleyman, Director of Strategy and Innovation MTM Technologies, Inc.

It’s 2015 and already we’re seeing some big shifts within the modern organization. New kinds of technologies are literally shaping the way we create our data centers and business models. Here’s the important point – information technology consumption and even wearable technologies are directly responsible for the increase of data your organization has to process. We’re creating a more efficient user and therefore must create a more efficient delivery model.

Consider this, according to the recent Cisco Global Cloud Index Report, “while the amount of global traffic crossing the Internet and wide area networks is projected to reach 1.6 zettabytes per year by 2018, the amount of annual global data center traffic in 2013 was already estimated to be 3.1 ZB – and by 2018, will triple to reach 8.6 ZB per year.” To give it some scale, typical PCs have an average hard drive capacity of 300 to 500 gigabytes, there are 1000 gigabytes in 1 terabyte, and 1 ZB is equal to 1 billion terabytes.

Cisco’s numbers show that global cloud IP traffic will account for more than three-fourths of total data center traffic by 2018. You read that right. The way you design your data center and delivery architecture will directly impact your capabilities to adapt and be competitive in the market. With all of that in mind, how do you create an environment capable of dynamic scale? How can you ensure that the user experience is always seamless and excellent? Finally, what technologies are impacting next-generation data center deployments?

The rise of the hybrid cloud

Hybrid cloud computing is an environment in which an organization provides and manages some resources in-house and has others provided externally. This is a big one. In fact, hybrid cloud computing will become the dominant cloud model moving forward.

Why? Rapid adoption of and migration to cloud architectures, along with the ability of cloud data centers to handle significantly higher traffic loads are significant contributors to overall data traffic growth. Today, there are many use-cases to work with, including data center extension, disaster recovery and business continuity, building a “business-in-a-box,” or developing a business segment that is completely cloud-based. Whether it’s growing your business or creating a new development platform – hybrid cloud offers a lot of cost-effective ways to span your infrastructure.

Creating a paradigm shift around the concept of “mobility”

Let’s pause here for a minute. When I say mobility, is your first thought the device sitting right next to you? Well, it’s time to change that thinking.

New kinds of technologies are literally shaping the way we create our data centers and business models. Here’s the important point – information technology consumption and even wearable technologies are directly responsible for the increase of data your organization has to process. We’re creating a more efficient user and therefore must create a more efficient delivery model.

Consider this, according to the recent Cisco Global Cloud Index Report, “while the amount of global traffic crossing the Internet and wide area networks is projected to reach 1.6 zettabytes per year by 2018, the amount of annual global data center traffic in 2013 was already estimated to be 3.1 ZB – and by 2018, will triple to reach 8.6 ZB per year.” To give it some scale, typical PCs have an average hard drive capacity of 300 to 500 gigabytes, there are 1000 gigabytes in 1 terabyte, and 1 ZB is equal to 1 billion terabytes.

Cisco’s numbers show that global cloud IP traffic will account for more than three-fourths of total data center traffic by 2018. You read that right. The way you design your data center and delivery architecture will directly impact your capabilities to adapt and be competitive in the market. With all of that in mind, how do you create an environment capable of dynamic scale? How can you ensure that the user experience is always seamless and excellent? Finally, what technologies are impacting next-generation data center deployments?

The rise of the hybrid cloud

Hybrid cloud computing is an environment in which an organization provides and manages some resources in-house and has others provided externally. This is a big one. In fact, hybrid cloud computing will become the dominant cloud model moving forward.

Why? Rapid adoption of and migration to cloud architectures, along with the ability of cloud data centers to handle significantly higher traffic loads are significant contributors to overall data traffic growth. Today, there are many use-

Continued on page 6
Philadelphia and Delaware Regional Ports: Leadership in energy transportation

GIC to host major conference in November

With its shale energy proximity, refining capacities, ports, rail transportation, pipelines, capital infrastructure, midstream energy companies, and geographic location in the Western Hemisphere, our region is poised to become an even stronger player on the international energy stage. There is no better location than Philadelphia for a deep analysis and discussion of energy.

“Energy Interdependence in the Western Hemisphere” will be just such a discussion. To be held on November 5, 2015 at the Philadelphia Federal Reserve, this program will explore three overarching themes: physical and financial infrastructures of the “Midstream,” new energy trade patterns in the Western Hemisphere, and what could be the Greater Philadelphia region’s crucial role in energy interdependence in the Western Hemisphere.

Senior leaders from the energy sector, various governments, and trade organizations in the U.S., Mexico, Canada, and South America are slated to participate and set out their short- and long-term agendas. The program is being organized by the Global Interdependence Center (GIC), a non-partisan, nonprofit organization with an international footprint. GIC hosts conferences and symposia around the world to stimulate thoughtful, global dialogue on a wide range of topics, including monetary policy, the global economy, health care, food and water, and much more. GIC members include key policymakers, leaders in business and industry, and academics. The topic of energy interdependence and the region’s role has created significant interest among key players in the national, international, and greater Philadelphia energy sectors. Several organizations are partnering with GIC on this event, including Blank Rome LLP, a multi-disciplinary law firm with distinguished energy, environmental, and maritime practices.

“The Philadelphia Region energy hub renaissance is gaining traction,” stated Mike Krancer, partner and chair of Blank Rome’s Energy Industry Team. “Our region’s future is bright, and we are uniquely poised to create both environmentally responsible development and hundreds of thousands of new jobs for our citizens for generations to come.”

Nonprofits and private companies are not the only entities deeply concerned with this topic. Government entities have a significant role to play in the discussion of the energy sector. For this reason, the Government of Canada has also become a partner in the event. Peter A. Gold, Esq., vice chair of GIC observes, “Canada seems to be quite interested in transporting energy resources to this region for processing and then reshipping to South America. They are a full partner in this program.”

The conference will host the highest level speakers in the energy sector. Registration is available at http://bit.ly/PHL115 or by calling 215-238-0990. Anyone who would like to become involved with shaping the conference and being a part of the energy dialogue is invited to contact Event Chair Peter A. Gold at pagold@thegoldgrp.com.

Visit www.interdependence.org for more information about GIC.

DePasquale to chair DRPA

Pennsylvania Auditor General Eugene DePasquale was elected to serve as chair of the 16-member board that oversees operations of the bi-state Delaware River Port Authority.

“I am honored to be elected chair of the DRPA board because it is an indication that commissioners are embracing my efforts to ensure the agency is focused on its customers,” DePasquale said. “I look forward to working with members from Pennsylvania and New Jersey to improve the financial stability of the agency and transparency in its operations.”

The Delaware River Port Authority is a regional transportation agency that serves as steward of the Ben Franklin, Walt Whitman, Commodore Barry and Betsy Ross Bridges, PATCO, and the RiverLink Ferry on behalf of the community.

SAVE THE DATE
November 5, 2015
for

Energy Interdependence in the Western Hemisphere

A discussion of:
• midstream energy companies, infrastructures and assets
• the role of shipping and ports in trade patterns and flows of energy in the Western Hemisphere and
• the Southeast Pennsylvania region as an East Coast Energy Hub

at the Federal Reserve Bank of Philadelphia
100 N. 6th Street
Philadelphia, PA 19106

Hosted by

Global Interdependence Center

In Partnership With

BLANK ROME

ECONSULT SOLUTIONS

MARITIME EXCHANGE

Canada

LEARN MORE
In Memoriam
William B. Griggs

It is with much regret that we report the January 29 passing of long-time Exchange member William B. Griggs, of Griggs Waterfront, Inc.

At the age of 15, Bill was earning a living delivering goods and services to the Philadelphia waterfront. With his endless yearning for independence, Bill would also use that time to assist his father with line running, mooring the incoming ships and barges. Having a work ethic that seldom could be challenged by others on the waterfront, Bill was recruited at the age of 17 by the owner of HJ Wolfinger Line Running Service. Known throughout the waterfront as Whitey for his striking blonde hair, he was quickly promoted to management, overseeing men who often were his senior.

Bill established Griggs Waterfront, Inc. in 1988 and will forever remain a founding father of this long-standing family business. He remained very active with his business until he was hospitalized shortly before his passing.

He voraciously pursued the well being, care and love of his family, particularly bragging about his children and grandchildren’s achievements. Throughout his life, he enjoyed bowling, golfing, and spending time with his family at his North Wildwood beach house.

Bill was a genuine people person, and it was easy to see that he loved what he did. The Exchange will miss his regular calls. Our thoughts are with his family and co-workers.

Bill is survived by his wife of 60 years, Lillian, and his children Paul, Kathleen, and Robert as well as his many grandchildren and great-grandchildren.

Donations in Bill’s memory can be made to the Children’s Hospital of Philadelphia Foundation, P.O. Box 781352, Philadelphia, PA 19178-1352. Please write “In memory of William Griggs” on the memo line of the check.

Securing your data
continued from page 4

The new journey around enterprise mobility focuses on realizing actual productivity gains resulting from enabling your users to use any device, anytime, and anywhere. This part of the journey is centered on delivering applications beyond just native email and calendars. The new concepts around mobility revolves around content delivery, seamless collaboration, and the ability to control the user experience.

Next-generation security
This is where we get a bit more serious. We’re seeing new kinds of advanced persistent threats, new kinds of denial of services attacks, and even more targeted attacks against the modern IT infrastructure. But really, it doesn’t take home until you actually quantify it all. Let me give you an example from the healthcare industry. A recent report from the Health Information Trust Alliance really paints the picture around the ramifications of a healthcare data breach. Over the recent years, the numbers around healthcare data breaches can be quite sobering.

- Total Breaches: 495
- Total Records: 21.12 million
- Total Cost: $4.1 billion
- Average Time to Identify: 84.78 days
- Average Time to Notify: 68.31 days

Got your attention, right? New security solutions aim to help mitigate all of these new kinds of threats. Most of all, these new systems help you become a lot more proactive.

Virtual security services can allow you to deploy next-generation security solutions directly into your data center. Furthermore, other security platforms can allow you to create application-specific security policies which monitor for anomalies in application behaviors. The point is that traditional unified threat management systems – monitoring, and managing a wide variety of security-related components through a single management console – simply aren’t enough anymore. Make sure to look at intrusion prevention systems, intrusion detection systems, and even data loss prevention solutions which can really help with visibility into your environment.

There’s a great saying in IT these days: To out-compete, is to out-compete. Never be left behind when your competition is testing new kinds of technologies. Cloud and virtualization allow you to create powerfully isolated environments for testing and further development.

In 2015 take the time to see where your organization can benefit from the above solutions. Don’t be afraid to test these technologies. In many cases, you can get a virtual machine or virtual appliance imported into your environment to test some of the latest platforms out there.

The rapid pace of technological evolution has even less space for IT complacency. So, when it comes to your own business and IT infrastructure make sure that your organizational goals and technological capabilities are always directly aligned.

Bill Kleyman is an enthusiastic technologist with experience in datacenter design, management, and deployment. His whitepapers, articles, video blogs and podcasts have been published and referenced on InformationWeek, NetworkComputing, TechTarget, Wall Street Journal, ZDNet, Slashdot, and many others.
Harry Manning: Renaissance Man

The first came in 1929 on the liner “SS America” when his seamanship and daring were front page news. When the “America” received a distress call from the Italian flag ship “Florida” in gale force winds and huge seas, Manning led a volunteer lifeboat crew over to the Italian ship, and 32 sailors from the stricken ship were rescued. He returned to a hero’s welcome in New York, receiving a ticker-tape parade down Broadway and the keys to the city. Three years later aboard the “SS Roosevelt,” Manning would help rescue trans-Atlantic flier Lou Reichers, when his plane crashed in the sea off the coast of Ireland.

At the outbreak of World War II, Manning was in command of the “SS President Washington,” but it was soon taken over by the Navy as a military transport. He remained aboard as chief navigator and was commissioned as a lieutenant commander in the U.S. Naval Reserves. The ship helped evacuate refugees from Singapore while the fortress city was falling to the Japanese in early 1942.

His second New York City ticker-tape parade occurred on July 18, 1952. As commodore of U.S. Lines and first master of the new “SS United States,” Captain Manning and his crew were honored for capturing the Blue Riband, setting new trans-Atlantic speed records on the ship’s maiden round-trip voyage from New York to England. Speed records held by the “Queen Mary” for fourteen years were broken in both directions across the Atlantic; the new eastbound record was set at 3 days, 10 hours and 40 minutes, with an average speed of 35.59 knots! The west-bound record was set at 3 days, 12 hours and 12 minutes, averaging 34.51 knots.

Commodore Harry Manning was thinking of retiring after his first round trip on the “SS United States” in August 1952. He had lost 10 pounds on the trip and had averaged only four hours of sleep a night. On his second round-trip voyage, he supped that average to six and sadly decided to retire from the sea. He retired with the rank of rear admiral in the United States Maritime Service. He was promoted to vice-admiral in 1971 “in recognition of distinguished service in the maritime field.”

Harry Manning is one of the few holders of the Congressional and Gold Medals for Life Saving. His other awards include Navy and Marine Corps Medal, Chevalier of the Order of Merit of France, Italian Gold Medals for Life Saving, United States Line’s Distinguished Service Medal, New York State Conspicuous Service Cross, and New York City’s Medal for Heroism.

After a long illness, Commodore Manning died in 1974 at the age of 77 at home in Saddle River, N.J. He is buried in Arlington National Cemetery. I think of this American hero every week when I visit the “SS United States” at Pier 82 here in Philadelphia.

Efficient Effective Experienced
Servicing the Philadelphia Ports Since 1928

Emmanuel Gatling Fund: Your help is needed

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

When Capt. Steve Roberts, a Delaware River pilot and member of the Mariners Advisory Committee, heard of a tragic accident on the Christina River, he knew he had to call our port family into action.

On December 3, 2014 a derrick barge working in support of the dredge “Essex” capsized in the Christina River. While two men were saved, 28-year-old Emmanuel A. Gatling, Jr. was unable to escape the enclosure. The death of this young father is a reminder to all of us in the maritime industry just how dangerous this work can be.

The Mariners Advisory Committee, in conjunction with the Seamen’s Center of Wilmington is sponsoring a fund to help Emmanuel’s family in their time of sorrow and need. As his family is now charged to raise his young daughter, our donations will not only help financially, but will serve as a reminder that he is not forgotten.

Checks can be made payable to EGMF (Emmanuel Gatling Memorial Fund) and mailed to:
EGMF
c/o Seamen’s Center of Wilmington
P. O. Box 405
Wilmington, DE 19899

Won’t you please consider joining our endeavor to help the Gatling family?
as some facilities have created profit centers around providing escorts. “We understand that a facility operator may want to institute a fee for providing escorts as an incentive for truck drivers and other visitors to obtain TWIC cards,” said Exchange Vice President Lisa Himber. “But seafarers ought to be exempted from these fees, particularly in those areas where the rates significantly exceed the actual cost.”

Joan Lyons, executive director of the Seamen’s Center of Wilmington, said “For most seafarers a nine month contract is typical, leaving home, loved ones and all things familiar. The chance to call home or post a letter, check Facebook accounts, shop at the local Walmart, or share a moment with a ship visitor from the local Seamen’s Center could all be a dream without proper access and the rules that would ensure the respite they so badly need.”

Congress, Coast Guard step in

It is against this backdrop that Congress included language in the 2010 Coast Guard Authorization Act that required regulated facilities to “provide a system for seamen assigned to a vessel at that facility, pilots, and representatives of seamen’s welfare and labor organizations to board and depart the vessel through the facility in a timely manner at no cost to the individual.”

Last December the U.S. Coast Guard proposed a rule which would implement this requirement. Yet the rulemaking as proposed would also include “other authorized individuals,” such as ship agents and surveyors, among those to whom terminal operators must provide no-cost, timely access.

“Support for providing timely access for seafarers at no cost is fairly widespread,” Himber said. “To a person, everyone I’ve talked to about the issue has favored the seafarer access proposal,” she said.

On the other hand, there is little backing for allowing access for the technicians, insurance writers, and the many others who must traverse regulated facilities to tend to ships’ business. Most agree that fees for escorts to these for-profit organizations, assuming they are reasonable, are simply a cost of doing business.

Ralph Gogliettino, president of Port Security Services, believes that portions of the proposal will create severe financial burdens for many private property facility owners. “The law which authorized this proposed rule purposefully did not mandate whether the ship owner or terminal would bear the burden of cost for access of the specified individuals,” he said. “If there is any cost associated with their access, such cost is a business matter between the ship owners and the private property terminal owners and should not be a regulatory matter.”

With a February 27 comment deadline, many in industry have urged Coast Guard to quickly promulgate the final rule, omitting the provision for other individuals. “Though the need for such a rulemaking is distressing, the reality is that it’s long overdue,” Himber said.

Seafarer Access continues from page 1
Maritime Academy Charter School, known as MACHS, is the largest maritime school in the country. With 820 cadets in grades 3 through 12, the school was rated by U.S. News and World Report as one of the top schools (Bronze Star rated) in the country. Founded by Dr. Ann Waiters, Edward Poznek, Eugene Mattioni, Esq., and Dante Mattioni, Esq. in 2003, MACHS has grown from 300 students to its current enrollment.

Unique to its theme, the school has a nationally ranked Sea Perch team, an award winning art program, top rated chess team, honor guard team, and multiple competitive sports programs. High school classes include a spectrum of maritime coursework, including deck seamanship, maritime entrepreneurial classes, deck operations, engineering, piloting, and navigation.

The historical Frankford Business Center (formerly known as the Frankford Arsenal in Bridesburg) is the home of the middle school, with 530 students. The 290 high school students attend class at the 2700 E. Huntingdon Street facility in Port Richmond.

Students are called cadets, and nautical terminology is the norm at both schools. The school hopes to encourage its cadets to pursue the many maritime career opportunities available in the tri-state area. Maritime cadets voluntarily attend a “boot camp” experience at the Coast Guard Cape May Training Center, and they attend the many venues available at the Navy Base, including Aker Shipyard. Aker has supported a summer intern, and we encourage others to sponsor our cadets through the Work Ready program by contacting our guidance counselor, Colleen Arnold.

MACHS cadets are academically competitive and apply to universities and colleges across the U.S. A graduate from the class of 2014 is scheduled to enter the United States Merchant Marine Academy in August of 2015.

The Maritime Academy Board of Trustees is composed of myriad respected community members including pilots, captains, attorneys, law enforcement officers, seasoned mariners, and recognized professionals in their areas of specialty. The school encourages members of the maritime community to contact the school and share their experiences and expertise to the cadets of Maritime Academy Charter School in an effort to positively influence the cadets and promote the mission of the school. In addition, the school has an advisory council representing virtually every aspect of the maritime community.

Visit www.maritimecharter.org for more information on the school and how you can be a supporter.

MACHS offers unique opportunities to students

By: Edward Poznek
Chief Executive Officer, Maritime Academy Charter School
A silver anniversary for SCW

Congratulations to the Seamen’s Center of Wilmington for 25 years of dedicated service to seafarers arriving in Delaware. The Center opened its doors to mariners on January 1, 1990 and has been open virtually every day since.

SCW Executive Director Joan Lyons – and the greater port community – credit Board President Hick Rowland for his leadership and vision to establish a truly community-driven mission and expanding the maritime base of supporters to include people from all walks of life. A quarter-century later, SCW now enjoys support from not only the maritime business community, but also churches, Boy Scouts, Girl Scouts, civic groups, and many individuals and businesses from the community that have no maritime connections. Lots of people, it seems, can relate to the need to provide a friendly welcome for strangers in a strange land.

“What a joy it has been to see that our initial idea has been so successful,” Rowland said. “Our committed executive director, staff and volunteers, and the generosity of our faithful contributors have made this outpouring of hospitality and kindness possible for the many thousands of seafarers whose lives have been touched by SCW. For that I am very grateful.”
Are you ready for ACE?

By:  Kenneth Schonewolf
  CBP Import Specialist
  Area Port of Philadelphia

On February 19, 2014, President Obama signed an Executive Order on Streamlining the Export/Import Process for America’s Businesses. This order mandated the use of an International Trade Data System or “single window” to process trade data.

U.S. Customs and Border Protection is in the process of migrating to the Automated Commercial Environment, which will act as the single window for trade entities to submit data electronically to CBP and to multiple Partner Government Agencies.

ACE will implement mandatory use of ACE on May 1, 2015 for all electronic import and export manifests for all modes.

“ACE ensures quicker submission of data and provides automated interactions and responses. The days of filing hundreds of paper documents multiple times in multiple locations will soon be forgotten.

Through ACE, CBP is automating data submission to the government through a Document Image System. This allows trade partners to supply required supporting documentation electronically as image files to CBP and the other partners.

“The benefits of ACE will be realized through reductions in costs, time, and paper,” said Stranieri. “ACE will increase efficiency and productivity by streamlining the relationship between trade entities and government agencies.”

In the Area Port of Philadelphia, CBP employees have been hard at work making sure this transition will run as smoothly as possible.

ACE ensures quicker submission of data and provides automated interactions and responses. The days of filing hundreds of paper documents multiple times in multiple locations will soon be forgotten.

Q: With a substantial majority – nearly 80% – of the work required to deepen the Delaware River to 45 feet now completed, what impact will the deeper channel have on South Jersey?

A: The economic impact of deepening the Delaware River is not disputed. As larger ships travel to points on the East Coast, deepening the Delaware River will allow their arrival into the Port of Philadelphia, Port of Wilmington, and South Jersey ports. Access is critical for the international and interstate commerce of Philadelphia, South Jersey, and the greater Delaware Valley region while maintaining our competitiveness against other East Coast destinations.

The reduction in shipping costs and efficiency and safety benefits of the channel will be essential as an estimated increase of 2.5 million tons of cargo are expected to travel the Delaware River to various ports of call. Increased economic activity allows for the opportunity for new jobs to be created.
The Seamen’s Church Institute of Philadelphia and South Jersey will honor the Holt family for its generations of service at the Spirit of the Port Award Luncheon on March 5.

Now in its 27th year, the Spirit of the Port honors a person or group having a tremendous impact on the area’s port community and industry. This year’s honoree is the Holt family, who, through many generations of hard work have brought countless dollars in revenue and jobs to the region. Tom Holt, Jr. runs the Packer Avenue Marine Terminal in South Philadelphia, Leo Holt is president of Gloucester Terminals L.L.C, and Michael Holt manages Delaware Avenue Enterprises.

Their father, Tom Holt Sr., who passed away in 2011, took over the family trucking business that was started by his father in 1926 and eventually grew it into a multi-dimensional shipping, warehousing, and transportation empire. His family continues to carry on his legacy of innovative business in the port.

The inventive spirit of the Holt family mirrors that of the Seamen’s Church Institute, which, since its founding in 1843, has continuously reinvented the way it takes care of seafarers. From a floating chapel, to a hotel, to a retirement home, to a seafarers’ center and now focusing on ship board services, SCI has worked hard to consistently meet the changing needs of seafarers. The support from the Holt family has been an integral part of keeping SCI thriving for 172 years.

The SCI invites all readers of The Beacon to come out to support this event, celebrate the Holt family, and help SCI continue providing care, comfort, and compassion for seafarers. Purchase tickets by contacting Ronnie Barlow at (215) 940-9900, ext. 106.

Holts also honored by Traffic Club

On January 22, Holt Logistics Corp. received the Traffic Club of Philadelphia 2015 Company of the Year Award. The award, which recognizes the rich contributions made by area shipping and logistics companies to the Greater Philadelphia Region, was presented at the Traffic Club’s 107th Annual Dinner. Holt Logistics was honored for its tireless commitment to generating more business for the Port of Philadelphia through increased trade partnerships and, subsequently, creating more jobs with family-sustaining wages for local workers.
Penn Terminals, Inc. celebrated the inaugural call of Seaboard Marine’s new expanded weekly service directly to and from Central America by welcoming the Captain and crew of the “M/V Vliet Trader” on February 4. Seaboard’s expansion offers weekly service to the Dominican Republic, Haiti, Jamaica, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.

Beginning in late February, as the remainder of the revised service pattern comes on line, Seaboard will also be adding a weekly connection between Guayaquil, Ecuador and Penn Terminals.

Angel Morrobel, Regional Director of the Northeast and Canada for Seaboard, was on hand for the occasion. “The addition of Penn Terminals to Seaboard’s service has greatly enhanced our service scope and coverage to move cargo in and out of the greater Delaware River Valley,” he said. “Our customers have been keen for this direct call, and we are happy to be able to provide it, offering some of the fastest transit times in the region.”

Penn Terminals CEO John Brennan said, “We are extremely happy to welcome Seaboard to the region. Seaboard’s upgraded service pattern bodes well for both themselves and the customers they serve. The synergy between Seaboard’s waterborne service and regional connectivity, and Penn Terminals’ strategic location and on-dock reefer CFS and dry warehouses offers an unparalleled business proposition for the regions’ customers.”
At the February 3 South Jersey Port Corporation Board of Directors meeting, the agency reported its marine terminals had a breakout cargo year in 2014 with tonnage increasing by 24% over 2013 to 2,264,746 short tons. This is the second consecutive year of achieving double-digit tonnage percentage growth at the marine terminals in Camden.

“Overall, 2014 has been a very good year, and 2015 is showing some very positive trends,” said Kevin Castagnola, chief executive officer and executive director of the SJPC.

Steel imports led the way with a 65% increase over 2013 to 900,097 tons. The first quarter of 2014 began with an import steel tonnage record. That trend accelerated in late 2014 with 124,549 tons of steel unloaded in December - more than double that of December 2013. Total import steel tonnage for 2014 is a new record for the Camden terminals, beating the 1997 mark of 752,542 tons.

The rise in steel imports reflects a growing reliance on SJPC marine terminals by shippers of steel from Europe to the American industrial heartland. “It’s a combination of the diminishing efficiency of the Saint Lawrence Seaway to the Midwest and SJPC having the right facilities, skilled staff, and rail and highway infrastructure to move these high quality rolls of steel quickly, timely, and in the most cost effective manner,” explained Castagnola.

SJPC has seen its overall breakbulk cargoes increase 47% to 1,104,521 tons with scrap metal tonnage growing by 5% to 522,380 tons, cement tonnage increasing by 13% to 371,678 tons, and salt doubling to 137,622 tons. Import cocoa beans grew by 9% to 66,036 tons.

In 2014, SJPC marine terminals handled 157 ships compared to 145 in 2013 and the number of ship days (i.e. the number of days a ship is loading or unloading at its terminals) increased from 385 to 474 – a 22% increase.
High level of interest in Southport

The Philadelphia Regional Port Authority reported that as of the November 14, 2014 deadline for submissions, the quality and quantity of responses expressing interest in developing the Authority’s three Southport waterfront parcels have met and exceeded the Authority’s expectations. The Request for Expressions of Interest (REI) issued October 1 invited members of the maritime-industrial community to submit development concepts for the three waterfront sites collectively known as the Southport complex: the Southport Marine Terminal (119 acres), the Southport West Terminal (75 acres), and the Pier 124 North Berth, a 1,132 foot long finger pier.

The PRPA has already completed substantial pre-development work at the three facilities, especially in the area of improving access, in anticipation of a private operator or operators establishing operations at the sites.

“We were truly gratified at the level of responses to our request for expressions of interest,” said PRPA Chairman Charles G. Kopp, Esq. “We’ve been well aware of the interest,” said PRPA Chairman Charles G. Kopp, Esq. “We’ve been well aware of the interest.”

Sixteen respondents submitted proposals for one or more of the three Southport sites, including Atlantic Realty, Global Auto Processing Services, Katoen Natie Group, Liberty Property Trust, MarkWest Energy Partners, OHL Infrastructure, Inc, Philadelphia Energy Solutions, Walsh Construction, Anthony Bruttaniti, representing the Philadelphia Global Trade Center, LLC, Holt Logistics Corporation, Liberty Energy Trust, LNG America, Navigator Gas LLC, Penn City Investments & Affiliated Companies, T. Parker Host, and WesPac Midstream LLC.

The PRPA is evaluating the responses, with the hope of ultimately recommending one or more of the above firms to the PRPA Board of Directors, which will make the final selection of a company or companies to develop and operate the Southport sites. There is no formal timeframe for the evaluations, though Authority officials aim to move the process forward in an efficient manner.

PRPA reports stunning 16% jump in cargo in 2014

Final cargo figures for 2014, compiled by the Philadelphia Regional Port Authority, reveal that 5,950,319 metric tons of cargo were handled at the Port of Philadelphia’s maritime facilities in 2014, a 16.66% increase compared to the 5,100,385 tons of cargo handled in 2013. This marked the fifth consecutive year of double-digit cargo growth at the Port of Philadelphia.

• Container counts at the port – 449,122 TEUs moved through the Port of Philadelphia in 2014. Counted as tonnage, 2,916,148 metric tons of containerized cargo moved through the port in 2014.
• Breakbulk cargoes (cargoes not shipped in containers, with the exception of vehicles and liquid bulk) – 1,382,861 metric tons of breakbulk cargoes were handled in 2014.
• Steel – up 49.53%, with 394,717 tons handled.
• Forest products – up 28.2%, with 614,843 tons handled.
• Fruit (225,294 breakbulk tons handled) and cocoa beans (97,688 tons via breakbulk) are increasingly being handled as containerized cargoes, meaning that these cargoes, though down slightly in breakbulk numbers, aren’t genuinely down at all, only that a portion of them is shifting to containers.
• Automobiles – 150,637 automobiles in 2014, a 16.56% increase.
• Liquid bulk cargoes – 1,437,664 tons, a 13.39% increase.

Additional information about the port’s cargoes, as well as updates on the deepening project and Southport can be found at PRPA’s Web site, www.philaport.com.
Coast Guard is the wrong home for cybersecurity

If it seems you’ve been reading a great deal about cybersecurity in the last few issues of The Beacon, you have. As the risks associated with electronic document processing, financial management, and communications are growing, so too is governmental interest in protecting us. If orange is the new black, then cybersecurity is the new TWIC.

This is not necessarily a bad thing. The federal government is in a unique position to help the private sector in this arena. Yet probably not in the way it expects.

In December, the U.S. Coast Guard published a request for public comments on how to identify and mitigate cybersecurity vulnerabilities. Though the purpose of the request is to inform Coast Guard “guidance, which may include standards, guidelines, and best practices,” it seems readily apparent that Coast Guard is paving the way for a future rulemaking. We can envision a requirement for regulated vessels and facilities to implement cybersecurity plans much like facility and vessel security plans are mandatory today.

While we very much appreciate the increased focus Coast Guard is placing on cybersecurity awareness, we don’t believe the agency is best suited to take on the role of cybersecurity watchdog.

The Coast Guard has several important missions, search and rescue being chief among them. It is also charged with enforcing the full range of safety and security regulations. Coast Guard has defense readiness and safe boating missions, and it must protect the environment. And there’s more.

Though the number of Coast Guard personnel has increased in recent years, it is clear to those of us on the outside looking in that the agency is already too-thinly spread. Adding yet another mandate will benefit neither the Coast Guard nor the public.

Granted, the agency is responsible for ensuring maritime security. And this could certainly include cybersecurity. But it seems illogical to place cybersecurity in the Coast Guard wheelhouse.

Coast Guard currently lacks the knowledge and expertise to monitor and enforce cybersecurity plans, a point underscored in recent Government Accountability Office studies. To be sure, we could spend the money on training, but given the nature of the threat – that is, that it is not unique to the maritime domain and extends well beyond it – is that the best use of taxpayer dollars? Protecting computer networks from incursion is exponentially more complex than are physical security protocols, and it requires a very specific set of skills and constant vigilance. Among the many other concerns, this is not the type of mission that lends itself to a three-year tour of duty.

Unfortunately, the death of a bad idea is often slow and painful. Yet all is not lost.

On the front page of this newsletter, N.J. Congressman Frank LoBiondo discusses his hope that Congress will take definitive action to address the growing cyber threats. His thinking – with which we wholeheartedly agree – is that the federal government can best help by creating mechanisms to communicate information and best practices.

It should also be noted that the Congressman shares our concern that the Coast Guard is not necessarily the most appropriate agency to develop and implement cybersecurity strategies.

On the other hand, the maritime industry has worked successfully in partnership with the Coast Guard on any number of fronts, and our lines of communication are already wide open. So while the Department of Homeland Security should look to minimize the number of agencies with a cybersecurity role and streamline that function, it should also take advantage of all opportunities to communicate risk and threat information to maritime stakeholders.

In the cyber realm, the Coast Guard role should be to help ensure concerned parties receive the most current, comprehensive information possible to ensure we can appropriately defend ourselves against the escalating threats. This need goes well beyond the regulated vessels and facilities – it applies to all of us engaged in maritime commerce.

Letters

December 3, 2014

To the Editor:

I read, with interest, the column “This is an Exercise, Mines in Delaware Bay!” by Capt. Kathy Moore, USCG, in the winter 2014 edition of The Beacon.

My father served in the Navy during WWI aboard USS Emerald SP177 which operated out of Cape May during 1918.

The map and chart come from a work entitled “German Submarine Activities in the Western Atlantic Ocean, 1918.” They show the location and disposition of the mines laid by German submarines off the Atlantic Coast including the entrance to the Delaware Bay. They list the ships sunk by those mines.

The recent exercise in October is very appropriate. In 1918, the threat from mines was real.

Sincerely,

Stephen M. Rochford
Springfield, PA
Has the Jones Act outlived its usefulness?

Some say yes, some say no

Legal Ease

By: A. Robert, Degen, Esq.

In a recent show of bipartisanship, Congress passed and the president signed the National Defense Authorization Act of 2015 in the last days of the 113th congress. The law addresses a number of areas in addition to funding the military, including prohibiting transfer of Guantánamo detention营 prisoners, funding for Islamic State opposition, funding the fight against ISIL through assistance to Iraqi Security Forces, providing for transfer of federal lands for use in private economic development, facilitating issuance of grazing permits on federal lands as well as numerous other matters.

Background

In addition to the items noted above, the law expresses the sense of Congress in a number of areas, including draw down of forces in Afghanistan, Russian violation of the Intermediate-Range Nuclear Forces Treaty, transfer of the U.S. role in ICANN, the Internet Corporation for Assigned Names and Numbers, to a global stakeholder only under certain circumstances.

Finally, and of interest here, the law underscored the need for U.S. coastwise trade laws (the Jones Act) to promote a strong domestic trade maritime industry which supports the national security and economic vitality of the U.S. and the efficient operation of its transportation system.

So, just what is a sense of Congress? It is not a law, but rather an opinion approved by a majority of House and Senate members. It is used to send a message to the president, the American people, and to foreign governments.

The 1920 U.S. coastwise trade law, the Jones Act, came to life in Section 27 of the Merchant Marine Act of 1920 and required that goods and passengers that are transported between U.S. ports be carried in U.S.-built, U.S.-owned and U.S.-crewed bottoms. The Act bears the name of Walter Livsey Jones, a senator from Washington who cited the national defense implications of a strong merchant marine but also realized that the Act would keep Alaska dependent on his Seattle-based shipping constituents.

But the 1920 Jones Act was not the first legislative support given to the U.S. flag merchant marine. In the second law passed after adoption of the Constitution, Congress imposed a discriminatory tax on foreign vessels carrying cargo between U.S. ports which made it economically impractical to do so. Then, in 1917, Congress expressly prohibited foreign vessels from carrying cargos between U.S. ports. In 1886, the prohibition was extended to carrying passengers between U.S. ports. Following the 1917 Act, Congress passed the Merchant Marine Act of 1936, which stated that it is the policy of the United States to encourage and aid the development and maintenance of a merchant marine for the national defense and for the development of the domestic and foreign commerce of the U.S.

The Act specifically addressed the value of a domestic merchant fleet to the national security of the U.S. More recently, the Maritime Security Act of 1998 directed the Secretary of Transportation to establish a fleet of active, commercially viable, militarily useful, privately-owned vessels to meet national security needs and other security requirements of the U.S.

However, the law favoring the domestic maritime industry has not been universally embraced. The debate over lifting the ban on U.S. crude oil exports has caused some lawmakers to call for reexamination of the Jones Act and as recently as January 13, 2015, Arizona Senator John McCain introduced an amendment to the proposed XL Pipeline legislation that would repeal the Build American provisions of the Act, calling it antiquated.

So what is the debate all about?

The Pros…

Proponents of the legislation point to the importance of a strong domestic merchant marine and shipbuilding industry in time of war, calling the merchant marine the “fourth arm of defense.” They argue that a strong merchant marine and domestic shipbuilding industry provide a skilled professional workforce and shipbuilding infrastructure as well as vessels to transport war matériel that once lost, it cannot quickly be replaced.

They also assert that the domestic maritime industry supports hundreds of thousands direct and indirect good-paying skilled jobs held by middle-class Americans who pay substantial taxes and are employed by companies that pay taxes and operate according to American immigration, safety, and environmental laws. Supporters also note that the Act protects American sovereignty over domestic maritime commerce carried out on the Great Lakes, the inland rivers and the coastwise trade. In this regard, they point out that the brown-water fleet carries some 62% of domestic freight volume, and opening this trade to foreign vessels would vastly expand the frontier by allowing foreign vessels and seamen to penetrate deep into U.S. territory.

Proponents argue that a direct effect of repealing the Jones Act would be the probable loss of many thousands of jobs. The shipbuilding industry particularly notes that in many instances they are the largest employer in the state, supporting not only direct employees but as many as five times that number employed by other suppliers of goods and services.

They also claim that the commercial shipbuilding industry provides a pool of skilled workers to meet military demands in time of war. Those same goers of Antilles of mariners who are able to transition to military deployment in time of war. Jones Act supporters believe that if foreign-flag ships were permitted to transport merchandise between two points in the U.S., the foreign-flag operators would be able to avoid paying U.S. taxes. They would employ foreign citizens, not Americans, and they would be subject to foreign construction and safety rules, not stringent American guidelines.

Not surprisingly, the primary supporters of the Act include the military, the shipbuilding industry, and maritime labor groups.

The Cons…

Those opposed to the Act – most notably Senator McCain – call it an antiquated relic that stifles free trade and hinders rather than supports national security. Senator McCain’s amendment to the proposed XL Pipeline legislation would have gutted the Jones Act by allowing foreign-built vessels to enter the coastwise trade.

Those joining the senator in opposition to the Jones Act argue that it no longer fulfills its purpose, pointing out that the blue-water fleet has shrunk to record low levels and moreover, in recent conflicts, the U.S. military has made extensive use of chartered foreign vessels to carry war matériel.

As further proof, opponents suggest that the U.S.-only requirement hampers disaster recovery such as Katrina, Rita, super storm Sandy and the BP Gulf oil blow out, each of which required issuance of waivers to allow foreign ships to assist in recovery efforts.

These individuals further claim that the Act hinders U.S. economic competitiveness because operators of foreign ships and maintenance of U.S. ships costs substantially more than foreign ships, which operate on longer trade routes and are able to adjust their capacity to meet changing markets. Moreover, they argue that because of less-costly shipping, U.S. buyers have sourced comparable products from abroad because of the reduced transport costs.

Generally, the Act is opposed by the energy sector, the midwestern farm sector as well as Alaska, Hawaii, and Puerto Rico which rely more heavily on maritime transport for energy and consumer products than the rest of the country.

Waivers

Although waivers of Jones Act requirements are available, they are not easy to obtain. It must be shown that the waiver is in the interest of national defense and that there are no suitable U.S. vessels available. Although a waiver request from the Department of Defense is mandatory, all other requests are discretionary and determined on a case-by-case basis.

In recent times, waivers have been granted for the “Exxon Valdez” recovery, after hurricanes Sandy and Rita to carry oil and gas from the Gulf coast, during the 2011 Lybian hostilities when there was a drawdown on the strategic petroleum reserves, and during super storm Sandy to carry petroleum products to the northeast. Interestingly, New Jersey’s waiver request during the 2014 winter to allow transport of road salt was denied as not meeting the national security standard.

Obviously, both sides are diametrically opposed. And, there has not been much talk of compromise. Some suggestions that have been floated would allow a greater percentage of a vessel to use imported components and still retain the built in America label, allowing for temporary waivers to allow modernization of the U.S. flag domestic fleet, modifying the U.S. crew mandate, allowing exemptions for specific trade routes, and carving out exemptions for passenger trade, energy, agriculture, and commodities.

At present, as indicated by the “sense of Congress” there does not appear to be much appetite for disrupting the Jones Act. However, it seems likely that the debate will continue.

A. Robert Degen is Solicitor to the Maritime Exchange and maintains a solo practice in Wayne, Pa. concentrating on Coast Guard License issues, federal grant management and employment related immigration matters. Prior to entering solo practice, Mr. Degen was in the Maritime and Immigration practice groups of Fox Rothschild LLP and prior to that, Kusen Evans & Byrne.

Expereiced Crane Surveyors to keep you in compliance.

Do you have a Barge Mounted Crane Working Stevedoring Operations or Preforming Maritime Work?

OSH requirements barge mounted cranes that are Preforming Stevedoring operations, working in marine terminals, or shipyards to be certified to regulations 29 CFR parts 1910.414 Barge mounted cranes in construction have new OSHA requirements for cranes and barges.

(215) 639-2579 Fax(215) 639-2316
Atlantic Crane Inspection Services
2100 Ridgley Rd. Philadelphia, PA. 19118
Email: Info@atlanticcranes.com, www.atlanticcranes.com

ATLANTIC CRANE INSPECTION SERVICES | 16 YEARS OF EXPERIENCE
Notes & News

Congratulations are in order for Lisa Magee, PE, who was promoted to chief engineer at the Philadelphia Regional Port Authority.

Kathy J. Metcalf also deserves our congratulations. She has been named as the next president and CEO of the Chamber of Shipping of America, succeeding Joseph J. Cox when he retires on May 31. Kathy is currently CSAs director of marine affairs.

Ricardo Maldonado has resigned as executive director of the Chilean and American Chamber of Commerce to take a position at Universum Inc. in New York City. Ricardo will be the business development manager for Latin America-new markets, responsible for developing Universum’s business in Latin America and educating the market on employer branding along with the firm’s strategic solutions with an initial focus on Chile, Costa Rica, Colombia, Argentina, and Panama. Best of luck!

Holt Logistics was recognized by the U.S. Marine Corp for its generous donation to the Toys for Tots program this past holiday season. In the weeks leading up to the Christmas holiday, Holt Logistics delivered two full pallets of toys to the U.S. Marine Corps. The toys were collected at Holt facilities at Gloucester Marine Terminal in Gloucester City, N.J., and the Packer Avenue Marine Terminal in South Philadelphia. Toys were donated by Holt Logistics staff as well as members of the International Dockworkers Union Local 1 and Teamsters Local 929.

In local Customs news, the Port of Wilmington has a new port director, Antonio Blackwell, and Tarance Dralls has retired from his position as assistant port director in Philadelphia. The Exchange extends best wishes to Mr. Dralls in his retirement and welcomes Mr. Blackwell, who was here previously temporarily, back to the region.

Welcome Aboard

Acme Industrial, Inc.  
326-328 Front Street
Staten Island, NY  10304
718-720-5522
info@acmerepair.com
www.acmerepair.com

Advantage Engineers  
520 Fellowship Road
Suite A-106
Mount Laurel, NJ  08054
856-231-0800
www.advantageengineers.com

Gawthrop Greenwood, PC  
17 East Gay Street, Suite 100
P.O. Box 562
Mount Laurel, NJ  08054
856-231-0800
www.gawthrop.com

H & M International Transportation, Inc.  
485 B U.S. Highway 1 South
Iselin, NJ  08830
732-510-4640
www.hmlt.net

Line Systems, Inc.  
1645 West Chester Pike
West Chester, PA  19382
888-808-6111
info@linesystems.com
www.linesystems.com

Mid-Atlantic Shipping and Stevedoring, Inc.  
128 Tilbury Road
Salem, NJ  08070
856-935-3423
hirvine@mid-atlanticstevedoring.com

Parsons Brinkerhoff  
Four Penn Center, Suite 700
1600 JFK Boulevard
Philadelphia, PA  19103
215-209-1200
scottms@pbworld.com
www.pbworld.com

Public Service Enterprise Group  
244 Chestnut Street
Salem, NJ  08070
856-339-7926
robin.rhea@pseg.com
www.pseg.com

Sbrocco International, Inc.  
20000 Horizon Way, Suite 750
Mount Laurel, NJ  08054
856-424-6151
sales@sbrocco.com
www.sbrocco.com

Capes Shipping Agencies  
Tug Murray Building
11 Gist Road
Wilmington, DE  19801
302-424-4470
capesd@capesshipping.net
www.capesshipping.net

General Marine Refrigeration  
6834 Camden Avenue
P.O. Box 142
Pennsauken, NJ  08110
856-488-8300
mail@generalmarine.org
www.generalmarine.org

Calendar of Events

02/17/15  Philadelphia Regional Port Authority Board Meeting
02/18/15  DRPA/PATCO Board Meeting
02/25/15  World Trade Center Delaware Meet the Ambassadors Featuring Pakistan’s Ambassador to the U.S. University & Whist Club, Wilmington, Del. Contact: 302-764-6654 or info@wtode.com
03/05/15  Seamen’s Church Institute Spirit of the Port Award Luncheon Honoring the Holt Family, Sheet Metal Workers Union Hall, Philadelphia, Pa. Contact: 215-940-9900
03/10/15  Tri-State Maritime Safety Association Board Meeting
03/11/15  Maritime Exchange Board Meeting & Annual Meeting
Maritime Exchange Annual Election
03/17/15  Seamen’s Church Institute Executive Committee Meeting
Seamen’s Center of Wilmington Board Meeting
Philadelphia Regional Port Authority Board Meeting
03/18/15  DRPA/PATCO Board Meeting
World Trade Association of Philadelphia Annual Fundraiser for Autism Speaks
Cescaphe Ballroom, Philadelphia, Pa. Contact: Deborah Ingavallo, 856-642-3957 or wtaphila@comcast.net
04/08/15  Maritime Exchange Executive Committee Meeting
04/15/15  DRPA/PATCO Board Meeting
04/21/15  Seamen’s Church Institute Board Meeting
Philadelphia Regional Port Authority Board Meeting

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