Exchange receives CACC Visionary Award

It is with pleasure that The Beacon announces that the Chilean & American Chamber of Commerce has awarded its 2018 Visionary Award to the Maritime Exchange.

Exchange President Dennis Rochford accepted the award on behalf of the organization at the Chamber’s “Taste of Chile” event on April 26.

“This is a distinct honor to receive this prestigious recognition, and one we never expected,” Rochford said. “We can’t deny that the Exchange is aggressive in protecting and promoting trade between exporters in Chile and our local maritime facilities. It’s the right thing to do for the port and the region.”

The Chamber selects one individual or organization each year to receive the Visionary Award, which recognizes extreme dedication and a remarkable vision to carry out the Chamber’s mission to foster increased and improved trade and commercial relations between the Greater Philadelphia region and the Republic of Chile.

Eric J. Clarke: A true Unsung Hero

Even after nearly 40 years in the industry, Eric Clarke is still bursting with enthusiasm about his work and about the many people he calls friends and colleagues in the port industry, locally and throughout the world.

As the recipient of the first Maritime Exchange Unsung Hero Award, Clarke exemplifies the very qualities the award seeks to acknowledge: not only has he served his organization — and the Delaware River maritime industry — with exemplary distinction and dedication, he is also responsible for developing a new process for oil vapor recovery that resulted in cleaner air and a safer working environment.

It may very well be a challenge to find a more grateful honoree.

“I was so excited when I heard the news,” Clarke said. “It’s such an honor to be recognized by my peers in this way.”

Clarke is employed by Philadelphia Energy Solutions as its marine cargomaster and marine technical advisor. He is responsible for overseeing all the PES oil transfer and lightering operations at Big Stone Beach Anchorages, situated not far from the mouth of the Delaware Bay. Unofficially, he is sometimes called “the gatekeeper.”

With no maritime background, other than “sitting on the beach in Lewes [Del.] watching the ships go by,” one day in 1980 Clarke decided to take a day off from his work as a carpenter and go to Marcus Hook with the hope of landing a job at the then Sun Company. “In those days, people often didn’t keep their jobs very long — working on a ship was just a way to get a free trip somewhere. I wanted a job I could stick with for the long term,” he said.

Clarke works his way up the ladder in a number of shipboard positions, including fireman, water tender, oiler, engineman, and others, up to third assistant. Ultimately, he obtained his coastwise chief engineer’s license and sailed Sunoco’s coastwise fleet.

“Everything I learned was self-taught,” Clarke said. Much of his experience came from “tramping around New York harbor as a tankerman.” Like a number of his colleagues in the Delaware River and Bay port community, Clarke is a graduate of what is fondly known as “Marcus Hook Maritime Academy.”

In the late 1980s, Clarke came ashore to handle special projects. This being the era of the “Exxon Valdez” spill and new regulations following the enactment of the Oil
As we enter the second quarter of 2018, change and uncertainty characterize the environments within which the maritime industry operates as part of the global marketplace. A lack of clarity on any number of fronts is sure to affect our collective decision-making processes.

**The Washington, D.C. roller coaster ride**

How best to describe the present politics of Washington D.C. and rest of the country? The words partisan, divisive, and stalemate come immediately to mind.

Speaker of the House Paul Ryan (R-WI) announced his plan to retire. He, along with 50 other House Republicans, will not seek reelection this November. Most are retiring. A handful have plans to seek higher office.

Within our region alone, Republican Congressmen Frank LoBiondo (R-NJ), Rodney Frelinghuysen (R-NJ), Pat Meehan (R-PA), Ryan Costello (R-PA), and Charlie Dent (R-PA) have all announced their retirements. Congressman Bob Brady (D-PA) has also indicated he will not seek reelection. Each of these members, to a person, has provided strong leadership and support for issues critical to our regional port. All have been instrumental in the Delaware River main channel deepening and with matters concerning Coast Guard, Corps of Engineers, and Customs and Border Protection as well as the gamut of other federal agencies that affect commerce on the Delaware River.

So it is not just about the new makeup of the Congress after the mid-term elections this fall and what that portends. Come November, we will have to build working relationships with newly elected members of Congress — something we have successfully accomplished in previous election cycles. But with so much at stake involving funding, regulatory, and trade issues, this process is even more important than in the past.

When the 116th Congress is sworn into office next January, we need to remember that members will find themselves in a cauldron of political partisanship and discord sure to challenge their work to move legislation on the array of federal issues important to the maritime industry as a whole. Most of these issues do not rise to the level of a nuclear North Korea, illegal immigration, gun control, or other high-profile, contentious issues, but they are in fact important to the stability and growth of ports on the Delaware River and around the country.

Yet achieving consensus between both chambers and both sides of the aisle is mandatory to advance maritime legislation. So to continue to make progress, we must focus on advancing a Delaware River agenda. We must collaborate with our colleagues around the country to ensure our collective “ports” agenda is not sidetracked by the partisanship of Washington, D.C.

**Trade Policies**

The second front is the ever-changing and controversial global trade and tariff policies. The U.S. proposes tariffs on Chinese steel coming into our country, and without missing a beat, China imposes tariffs on U.S. soybean exports entering that country.

The effects on countries and products due to these proposed tariffs is uncertain. This jeopardizes operations in our seaports and throughout the steel supply chain.

Add to this the lack of clarity surrounding the renegotiation of NAFTA, and the storyline continues to unravel.

When the Trump administration came into office in January 2017, one of its first trade actions was to withdraw from the Trans-Pacific Partnership — a trade pact that would involve 12 other nations including major U.S. allies and trading partners. Fast forward to this April, and there are news reports that the U.S. might reenter these trade negotiations.

Free and fair trade is an absolute necessity. Through the World Trade Organization, signatories to the TPP have ample tools to protect their respective countries from unfair trade policies and actions. The WTO is a platform that in the long run provides stability to global trade practices. The maritime industry relies on stable trade practices to prosper.

As a country, we must work our way past political partisanship which brings progress to a standstill and get off the roller coaster of uncertain trade actions.

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Del. River ports to host WPM test program

Sparked by demand from maritime stakeholders, on Feb. 20 the U.S. Department of Agriculture announced the start of a year-long program to test alternative means of mitigating non-compliant wood packing materials. Current policies require that non-compliant materials be immediately re-exported, at substantial cost to shippers, importers, and carriers.

“Wood material used for moving cargo just isn’t something anyone thinks much about — until something goes wrong,” said Exchange Vice President Lisa B. Himber. “And when that happens, the costs to remediate can be astronomical.”

New USDA regulations went into effect in March of 2007 which followed the International Standards of Phytosanitary Measures for wood treatment, known as ISPM 15. The standard requires that regulated wood materials, including crates, boxes, and dunnage — pieces of wood used to support or brace cargo — are to be heat treated or fumigated with methyl bromide and include a mark that certifies the wood was properly treated.

Available to shippers and importers using Delaware River ports only, the program will test the use of certification, the means of disposing of non-compliant material. McFarland said the USDA selected the Delaware Region for the test because “the stakeholder community, through the Maritime Exchange for the Delaware River and Bay, was an early proponent of the need for alternatives in lieu of re-export for non-compliant wood packaging materials arrived on maritime vessels.” He said Exchange members’ willingness to partner with USDA APHIS PPQ and Customs and Border Protection to jointly resolve agriculture issues at ports of entry in the region provided USDA with a proactive and engaged industry partnership necessary to implement regulatory innovation such as this test project.

Though the regulations enforcing ISPM 15 have been in place for over a decade, it was not until the International Maritime Organization mandated in 2013 that vessels could no longer dispose of garbage, including dunnage, broken pallets, and the like, while at sea that the USDA regulations began to dramatically affect shippers and carriers.

“This was particularly evident in the steel trade, where dunnage is used extensively to brace cargo,” Himber said. As a major steel-importing destination, the Delaware Region had been hit extremely hard after the new IMO requirements.

Robert A. Herb, President of Terminal Shipping, was at the forefront continued on page 10

Tradition lives on in Philadelphia

In late March, members of the port community joined Pilots’ Association President Jonathan Kemmerley (second from right) to celebrate his induction as a new member of the venerable Union League of Philadelphia. Shown with Kemmerley (r-l) are Exchange President Dennis Rochford, Chairman John Reynolds, pilot David Cuff, Roy Denmark, and Kevin Moran.

Founded during the civil war as a patriotic society, the Union League still serves today as a place for the region’s leaders — in business, education, technology, healthcare, law, government, religion, art, and culture — to gather in fellowship, to engage in civic matters, and to support philanthropic activities. Its motto, Amor Patriae Ducit (Love of Country Leads), continues to drive the league and its members, just as it has since 1862. Congratulations, Jon!

History and Section 232: the numbers don’t lie

Amid growing tensions, the process of implementing the Section 232 tariffs on steel and aluminum imports is now moving forward. Section 232 of the Trade Expansion Act of 1962 directs the Secretary of Commerce to submit a report to the president advising whether any article “is being imported to the United States in such quantities or under such circumstances as to threaten to impair the national security.”

Maritime professionals believe the new steel and aluminum import restrictions, recommended under the guise of national security, will wreak havoc not only on seaports, but also on downstream businesses dependent on steel and aluminum imports. Uncertainty over exactly which countries and products will experience the greatest effects is mounting.

“This lack of clarity is jeopardizing normal business operations in our seaports and extending throughout the entire steel supply chain,” said Robert Palaime, President of Delaware River Stevedores.

In late April, Caterpillar Inc. stock tumbled despite positive quarterly earnings after the company forecast that the steel tariffs would drive revenues down for the remainder of the year. Caterpillar, which manufactures construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives, said steel costs in the equipment industry were up about 15 percent for the quarter.

“As measured by vessel calls in 2017, vessels which carried over four million tons of steel cargo, steel is currently the fourth largest import cargo arriving at Delaware River ports,” according to Maritime Exchange President Dennis Rochford. “The direct impact on the regional port is all-encompassing. Ship agents, dockworkers, tug boat operators, pilots, warehouse workers, truckers, and others involved in the transportation chain are all under duress due to the imposition of these tariffs and the anxiety surrounding their implementation.”

Similar uncertainty characterized steel imports in the early 2000s as well, when President George H. W. Bush imposed tariffs under Section 201 of the trade act.

An important new analysis recently released by Martin Associates offers compelling data highlighting the downward effect of tariffs on steel capacity utilization. Specifically, the study finds no direct relationship between steel imports and domestic steel industry capacity utilization. In particular, Martin’s data show that the capacity utilization of the U.S. steel industry actually declined during the imposition of the Section 201 import tariffs during March 2002 through December 2003. The Trade Partnership, in a report released last March, predicted across-the-board 232 tariffs would cost six times as many jobs throughout the economy as compared to jobs created in the domestic steel industry. “While the report projected the creation continued on page 13
Exchange launches new AIS platform

When Microsoft talks, people listen. So when the software giant announced it would stop supporting its Silverlight framework, used for writing and running rich internet applications, much like Adobe Flash, and an integral part of the Maritime On-Line® Automatic Identification System, the Exchange paid attention. The solution, as it turned out, was to rewrite the AIS front end. Since November, Exchange staff has been hard at work designing, testing, and updating its new AIS display. That work finished in early May.

“The new AIS platform includes familiar options as well as a host of features users are seeing for the first time,” said Exchange Director of Operations Paul Myhre, “features that make the system more powerful and provide better accessibility.” Among the highlights is the ability to view the display on mobile devices. While powerful, the Silverlight plugin prevented the previous version from working on tables and phones, though workarounds were possible. Exchange AIS subscribers can now display a vessel’s vector based on course over ground, and controls for the replay functionality have been reworked making it easier to activate and use the feature.

Other upgrades include a more responsive and detailed nautical chart provided by NOAA, density maps to show heavy traffic areas, and the ability to generate alerts for specific vessels. Users can also export instant 24-hour vessel track information into Microsoft Excel. “The alerting capability tied to a specific vessel or vessels is very important to us,” said Captain Joseph Benton Vice President and General Manager of McAllister Towing of Philadelphia, Inc. “I also like the improved chart and updated playback feature. This allows us to be more efficient in our day-to-day operations.” In addition to the upgrades, users can still get the vessel, cargo manifest, and crew data they are used to seeing from a single source. “It was important to maintain the link between AIS and the other modules of Maritime On-Line,” Myhre said. “Providing a one-stop shop for all pertinent data is one of the things that sets our AIS platform above others.”

The new site incorporates some changes to the overall layout, including a redesigned data panel. Toggling the various feeds and map layers on and off operates as it did in the legacy version, and the system still includes vessel speed- and location-based alerts and the ability to view various map layers.

NMFS designation affects dredging, waterfront construction

As a freshwater port, the Delaware River is home to two fish species that might otherwise dwell elsewhere: the shortnose sturgeon and the Atlantic sturgeon. Good news for the ecosystem, but these protected species create a need for short dredging windows. This presents unique challenges for commercial dredgers and maritime facilities along the Delaware River and more than 30 other rivers along the East Coast.

In addition to the need for extra controls on dredging projects and shoreline and water construction during certain times of the year, the National Marine Fisheries Service has recently established a critical habitat for the Atlantic sturgeon. Stakeholders need to be aware that this designation may affect the cost and schedule of planned projects.


Community honors Anthony DePasquale on his retirement

A throng of well-wishers gathered at Philadelphia’s Hard Rock Café on March 27 for a sold-out celebration in honor of Anthony “Tony” DePasquale, who retired after many years of service with the U.S. Army Corps of Engineers, most recently as chief of the Operations Division. DePasquale has already transitioned to a private-sector job with Hudson Engineers.

Exchange President Dennis Rochford presented DePasquale with a Certificate of Appreciation in recognition of his leadership, dedication, perseverance, and enthusiasm, acknowledging particularly his invaluable contributions to the 45-foot main channel deepening project.

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Contact Paul Myhre at pmyhre@maritimedelriv.com for more information about Maritime On-Line or its Automatic Identification System.
Improving business by improving the flow of information

By:  Corey Tucker, President
ICI Innovations Incorporated

As a software consultant I work with clients in many industries, including government services, oil and gas exploration and production, agriculture, manufacturing, and shipping. Understanding how a business operates and working with clients to solve problems is the best part of the job.

It is uncommon for organizations to inform others about what’s not working. But the team at ICI Innovations sees lists of problems as diverse as the clients we serve. The most common problems stem from information not flowing as it should. This prevents information from entering an organization smoothly so it can be stored in a manner that is easy to find and ready to use by staff in a timely manner.

To better illustrate, let’s look at a natural gas utility managing risks along its network of pipelines. Risks can be categorized as those caused by forces on land, such as slides in areas of steep elevation, and those applied by moving water, where high risks typically occur. A utility can determine the locations of risks and establish a periodic monitoring process to provide an adequate level of safety to the public and the environment as risks evolve.

This should sound familiar to anyone in the shipping industry who maintains assets that are constantly affected by environmental and operational pressures. Asset inspections are conducted on a regular basis, sometimes by staff, often by consultants, each generating an inspection document, pictures and video files, an approval or rejection assessment of the inspection, a schedule for resolving discovered anomalies, and an update to when the asset is inspected next.

The amount of information for an inspection may be sizable and becomes overwhelming when multiplied by hundreds of inspections annually. The traditional approach for managing this information is the use of many files within an organization’s local area network. Folders may be created for each asset category, asset, year, and type of information stored.

The DSPC board will continue to play a very important oversight role,” Bullock said. “But our goal is to eliminate the $15 million Delaware taxpayers spend each year on capital improvements at the Port of Wilmington.” Even without any future growth, Bullock said the port would need $300 million worth of improvements and the development of a container terminal to retain its current customers.

The most important requirement to state officials that any operator must meet is to maintain and grow jobs. Under the proposal, the state expects cargo volume growth to double the current job level of 5,800.

The facilities would revert back to the state should GT USA fail to meet its commitments. After the board vote, the Delaware legislature had to approve the plan before it could move forward. On April 19, the Joint Committee on Capital Improvements recommended that the full General Assembly approve the deal. On April 24, the Delaware General Assembly endorsed the deal through a House and Senate concurrent resolution which authorized the DSPC to negotiate contract terms with Gulftainer. The proposal must now obtain approvals from the Committee on Foreign Investment in the United States and other federal agencies.

continued on page 15
Twin super post-panamax cranes make their spring arrival at the Port of Philadelphia

32-stories high cranes are a welcomed addition to PhilaPort’s waterfront

The first visual affirmation of a new era of growth arrived at the Port of Philadelphia on March 24, when PhilaPort received its first two super post-Panamax cranes. The journey from Shanghai, China to the Packer Avenue Marine Terminal took 90 days. Manufactured by Shanghai Zhenhua Heavy Industries, the new cranes will be 13 feet taller than the neighboring Walt Whitman Bridge with booms in the upwards position.

PhilaPort, along with marine terminal operator Astro Holdings, Inc., a Holt Logistics affiliate, have purchased the cranes as part of Gov. Tom Wolf’s $300 million Port Development Plan to increase cargo-handling capacity and efficiency.

In the past decade, vessel size has grown exponentially creating a new class of container ships known as ULCVs (ultra large container vessels) with a 10,000 to 20,000-container capacity. These new gantry cranes are capable of discharging containers from these new larger vessels and cost $12 million each.

“For over a year we have been working hard to prepare the terminal for these cranes, and it is great to see them here,” said Jeff Theobald, Executive Director and CEO of PhilaPort. “Last year we hit an East Coast record of 19% container growth. To sustain that type of growth, these new cranes are a necessity.”

“The arrival of the cranes is a perfect example of public/private investment into the state’s critical infrastructure,” said Gov. Wolf. “Every transportation professional knows how important speed to market is to logistics. These new cranes will ensure that we keep pace with other U.S. seaports and allow PhilaPort to load and discharge cargo with state-of-the-art equipment.”

In November of 2016, Gov. Wolf announced a $300 million Port Development Plan. As part of the plan, Astro Holdings agreed to purchase one crane and to undertake other planned improvements to the facility.

“The port has a huge impact on the economy of the entire region, and these new cranes are another sign that the port is building a very bright future,” said Astro Holdings President Tom Holt, Jr. “The cranes allow us to handle more cargo from bigger ships, and since we’re already setting records for cargo growth at Packer, the cranes are arriving not a moment too soon.”

In the first quarter of 2019, PhilaPort will add another two identical cranes at the Packer Avenue terminal and Astro Holdings another one crane, bringing the total number of cranes there to seven.

CRANE FACTS AND INFORMATION

Crane Designed By: Shanghai Zhenhua Heavy Industries Company Limited (ZPMC) in Shanghai, China

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Annual report of the board highlights accomplishments

Following is an extract of the Report of the Board of Directors delivered at the Exchange’s 143rd annual meeting on March 14, 2018.

The Maritime Exchange for the Delaware River and Bay is pleased to report that Delaware River ports enjoyed a prosperous 2017; it was a year marked by progress and full of promise of things to come.

While the Exchange and its members tirelessly advanced a full range of issues, the ships kept coming. Though vessel arrivals were very slightly down from 2016 — less than one percent — last year saw a strong showing with 2,418 ships welcomed at Delaware River terminals. And that number was still nearly 8% higher than ship calls in 2016 — less than one percent — from 2016 when and much higher than in each of the six previous years.

Here are a few highlights of the past year:

Public Policy/Government Affairs

Channel Deepening – Once again, the 45-foot channel deepening project was at the forefront of our collective thinking. But unlike in recent years, the focus was on safely navigating around the work underway and not how to pay for the next phase of project work.

Ninety percent of the channel between the Ben Franklin Bridge and the sea has already been deepened to 45 feet. The final contract along the Marcus Hook and Chester areas on the Pennsylvania side of the channel is currently slated for completion between October and December of this year.

By this time next year, we will no doubt be celebrating the completion of this long-awaited project in grand fashion.

Steel Investigation – Another important and complex issue emerged on the Exchange radar last April. The investigation into steel imports and their effect on national security has dominated the government affairs agenda for nearly a year.

Based on ship arrivals, steel shipments rank as the fourth largest commodity imported through Delaware River ports. With the president’s proposed new tariffs, the nation’s economy and our port will be adversely affected.

Renewable Fuel Standards – This past year also saw the emergence of yet another potentially business-crippling issue, arising in the form of Renewable Identification Numbers. RINs are essentially credits that independent oil refiners, such as those operating on the Delaware River, must purchase to demonstrate that their fuels contain the federally mandated levels of biofuels. Over the last several years, the costs of these credits have risen from a few cents to nearly 90 cents per gallon.

Agriculture – Agriculture products remain key to the success of Delaware River ports, and the Exchange CBP-USDA Agricultural working group’s efforts were again rewarded this past February when the USDA launched the long-awaited wood packing material pilot program at Delaware River ports. Informed by Exchange members’ experiences and comments, the one-year pilot will test the use of incineration to mitigate non-compliant materials prior to the program going national.

The Exchange also continued its partnership with ASOEX, the Chilean Exporters Association, in supporting the Delaware River Cold Storage Facility Task Force. This is a voluntary worker safety effort that has kept the EPA from imposing unnecessary new regulations.

Operations and Information Technology

Maritime On-Line Upgrades – In November, the Exchange began work to replace its Automatic Identification System, the real-time vessel position system that links conveyance, cargo, and crew in a single portal. Driven by changing technology and member requests, the new system will contain some exciting new features, including fleet management and mobile device support.

The Exchange also completed several modifications to Maritime On-Line requested by the port community. These improvements will increase operational efficiencies and enhance the online experience.

Infrastructure – We substantially boosted the Exchange network by upgrading and replacing aging equipment. The Exchange installed new AIS antennas and cabling at our remote sites, upgraded the corresponding receivers to provide increased operational range, and added a new AIS site at Marcus Hook to provide additional system redundancy.

We also enhanced our communication network with virtual VHF radio technology, which provides our watchstanders with remote VHF communications when events prevent safe travel to the office.

Cybersecurity and Business Continuity – Protecting our software and systems remained high on the Exchange list of priorities in 2017. Last year we completed a thorough evaluation of cybersecurity resource needs and developed a plan to address gaps. Stay tuned for further improvements.

Member Programs and Services

Finally, we must note that the relationship the Exchange enjoys with its membership is always paramount to our successful operation. Last May, we thanked members for their support with a successful appreciation event and plan to do so again in May of this year. We also continued our goal of introducing new value-added member benefits last year by designing yet another new program: the Unsung Hero Awards. Launched in January of this year, this program recognizes those in our community who work unnoticed behind the scenes to make our port a better place to do business.

In Closing

It is extremely gratifying for the staff that the Maritime Exchange is recognized as the region’s go-to organization when industry issues arise and action is required. We are proud of the work we do. But make no mistake about it: any successes enjoyed by the Exchange staff also belongs to our hard-working board of directors and our nearly 300 member organizations.

We appreciate the guidance received in 2017 and look forward to an even more successful 2018.

The Vote is in

The Maritime Exchange extends its appreciation to members who voted in the 143rd annual election held in March. The following were elected to three-year terms:

John Brennan
Joshua Carmichael
John Gazzola
Joseph C. Hare
Robert A. Herb
Donald Maney
Eugene Mattioni
George C. Murphy
Michael Nesbitt
Jeffrey Parker
Christopher Rowland
Uwe Schulz
Richard Venuti

At the May organizational meeting, directors elected the following officers, who will serve for the next year:

John T. Reynolds, Chairman
Uwe Schulz, Vice Chairman
A. Robert Degen, Esq., Secretary/Solicitor
Robert A. Herb, Treasurer

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Coast Guard Sector Delaware Bay bestowed certificates of appreciation and letters of commendation upon several members and crew of the Pilots’ Association for the Bay and River Delaware. Participating in the April 16 ceremony were (l-r) Capt. Jon Kemmerly, Pilots’ Association President, USC&G Capt. Scott Anderson, Donnie Holladay, Kane Bounds, and Connor Orton. Rep. Smyk also presented a certificate of recognition to the Pilots’ Association on behalf of the Delaware House of Representatives.

Coast Guard Sector Delaware Bay Commander Capt. Scott Anderson recently honored six Pilots’ Association personnel for courageous public service during the rescue of a distressed mariner near the mouth of the Delaware Bay on January 4, 2018. Joining the Coast Guard in recognizing the Pilot’s Association was Delaware State Rep. Stephen Smyk (R-20).

The mariner lost power on his 26-foot sailing vessel as a dangerous nor’easter was rapidly strengthening offshore. Unable to hold his position in the Delaware Bay, he was carried out to sea by the current and strong northwest winds. An earlier attempt by a Coast Guard cutter to establish a tow with the sailboat was unsuccessful and resulted in a casualty to the cutter. Alternative Coast Guard surface assets were more than an hour from arriving on scene, and rescue helicopters were unable to launch due to freezing fog and low visibility. In response to the Coast Guard broadcasting alerting mariners to the emergency, teams from the Pilots’ Association launched two boats to render assistance. The crew skillfully navigated to the mariner’s last known position, through areas of harbor ice, 30-40 knot winds that were gusting to more than 50 knots, 12- to 17-foot seas, heavy snow, freezing spray, and low visibility. Once on scene approximately four miles offshore, the teams safely rescued the mariner.

The Coast Guard recognized Jay Lewis and Kane Bounds of the pilot boat “Lewes” and Donnie Holladay, Jody Brittingham, and Connor Orton of the pilot boat “J.P. Virden” as well as vessel traffic information service watchstander Fred Tinney. Capt. Anderson lauded their “outstanding initiative and selfless actions,” which “reflect great credit upon you and are in keeping with the highest traditions of humanitarian service.”

Bravo Zulu!

Coast Guard lauds Pilots’ Assn. crew for public service
Castagnola retires from SJPC

After 32 years with the South Jersey Port Corporation, Kevin Castagnola retired as the agency’s Executive Director & Chief Executive Officer as of April 1, 2018. He has entered the private sector as an independent consultant.

Castagnola started at the port as a traffic coordinator in 1986 and worked his way up the ladder, including serving as port manager, director of operations, and assistant executive director before taking the helm in 2012. As chief, he steered cargo tonnage activity to grow by double-digit percent increases at the Balzano and the Broadway terminals.

He also oversaw the construction of the new Paulsboro Marine Terminal, which launched in March of 2017. Among his many other industry and civic volunteer activities, Castagnola has served on the Exchange board for the past six years and has been an invaluable ally in Exchange efforts to promote the steel trade in this region and improve CBP processing.

The Exchange board and staff wish Kevin the very best of luck in his new endeavors. He can be reached at his new firm, KRIS 3 Solutions, LLC, at (609) 685-2268 or kcastagnola@kris3solutions.com.

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Success is never dependent on a single person. Clarke knows that “a whole lot of people like me” make the big wheels turn. “We all do it together,” he said. “It’s the collaboration that makes us so successful.”

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In the Ports of Philadelphia

The Fletcher Avenue Marine Terminal
Philadelphia, PA

The Gloucester Marine Terminal
Gloucester City, NJ
USDA tests WPM alternatives

continued from page 3

of the calls to seek other options. “Our customers were getting hammered,” he said. “These are long-standing customers that have excellent compliance records. Sometimes, the ocean carrier simply is caught in the middle when the shipper attempts to circumvent the rules. But unfortunately the carriers are all too often paying the price.”

In 2016 the USDA implemented a new policy allowing incineration of non-compliant wood packaging material. “That policy came as a direct result of our members’ engagement with USDA and CBP,” said Himber, “and we are pleased they are willing to expand the process further.”

USDA and CBP are conducting the current test to determine the effectiveness of safeguarding measures associated with the incineration of non-compliant wood packing material.

“United States Customs and Border Protection and the Animal and Plant Health Inspection Service have collaborated our efforts to test the feasibility of mitigating pest risks associated with non-compliant wood packaging material in the maritime environment through incineration,” said CBP Area Port Director Joseph Martella. “If incineration of non-compliant wood packaging material is found to be a feasible option of effectively mitigating risk while also meeting operational needs, it may become a viable option for all seaports with access to APHIS-approved incinerator facilities.”

The collective hope is incineration will prove to be effective, allowing USDA to experiment with other methods of destruction, such as fumigation, and chipping and grinding.

The importing community appreciates USDA’s willingness to work in partnership to find cost-effective ways to meet its mission but recognizes these measures will not solve the problem. “Ultimately, the goal for all concerned is to prevent the introduction of foreign pests before they ever get on the ship,” Herb said. “Our challenge as an industry is to work together to make that happen.”

Tug cruise success helps fund the mission

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

For the first time in the 10 years since we started the SCW Annual Tug Boat Cruise fundraiser, it sold out two full months in advance of the event. This event has become so popular that as soon as it is advertised in the winter edition of The Log, our newsletter, guests are calling to reserve their places on the boat.

This fundraiser started as we had a group of volunteers who liked to cook — as do I! It gave us an opportunity to have some fun with a menu and a chance to earn some cash for the cause. Certainly, we never imagined it would become an event supporters would clamor over.

We are grateful to not only the people who support the event by purchasing tickets but also to our sponsors — Knotts Bus Company, Naaman’s Beverage Mart, Patio Printing, PMTA on behalf of its Wilmington members, Western Fumigation, and Wilmington Tug. We could not provide this fun evening on the river without all of their support.

As many readers of The Beacon are aware, services provided by the Seamen’s Center of Wilmington and the Seamen’s Church Institute are critical to the morale of the seafarers arriving at Delaware River ports. Most of the crew members we meet serve contracts of nine months or longer, and they desperately miss home and family. For all of us working at SCW, it is extremely rewarding to hear directly from them how much they value our help.

Elder Vilches of the “M/V Angol” was recently in port and had time to relax at the Center. As I guided a guest through our building and explained the mission, Elder interrupted to say “this is my casa. Every two weeks we arrive — back to our home and friends that help us here.” I then went on to explain to our guest that Elder, like many Dole and Chiquita seafarers, has been arriving at the Port of Wilmington for many years.

For everyone at SCW, it is truly an honor to serve these mariners, to have the opportunity to make friends with people from all over the world, and to know in some small way we have brightened their lives. And to all of our guests who enjoy the cruise and to our sponsors, thank you for helping to make this welcome possible.

At PhilaPort, we haven’t just improved the Delaware River waterfront 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.
SCI’s Mesfin Ghebrewoldi retires
Passionately cared for seafarers for decades

For 39 years Mesfin Ghebrewoldi, senior ship visitor at Seamen’s Church Institute of Philadelphia and South Jersey, has done what it takes to find solutions to whatever needs and problems foreign seafarers face, whether it is finding a Bible in a little-known language or resolving a thorny contract issue. Mesfin, who communicates in seven languages, retired on April 30.

Mesfin has always been able to keep track in his head — while visiting ships himself — where his colleagues were located at any given time in order to dispatch them to cargo ships located at 31 terminals on both sides of the Delaware River.

“Mesfin is as passionate today about helping seafarers as he was the day I first met him,” said Anthony Coppola, another veteran shipboard visitor for SCI.

Mesfin grew up in Eritrea, a northeast Africa nation once colonized by Italy. After World War II, the British took over and merged the nation with Ethiopia, setting the stage for a brutal 30 years civil war that left Mesfin, then a seafarer, stranded in Philadelphia in 1974. Separated from his wife and children by the conflict, he realized that going home would have meant certain death under the military regime that had taken over his country.

He eventually remarried and started a new family in Philadelphia, where he has become a pillar in the city’s Eritrean community. In 1979 he found a job with SCI and thus began a remarkable career through the Philadelphia port, caring for thousands of seafarers engaged in the same trade he had known for 11 years earlier in life.

Best of luck, Mesfin!

Q&A with Lt. Col. Dahle
continued from page 1

Q: Tell us a little about your background and how it has affected your outlook since assuming command last year.
A: Commanding the Philadelphia District is certainly one of my most challenging assignments. Having never served in the Corps of Engineers previously, I have truly come to appreciate all the Corps does for the nation. The great variety of missions we take on — from military construction and interagency services to flood risk management, shore protection, emergency response, ecosystem restoration, and even recreation — are very different from my previous experiences serving with troops and deployed overseas. Plus, I am thoroughly enjoying living in a city for the first time since joining the military! Looking forward to catching a Phillies’ game when I return from supporting the ongoing efforts of Task Force Power Restoration in Puerto Rico.

Q: Beyond the 45-foot project and other port-related services, what other major initiatives fall within the Philadelphia District’s missions and area of responsibility?
A: Looking over our 150-year history, especially this decade, you could easily call us the Dredging District. Not only do we own and operate four Corps-owned hopper dredges and five dams that help reduce flood risk in eastern Pennsylvania, we provide military construction support at Dover Air Force Base, Joint Base McGuire-Dix-Lakehurst, and Tobyhanna Army Depot, clean up Superfund sites for the EPA, and provide engineering and construction services for the Naval Surface Warfare Center in Philadelphia.

Q: The Hopper Dredge “McFarland” has long played a critical role in keeping the Delaware River open and safe for navigation. What is the long-term outlook for retaining that capability?
A: Very positive, I’m glad to say! As incredibly reliable as our beloved “Mac” has been, we did just celebrate her 50th birthday last year, so retirement is on the horizon. Fortunately, after a national study team recommended maintaining the “Minimum Fleet,” at four hopper dredges, the Marine Design Center was given the green light to begin planning and design on a new vessel to replace the “McFarland,” with a target launch date of around 2024 or 2025. Meanwhile, like one of those sturdy old pickup trucks that keeps getting the job done, the “Mac” shows no signs of fading away any time soon. In fact, even as we speak, having just finished one emergency dredging mission for the port of Morehead City, N.C., she is setting sail for another in Brownsville, Texas.

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Holt joins Maersk and IBM to boost productivity at Packer Avenue Marine Terminal

Holt Logistics Corporation announced that it has become the first independent port operator in the northeastern U.S. to pilot test a blockchain-based global trade digitization solution developed by Maersk and IBM. The program is designed to provide transparency and promote information sharing among trade partners, which can reduce costs, improve productivity, and speed the delivery of goods shipped around the world.

The focus is the development of a highly secure digital ledger system using IBM blockchain technology that will allow network users to share information and updates about cargo as it moves around the world. As a result, the technology can reduce the need for multiple records currently produced at each point in the shipping chain. When fully developed, the new technology is expected to save as much as 20 percent of the cost of shipping transactions.

“Our work with Maersk for the global shipping industry and planned joint venture focused on using blockchain to help drive the digitization of global trade will benefit port operators such as Holt Logistics Corporation, logistics companies, customs authorities, shippers, freight forwarders, transportation companies, and more,” said Todd Scott, IBM’s VP of Global Trade - Blockchain.

Holt Logistics and its affiliated company, Greenwich Terminals LLC, operate the Packer Avenue Marine Terminal in South Philadelphia.

“The investment in the blockchain platform, albeit different from recent hard asset investments like the crane purchases and facility enhancements, is another investment in the future of the port of Philadelphia, designed to reduce costs and significantly improve the port’s ability to add value to the customer,” said Thomas J. Holt III, Business Development Manager for Holt Logistics. “Our industry generates enormous amounts of paperwork and data. We believe that blockchain technology will increase both information velocity and validity throughout the supply chain, unlocking billions of dollars in value for stakeholders each year . . . and we are pleased to be a leader in putting it to work for our customers.”
Royal Pest Solutions expands its horizons

Royal Pest Solutions, an integral member of the Delaware River and Bay maritime community for almost 30 years, offers fumigation and pest management services at the Port of Wilmington and other terminals and warehouses in the region. In December 2017, RPS expanded its horizons when it was acquired by Ecolab Inc.

Ecolab is a highly recognized brand in the commercial sector, with business spanning 171 countries and including services and products in pest elimination, sanitation, energy, resource conservation, food safety, life sciences, and healthcare. RPS is already leveraging Ecolab’s pest elimination expertise in food and beverage processing to enhance RPS’s services to its customers.

“We are excited to tap into Ecolab’s resources, especially as we discover that we share the same commitment to innovation and superb customer service,” said RPS Vice President of Operations John Achzet. “Ecolab has an amazing research, development, and engineering capability that will enable RPS to explore alternative product formulations and new fumigants. RPS has always been on the forefront of technological advances, and being part of Ecolab will ensure that continues.”

Import restrictions hurt trade

continued from page 3

of 33,000 steel and aluminum jobs, of concern is the concurrent loss of 180,000 jobs in the services sector, trade and distribution, construction and business, and professional services,” Rochford said. “This is the real economic story behind the Section 232 tariffs the president wants to impose,” said Richard Chris, Executive Director of the American Institute for International Steel. “The issues the president is attempting to address with these tariffs are better dealt with at the World Trade Organization where the U.S. won nearly 86 percent of the cases it has brought before this organization since 1995.” It is also clear that imposing the tariffs will invite retaliation by other countries against U.S. exports. A likely first casualty in this trade war is the U.S. agriculture sector, including potential new tariffs against U.S. corn, soybeans, wheat, livestock, dairy, and other goods. Even where farmers might not directly export products overseas, many crops and livestock grown and raised in the U.S. are contained in food products shipped elsewhere. In a March 9 Philadelphia Inquirer article, Rick Ebert of the Pennsylvania Farm Bureau was quoted as saying, “higher tariffs make our products more expensive and less competitive, which opens the door for other countries to replace the U.S. as a supplier of food overseas.”

“Job-killing restrictions on steel imports today will not enhance the nation’s economic well-being any more than they did under Section 201,” Rochford said. “Rather, the imposition of steel tariffs and the retaliation sure to follow set the stage to once again handicap the U.S. economy and its workforce.”

Import restrictions hurt trade
Community welcomes Martella as CBP Area Port Director

In March of 2018, Joseph Martella took command as U.S. Customs and Border Protection’s Area Port Director for the Area Port of Philadelphia. In his new post, Martella is responsible for facilitating lawful travel and trade and conducting border enforcement and homeland security operations at international air and sea ports of entry in South Jersey, Pennsylvania, and Delaware.

Martella came to Philadelphia after having served since January 2016 as Watch Commander at the Port of New York/Newark, where he managed all facets of passenger and cargo inspection operations. During this assignment, he temporarily served as CBP’s Philadelphia Area Port Director in late 2017 during an extended vacancy here.

A native of Brooklyn, N.Y., Martella began his career in 2001 with the legacy U.S. Customs Service, and his first assignment was at the Port of Los Angeles/Long Beach. He worked on a variety of international trade enforcement teams, in which he facilitated legitimate commercial trade and interdicted shipments that violated U.S. law. At that time, former Customs Commissioner Robert C. Bonner recognized Martella for his diligent efforts to interdict illicit in-bond diversions that might have cost the U.S. about $7.5 million in lost revenue if left undetected.

Martella returned home in September 2004, when he reported to CBP’s Port of New York/Newark. He served on the Anti-Terrorism and Contraband Enforcement Team—Advance Targeting Unit, where he conducted risk analyses on shipments destined to the U.S. One such shipment of fresh yams that he targeted in February 2005 resulted in the interception of nearly 13,000 pounds of marijuana. He also served in a variety of passenger processing operations at Newark Liberty International Airport.

Martella’s trade enforcement expertise contributed to the creation of high-profile trade facilitation programs, such as the Importer Security Filing and Additional Carrier Requirements, known as 10+2. He conducted industry outreach sessions across the country, and he served as one of the agency’s principal points of contact for 10+2 inquiries.

In September 2008, Martella accepted a position at CBP’s New York Field Office, the regional headquarters, where he was responsible for oversight of cargo control operations at the ports of John F. Kennedy International Airport and New York/Newark. While there, he served as a lead trainer to advanced targeting teams across the country on using 10+2 in targeting, and he participated on a working group that reduced costs and increased revenues within the General Order program.

Martella returned to the Port of New York/Newark in 2012 as a first line supervisor and managed baggage inspections, passenger admissibility, and agriculture operations at Newark airport. In March 2015, he returned to the New York Field Office as Deputy Assistant Director for Trade and Cargo Security, where he oversaw all trade and cargo operations and CBP’s Pharmaceutical Center of Excellence and Expertise.

Martella earned two Commissioner’s Awards, one for Best Practices and Innovation and another a Unit Citation. Please join the Exchange in welcoming Joseph Martella to the Delaware River port community.
Such an approach to information management quickly generates problems due to the poor flow of information. Often the heroic actions of the administrators are what keeps the system working, but as soon as one is not available, the system screams to a halt.

To overcome these challenges, we broke down our client’s business processes and migrated the company to a cloud-based solution that provides:

- Tools to easily upload documents to a secure repository that meets the client’s information management requirements, such as knowing when a document has been updated and by whom
- A user-friendly interface that provides a list of assets that can be filtered and sorted for the quick display and export of commonly used data
- A single place for reviewing an asset’s information, including inspections, pictures, and related documents
- A plan for inspections that is automatically updated as information flows into the solution and moves through the review process

In this case, we used Microsoft SharePoint Server to create our client’s solutions as it provided the required document management features and a robust web application development, which is typical of an enterprise content management system, or ECMS.

While a custom solution may make sense, clients must appreciate the demands it will place upon them, such as licensing costs, the cost of customization, and for solution requirements and testing. Barriers may be lowered if an organization already uses an ECMS for its intranet or other applications.

If an organization is uncomfortable with establishing a customized system, it should investigate asset information management solutions available on the market. Off-the-shelf solutions, requiring little to no customization, may provide similar features to a proprietary solution, often at a lower cost. The primary risk with using an off-the-shelf product is locking an organization into a solution that cannot be easily modified or extended by consultants or staff, thereby limiting its ability to evolve. ECMS frameworks typically have large communities of third-party developers, so it is possible to get help with solution updates or a migration to a newer version, which are typically a challenge.

Making the move to a solution that facilitates the flow of information will require an investment in time and money, but the return on investment of a well-managed effort will be obvious and immediate as people are able to focus on the management of valuable assets instead of files.

Corey Tucker has over 22 years of international experience in developing applications for spatial data management, analysis, and visualization. Contact him at corey@iciinnovations.com or 709-726-4206.
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work in the industry,” said Moran Tow-
ing General Manager Nathan Hauser. Moran recently hired Nikia Bracey, a recent DME program graduate. Bracey, an Air Force veteran, is now deckhand aboard the tug “Cape Cod.” “She’s a fast learner, a safe worker, and reported to be an excellent shipmate. We think she has a bright future ahead of her!”

Moran is not the only Delaware River tug company to take advantage of the DME program. Wilmington Tug President Christopher Rowland has “already benefitted from this wonder-
ful program. One of our deckhands, Thomas Munro, has been a great new hire for us. His studies with Delaware Maritime Education and his own hard work have proven to be a key factor in his positive assimilation here at Wilmington Tug. Tommy has proven him-
self as a competent and dependable in-
dividual who has worked diligently to apply what he learned to his new role.”

Carroll said DME has helped par-
ticipants ranging in age from 19 to 43 and coming from all walks of life. “Some are students, others are profes-
sional divers, spear fishermen, HR pro-
fessionals, unemployed veterans, sail-
ing instructors, geologists, and even chefs,” she said.

With help from the maritime com-
munity, DME recently obtained a Del-
aware Department of Labor TRAIN
workforce grant. The grant funded
TWIC card applications, drug testing,
occupational physicals, MMC applica-
tions, and STCW Basic Safety training for 15 people. “We also offered over 100 online maritime instructional mod-
ules,” Carroll said. “With the help of our partners, we’ve been able to offer over 100 hours of hands-on training, to better enable candidates to obtain entry-level maritime jobs.”

Courses include confined space en-
try, hazard awareness, security drills, shipboard familiarization, and deck-
hand orientation just to name a few.

The group is now seeking addi-
tional sources of funding to help 15-20 trainees starting in the fall of 2018. In total, it can cost as much as $40,000 to $50,000 for that number of students. “It’s been an awesome year and amazingly rewarding! From rewriting resumes to going out on the response boat “DelRiver” in the icy snow, we have loved every minute of it. Each student is unique, and it is an honor and a pleasure to help them all,” Car-
roll said.

“The Carrolls and the DME team are not only fulfilling an industry need, but a societal one as well. They seem to have a keen knack for marrying enth-
thusiastic individuals with a passionate trade,” Hauser said. “Their students are clearly enrolled because they want to be there and they want to succeed.”

To help, send a check payable to Delaware Maritime Education and mail it to 413 Salt Pond Road, Bethany Beach, DE 19930. The group also wel-
comes individuals who want to donate their time and expertise to help provide hands-on training for all facets of mar-
itime work. Equally needed are firms who can offer internships and other on-
the-job training opportunities.

Contact Rosemary Carroll at info@demaritimeeducation.org for more information.

POWMS luncheon draws a large crowd

The March 26 Port of Wilmington Maritime Society luncheon featured Wilmington Mayor Michael Purzycki (center), who pro-
vided his vision for the city. Shown with Purzycki (l-r) are Dia-
mond State Port Corporation Executive Director Gene Bailey, Delaware Secretary of Finance Richard Geisenberger, Seamen’s Center of Wilmington Executive Director Joan Lyons, City of Wilmington City Council President Hanifa Shabazz, Exchange President Dennis Rockford, Port of Wilmington Maritime Society Director Lindsay Pennington.

Mayor Purzycki discussed the crime rate and giving back to the community through organizations such as the Wilmington Hope Commission, which helps formerly incarcerated men trans-
ition back into society. His counsel to maritime businesses that want to help: try to find ways to employ these individuals.

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Training future mariners
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The March 26 Port of Wilmington Maritime Society luncheon featured Wilmington Mayor Michael Purzycki (center), who provided his vision for the city. Shown with Purzycki (l-r) are Diamond State Port Corporation Executive Director Gene Bailey, Delaware Secretary of Finance Richard Geisenberger, Seamen’s Center of Wilmington Executive Director Joan Lyons, City of Wilmington City Council President Hanifa Shabazz, Exchange President Dennis Rockford, Port of Wilmington Maritime Society Director Lindsay Pennington.

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May 22, National Maritime Day

Since 1933, the United States has acknowledged May 22 of each year as National Maritime Day. The Congressional resolution proclaiming the event lauded the 1819 sailing of the steamship “The Savannah” as the first successful transoceanic voyage under steam propulsion. Thus, those depression-era lawmakers recognized the importance of ocean transportation. Congress urged the people of the United States to observe National Maritime Day by displaying the flag at their homes or other suitable places and government officials to display the flag on all government buildings on May 22 of each year.

While banks and the federal government remain open, and department stores don’t have “Maritime Day Sales,” those who depend on the maritime transportation system for their livelihoods certainly recognize the importance of merchant shipping. What may be lost, sometimes, is the storied and often dangerous history of our maritime transportation system ancestors.

It was less than a decade after Congress sought recognition for National Maritime Day that war broke out in Europe. When the U.S. entered the conflict in 1941, the merchant marine and American shipyards were crucial to victory. Then, as now, the U.S. armed forces could not fight an overseas war without the merchant marine and commercial ships to carry the tanks and torpedoes, the bullets and the beans. Merchant mariners and their shipmates of the Navy Armed Guard sailed across the Atlantic, the Pacific, through the Indian Ocean, and across the Arctic Circle to Murmansk. They carried nearly 270 billion long tons of cargo — the average rate of delivery in 1945 was 17 million pounds of cargo every hour. They had been the first to go to war; merchant ships were being captured and sunk even before the U.S. officially entered the war. And they were the last to return; it was ships sailed by merchant mariners that brought the GIs home.

It was dangerous work. Nearly one in 30 of those who served in the merchant marine did not return. More than 6,000 American seafarers and more than 700 U.S. merchant ships fell to enemy action. The only other branch of the armed forces to suffer a higher casualty rate was the Marines, and no branch suffered a higher mortality rate.

Even now, the work can be equally dangerous as sailors throughout the globe combat the escalating incidence of piracy and the sophistication and organization of today’s pirates. Yet, particularly with an increasing dependence on imported products, an efficient system of waterborne commerce is certainly more crucial to Americans now than it was in 1933.

Please join the Exchange staff in observing National Maritime Day: take time to honor the memory of those who served in the past and recognize those who serve today.
Buzby outlook for MARAD is promising

By: A. Robert Degen, Esq.

If Rear Admiral Mark H. “Buz” Buzby has his way, the future of the U.S. flag merchant fleet will be a strong one. Admiral Buzby was sworn in as the 10th Administrator of the U.S Maritime Administration in August of last year. MARAD is tasked with fostering, promoting, and developing the United States’ maritime industry to meet the nation’s economic and security needs. A key element of that mission is to assure that U.S.-flag ships and mariners are available to meet Department of Defense sealift requirements.

In April, the Delaware River maritime community was fortunate to hear Admiral Buzby outline his vision for the U.S. Merchant Marine. As a backdrop to that discussion, he provided some sobering statistics.

The admiral noted that the U.S. fleet currently includes 81 deep-draft merchant vessels, down from 183 in 1992. In that same timeframe, the percentage of U.S. international cargos carried on U.S. vessels has fallen from 4 to 1.5 percent. Although there are currently 11,800 active qualified unlimited tonnage/horsepower mariners, approximately 11,600 would be required to crew all commercial and government-owned vessels, leaving an insufficient pool of mariners to serve as relief crews.

The overall numbers also mask the severity of the problem since the pool is heavily weighted with junior officers as opposed to more senior positions such as master, chief mate, chief engineer, and first assistant engineer. The admiral believes an additional 1,800 mariners are needed now to provide necessary maritime security.

To get to that level, Admiral Buzby estimates that an additional 40 to 45 more U.S.-flag commercial vessels are needed and offered a four-point plan to increase the fleet. His plan would increase the percentage of U.S. aid cargos carried on U.S. bottoms from 50 to 75 percent, mandate that 30 percent of U.S. energy exports be carried on U.S. bottoms, create a U.S. Merchant Officer Reserve Program similar to the Naval Reserve Program, and restart the Global Maritime and Transportation graduate studies program at Kings Point.

Another important component of MARAD’s mission is to support mariner training for credentialed officers, which it does through funding the U.S. Merchant Marine Academy at Kings Point and assisting the state maritime academies. During his April remarks in Philadelphia, Admiral Buzby noted that his current budget includes some $45 million for capital improvements at Kings Point and an additional $40 million is available from a previous budget. He plans major changes there.

The admiral also believes the continued availability of state maritime academy training vessels is critical, noting that the “T.S. Empire State” at SUNY Maritime and the “T.S. Kennedy” at Mass Maritime are each over 50 years old and serving well beyond their service lives. Admiral Buzby told Delaware River port stakeholders that his FY18 budget included $300 million for a new vessel for SUNY, and MARAD plans to use FY19 funding for a new ship for Mass Maritime.

What’s most important about this is that Admiral Buzby is not a politician; on the contrary, he brings a wealth of maritime experience to the job, beginning with his experience as a cadet at Admiral Farragut Academy and at Kings Point. His Naval career spanned over 34 years, including numerous command positions both at sea and ashore. His final Naval post was Commander of the U.S. Navy’s Military Sealift Command, followed by a leadership position with the National Defense Transportation Association. This experience provided a smooth segue to his present job at MARAD.

Admiral Buzby’s vision for MARAD is encouraging to those who support a strong U.S.-flag merchant fleet that will contribute to the economic and security well-being of the United States.

Training is needed, but coordinating it is paramount

When professionals from across the broad spectrum of maritime stakeholders are talking separately about concerns over the next generation of the workforce and the need for local training opportunities, it must be important.

Indeed, industry insiders frequently cite a shortage of qualified workers as the primary challenge to growth in the maritime sector. Many positions in the maritime industry require technical skills, training, and licensing even for entry-level jobs.

Since 2003, the Maritime Academy Charter School has been preparing high schoolers — and now middle school students too — to enter a maritime college, the military, or the industry. More recently, the Delaware Maritime Education Group has helped students of all ages and from all walks of life get the critical training and required certifications necessary to gain entry-level employment aboard ships and terminal facilities.

The City of Philadelphia is partnering with PhilaPort on a workforce training initiative, and the Ports of the Delaware River Marine Trade Association, the group that trains longshoremen on behalf of ILA-facility employers, has worked with Delaware County Community College to develop training courses. Similarly, Delaware Technical and Community College has also started looking into the possibility of using federal funds to create a maritime training center on land to be donated in northern New Castle County.

The U.S. Maritime Administration, which also has training on its radar, will manage Domestic Maritime Centers of Excellence Act programs. Signed into law last December, the act creates a federally-supported role for two-year colleges for maritime training, and MARAD Administrator Rear Admiral Mark H. “Buz” Buzby has lauded the program during his recent visit to Philadelphia and at other venues.

This first-of-a-kind program allows MARAD to support community and technical college centers of excellence by providing funding, support, and technical assistance and by donating surplus federal assets for maritime education — such as marine vessels for use in training programs.

Lastly, we note that during the April 6 Diamond State Port Corporation board meeting, Gulftainer USA CEO Peter Richards spoke to his commitment to ensuring GT USA employees have the most up-to-date training possible. So much so, he said, that if Gulftainer is successful in its bid to lease the Port of Wilmington and other local facilities, the newest member of the Delaware River port community would build a training center. Eventually, Richards said, he might turn it into a college or university.

With all those separate initiatives underway or planned, it is easy to see turf battles forming over who will train which people. It would be equally easy to see some facilities largely underutilized, duplicative fundraising, and much inefficient and wasteful spending on competing programs that in essence provide the same or similar services.

DelTech President Mark Brainard told the Exchange he is not particularly interested in pursuing a new training center unless it can be created as a regional facility, with regional support, used by individuals and organizations throughout the tristate community.

This is clearly the wisest approach.

We encourage all those with a vested interest in developing an affordable, flexible, and comprehensive training program to serve the needs of businesses and individuals in the Delaware Valley to come together in a collaborative spirit. Not only will this benefit current and future industry personnel, it is almost certainly the only way we may be able to obtain federal funding for maritime training.

The Beacon is the official newsletter of the Maritime Exchange for the Delaware River and Bay. The Exchange encourages its readers to submit letters to the editor at any time in response to articles that appear in The Beacon or to address other topics of interest to the port community.

Please direct any correspondence, comments, or inquiries regarding the contents of this newsletter to:

Email: exchange@maritimedeflirv.com

Mail: Maritime Exchange
Attn: Beacon Editor
240 Cherry Street
Philadelphia, PA 19106
A great deal of press has focused on the problems associated with the renewable fuels standards, and in particular the use of Renewable Identification Numbers, or RINs. This was the impetus behind Philadelphia Energy Solutions’ recent bankruptcy filing, now successfully resolved, and the subject of recent editorials in this publication.

I have been involved in seeking the relocation of the “point of obligation” under the RFS (renewable fuel standards), which imposes requirements on merchant refiners that are not really imposed on integrated refiners. In essence, the EPA has favored the integrated model and penalized the merchant model. Fuel blenders, which sell RINs to the merchant refiners at a dear rate, maintain that these refiners could incorporate infrastructure to generate their own RINs and internalize at least some of the burden associated with RFS compliance.

This is not an article to debate whether RINs should be retired or even whether they are an efficient mechanism to achieve greater production of renewable fuels. Rather, I want to emphasize the available opportunities under low carbon fuel standards — in at least a few states.

When I first started as an attorney at Waste Management in the early 1990s, we embarked on an ambitious program to neutralize the costs of pollution control for landfill gas. These projects would siphon off the gas resulting from the decomposition of solid waste through a system that would fuel a turbine and generate electricity. The power was sold to the grid at avoided cost rates, and the operator met a basic goal of defraying what would otherwise have been an expensive flaring system. Those deals were enabled by specific tax credits, so the driver was not return on investment. A clear benefit was that they provided an economic incentive to capture as much landfill gas as possible, which helped the environment by limiting methane emissions. But it was a stagnant model.

Another iteration of these projects recognized that landfill gas was also a renewable natural gas and under the RFS (renewable fuel standards), which can also serve as a means to generate new RINs for sale or use.

Renewable natural gas is a relatively new term that incorporates some of the older ways of describing gas streams derived from solid waste, food, and animal and human wastes. Ultimately, it can be used as a fuel source in the marine industry, which is facing ever more stringent emission standards. Not only would such use drastically drive down emissions, but it could also provide certain economic incentives under low-carbon fuel standards — in at least a few states.

A facility in Pennsylvania can inject renewable natural gas into a nearby interstate natural gas pipeline. That interstate system can be tracked to California where an equal amount of gas is extracted from the pipeline there, constituting a virtual or synthetic sale of renewable natural gas. Like a virtual power purchase, allowing energy to be produced or injected at one site and extracted at a distant location, works because the national grid can be balanced for compliance. The gas extracted in California would be used as compressed natural gas for a trucking or vehicle fleet, thus freeing the RIN for use by the renewable fuel producer or as the parties choose to allocate.

A new generation of projects uses waste digesters (in which the low-quality gas is treated to meet equivalency standards for natural gas. That gas can then be deployed wherever natural gas would be utilized, except it is now considered a low-carbon fuel that meets important regulatory standards. If that use is a transportation use, a RIN may be born.

This process requires a great deal of legal review, but it is a simple concept. A facility in Pennsylvania can inject renewable natural gas into a nearby interstate natural gas pipeline. That interstate system can be tracked to California where an equal amount of gas is extracted from the pipeline there, constituting a virtual or synthetic sale of renewable natural gas. Like a virtual solar power purchase, allowing energy to be produced or injected at one site and extracted at a distant location, works because the national grid can be balanced for compliance. The gas extracted in California would be used as compressed natural gas for a trucking or vehicle fleet, thus freeing the RIN for use by the renewable fuel producer or as the parties choose to allocate.

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Notes & News

On April 24, the Exchange’s own Laura Miller and her partner Ryan Kuchera welcomed their first child into the world. Liam Kazimierz Kuchera weighed in at 5 pounds 15 ounces. Laura is a Maritime On-Line Account Manager. All are doing well. Congratulations to the happy family!

In March, Colleen Kitzmiller retired from the U.S. Department of Agriculture as its State Plant Health Director for Delaware. She was an active member of the Exchange Maritime Operations Committee and CBP-Agriculture Working Group, and her guidance will be missed. Congratulations and best of luck!

On May 3 at the World Trade Center’s Day event at the Pennsylvania Academy of the Fine Arts, World Trade Center of Greater Philadelphia presented its Global Business Leadership Award to Holt Logistics. The award salutes regional business leaders for their global vision and contribution to making Greater Philadelphia a world-class region. Well done!

In April, Amec Foster Wheeler officially changed its name to Wood Environment & Infrastructure Solutions, Inc.

Calendar of Events

05/15 Port of Wilmington Maritime Society Mix & Mingle Fundraiser
Frawley Stadium, Wilmington, DE
Contact: Lindsay Pennington, 302-656-7000

05/19 Seamen’s Center of Wilmington Tug Boat Cruise
Port of Wilmington, DE
Call 302-575-1300

05/22 National Maritime Day

05/25-28 Independence Seaport Museum Sail Philadelphia Festival
Contact: Meggan Kucinskas, mkucinskas@phillyseaport.org

06/08 AMSC Main Meeting
Contact Glena Tredinnick, glena.t.tredinnick@uscg.mil

06/11 World Trade Association of Philadelphia Annual Golf Outing
Philmont Country Club, Huntingdon Valley, PA
Contact: Megan McCormick, 215-908-6494

06/12 South Jersey Port Corporation Board of Directors Meeting
Independence Seaport Museum, Philadelphia, PA

06/13 Maritime Exchange Executive Committee Meeting

06/14 Mariners’ Advisory Committee Meeting

06/19 Seamen’s Church Institute Board of Directors Meeting

06/11 Maritime Exchange Board of Directors Meeting

07/31 South Jersey Port Corporation Board of Directors Meeting

08/03 AMSC Managing Board Meeting
Contact Glena Tredinnick, glena.t.tredinnick@uscg.mil

08/08 Maritime Exchange Executive Committee Meeting

08/28 South Jersey Port Corporation Board of Directors Meeting

09/12 Maritime Exchange Board of Directors Meeting

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