Ships with outbound goods increased in 2019

Gas exports through Marcus Hook led the pack. These ships increased from 89 to 204, with goods such as propane, butane, and ethane all showing gains. Propane exports grew an astounding 232%, jumping to 103 vessels in 2019 from 31 the previous year.

“We expect a continued increase in the exports of all our LPG products, with ethane ramping up significantly in 2020,” said Michael Nesbitt, director of marine operations at Energy Transfer, which owns and operates the Marcus Hook Industrial Complex. “This is due to the expansion of our Marcus Hook projects bringing products from the Marcellus Shale region of Pennsylvania to our terminal for export.”

Automobile and container cargos also contributed to the rise in export ships in 2019. The number of vessels loaded with outbound cars increased from 64 to 88, and ships carrying export containers grew from 738 to 811. “The volume of export cargo from the region has increased markedly over the last five years. Our community is confident this trend will continue in the future,” Myhre said.

Contact Paul Myhre at pmyhre@maritimedelriv.com for more Delaware River port statistics.

Tightening up the code

Exchange completes major cybersecurity upgrade to MOL

four to five million real-time vessel position reports per month in AIS, the automatic identification system.

Is it a wonder the Maritime Exchange takes cybersecurity very seriously?

To complement the measures already in place, the Exchange launched a multi-year cybersecurity risk mitigation project in the fall of 2018 to strengthen a key component of Maritime On-Line. Grants from the FY 2018 Port Security Grant Program and the New Jersey Department of Transportation funded the project, which the Exchange successfully completed in December 2019.

“The relationship the Port Security Grant Program maintains with the Maritime Exchange for the Delaware River and Bay dates back to program inception,” said Kimberly Chatman, FEMA Program Analyst for the program. “The Exchange as well as many of the port partners within the region exemplify collaborative planning as well as regional cooperation and collective efforts in prevention and detection through camera projects.”

Maritime On-Line was first developed in the early 1980s to digitally record and share ship schedules, information the Exchange has been collecting and distributing since 1872. In 1989, the Exchange launched TRACS, the nation’s premier electronic ocean cargo manifesting portal. The system has grown to include stow plans, advanced arrival and departure notice processing, AIS — all integrated for single-window access to conveyance, cargo, and crew information. Along with VHF radio coverage, Maritime On-Line is an important part of the backbone of Delaware River port infrastructure.

“Security has always been a priority in the development of Maritime On-Line,” said Exchange Vice President Lisa Himber, “though when we began TRACS development, the biggest security challenge we faced was how to share information among port partners while protecting proprietary commercial data within a community system. Today, protecting Exchange systems from bad actors is on a par with developing new programs and enhancing existing functionality.”

Since Maritime On-Line first came online, the system has undergone several major upgrades to meet emerging requirements. Regulatory mandates, user requests, changes in business processes, and technological advancements all drive the upgrades and enhancements to the system. But the recent cyber mitigation project is the biggest and most comprehensive to date that focused exclusively on upgrading system security.

For more information on Maritime On-Line, contact the Exchange at 215-925-1524 or opg@mnogx.org.

Interview with Andrew Saporito

Executive Director/CEO South Jersey Port Corporation

Andrew Saporito began his 58-year port authority career in 1981 at the Port Authority of New York and New Jersey. As he starts his tenure as Executive Director/CEO of the South Jersey Port Corporation, Andy took time to share his thoughts about current and future happenings at the SJPC with The Beacon.

Q: What are some of your short- and long-term objectives and priorities for SJPC moving forward?

A: Our short-term and long-term objectives are the same: leverage our international seaports to create and support family-sustaining jobs throughout South Jersey. That’s why the State of New Jersey created us: jobs and economic development!

Short-term, I’m focused on the now. I’m surveying our facilities, equipment, our business model, and best practices to make sure that the SJPC and our personnel have the resources to provide unparalleled quality customer service.

I’ve been meeting with our partners, tenants, customers, stakeholders, and industry groups to understand how we can best address their needs. We want to make sure we retain and build upon the business we have while we develop a vision and strategy for the long-term.

We need to plan strategically and grow prudently to thrive. We need to always monitor the international markets, foreign policy, and our competitors. As a port, we have to generate the revenue to continue investing in new and existing infrastructure and facilities to support future growth.

South Jersey has incredible maritime assets along the Delaware River: deep water, rail, interstate highways, large...
In the last edition of The Beacon, I discussed how so much change in our industry over the past year had contributed to a sustained high level of uncertainty and thus anxiety. Now, signs point to the possibility that the tide may be turning.

On January 15, the U.S. and China signed the Phase One bilateral trade deal. Details of this agreement, such as enforcement mechanisms and protection of intellectual property rights among others, will need scrutiny and monitoring. While Phase One is not the all-encompassing trade agreement initially sought by the administration or national business interests, it is a good first step toward normalizing trade relations between our two countries.

This has not been the only bright news. The U.S. Senate voted 89-10 to approve the United States-Mexico-Canada Agreement, following its equally easy passage in the House. This agreement replaces the 25-year-old North American Free Trade Agreement and ensures continuing and growing trade with our two largest trading partners.

At the recent Chamber of Commerce for Greater Philadelphia “Economic Outlook for 2020” conference, the speakers were generally optimistic in their economic forecasts for 2020. Consumer spending is expected to stay strong. And because of the new trade deals, manufacturing is expected to rebound and even grow.

All very positive news.

On the other hand . . .

Just as this newsletter was going to press, the president acknowledged that his steel and aluminum tariffs were not having the desired effect and had in fact hurt American manufacturers. So he announced a plan to broaden the tariffs to include products containing aluminum and steel, such as nails, wire, and certain car parts. As the New York Times reported it, while the U.S. steel industry lauded the move, “for economists and trade experts, however, the development was an ‘I told you so’ moment.”

Another issue is bound to take center stage in 2020, and it dominated the discussions at the GPCC conference: workforce development.

Sidney Brown, CEO of NFI, a global supply chain company, talked about the challenges of hiring truck drivers and warehouse workers. A tight labor market and an expansive utilization of technology drive the hiring process in ways that require extensive, targeted efforts to get the right person in the right job at the right time.

Paul Lemmo, Vice President and General Manager at Lockheed Martin echoed those concerns. With a goal of hiring an additional 1,300 employees, recruitment is a major undertaking.

The need to recruit, develop, and retain competent and reliable employees is front and center on the Delaware River. With the aging of the maritime workforce, this need will take on added importance in the upcoming years.

Our port has a number of programs in place to address the problem. For example, GT USA Wilmington recently established a facility capable of training up to 1,000 people a year. A Philadelphia collaboration, including PhilaPort, opened a regional maritime training center in October 2019. ILA workers train at the Port Technical Training Institute, and Delaware Maritime Education offers programs to help employees obtain training and credentialing needed to work aboard ships and port terminals. And of course, the Maritime Academy Charter School prepares students of all ages for maritime careers.

Positive economic news is welcome. Yet economic growth will only exacerbate the challenges of developing the workforce needed to support the increased activity. Our port has programs in place to help alleviate that concern. Is this enough or should we be doing more?
Wilmington port to host “USS Delaware” commissioning

The First State is poised to become the latest state with an attack sub namesake.

On April 4, 2020 the U.S. Navy will commission the submarine “USS Delaware” (SSN 791) at the Port of Wilmington. The “Delaware,” the 18th Virginia-class fast attack submarine, is an advanced stealth, multi-mission nuclear-powered sub designed for deep ocean anti-submarine warfare and shallow water operations that takes a crew of 136. The boat is 7,800 tons and 377 feet in length, has a beam of 34 feet and can operate at more than 25 knots submerged. Its design includes a reactor plant that does not require refueling during the planned 50-year life of the boat, reducing lifecycle costs while increasing underwater time.

Delaware’s senior Sen. Tom Carper, who served as a naval flight officer for five years during a hot war in Southeast Asia and for another 18 years as a Navy P-3 aircraft mission commander, was instrumental in getting the boat named for Delaware and for holding the commissioning in the state. In 2012, he, Sen. Chris Coons, and then-Rep. John Carney called on the Navy to name a submarine after Delaware. Multiple follow-up contacts from Sen. Carper kept the request near the top of Navy Secretary Ray Mabus’s agenda, and the Navy ultimately agreed to name a new state-of-the-art submarine for the First State.

Yet the senator was not quite done. He then petitioned the Navy to hold the commissioning ceremony in his home state. The April 4 event at the Port of Wilmington is the culmination of those efforts over the last seven years.

“Having spent nearly a quarter century studying these submarines and their operations, I know what a great honor it is to have one of these incredible vessels named after Delaware,” Sen. Carper said. “Delaware’s role in the U.S. Navy has come full circle—from a 24-gun sailing ship protecting Philadelphia from the British on the eve of our independence, to one of the world’s most impressive vessels that can operate around the globe. It is a great source of pride and joy for me that we welcome the ‘USS Delaware’ to our proud family.”

Construction on the submarine began in 2013, the keel laying was celebrated in May 2016, and the Navy took delivery on Oct. 25, 2019. The commissioning comes after the boat completed its rigorous testing and sea trials, when the shipbuilder deemed her capable of performing her mission and ready to join the fleet.

The Navy League, which is organizing the commissioning, expects attendance of over 5,000 for the Saturday ceremony, set to take place at the Port of Wilmington autoberth.

“It’s an honor for GT USA Wilmington to be part of this ceremony and to welcome the ‘USS Delaware’ to the Port of Wilmington,” said GT USA Wilmington CEO Eric Casey. “We have been afforded a unique opportunity to provide a space on our port to celebrate the next step in the Navy’s growth and advancement. We share in the pride of this commissioning, are proud to offer the vessel an opportunity to berth at its home state to honor the occasion, and especially want to thank and congratulate Senator Carper for his unceasing efforts in making this happen.”

The commissioning ceremony concludes when the commissioning pennant is raised and the crew boards the boat, after which the sub officially becomes a United States Navy.

The event is preceded by an invitation-only reception on Friday evening, April 3 and a breakfast Saturday morning. Sponsorship information for these events is available at ussdelawarecommissioning.org.

Tickets, required to attend the commissioning ceremony, are available via the website, and all guests are welcome at the post-commissioning reception following the event.

Welcome New Members

PBF Logistics Products Terminal
3rd Street & Billingsport Road
Paulsboro, NJ 08071
856-423-3432
brian.smith@pbflogistics.com

Steamship Historical Society of America Delaware Valley Chapter
146 Clover Circle
Southampton, PA 18968
215-495-8889
slldvcssha@gmail.com

More progress on 45-foot project

Significant progress toward completion of the 45-foot channel deepening project occurred from mid-December 2019 through the end of January 2020. Great Lakes Dredge & Dock has deployed two dredges and attendant equipment to the area of Reach B/Marcus Hook and Chester Range. The dredges arrived to remove rock pinnacles in seven separate areas. About half were successfully eliminated as of January 30. Pictured here, the IHC HydroHammer installed on the hydraulic excavator dredge “New York” works to clear the rock.

The Corps anticipates work will be completed by early March of this year, after which maintenance dredging will be initiated to ensure the channel from the Ben Franklin Bridge to the sea is at 45 feet.

government officials on important naval issues.

“Our goal is to assist the U.S. Navy in bringing its newest nuclear-armed submarine into the fleet,” said Navy League President & CEO Maryellen Baldwin. “To have this historic event take place in Delaware is a privilege that will now be part of Navy history and another historic milestone for the State of Delaware. Our collective contribution to the ship will include an endowed scholarship for the families of crew members, ship enhancements that can improve the quality of life for sailors on board, and protocol events that have become a Navy tradition.”

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MOL always evolving

Did you know that Maritime On-Line® enhancements are largely user driven? It’s true.

“We always make changes needed to remain compliant with regulatory requirements,” said Maritime Exchange Director of Operations Paul Myhre, “and we also update systems as dictated by changing technologies. But at the end of the day, it’s the system subscribers who drive most MOL enhancements. They provide invaluable information about the everyday use of the system.”

Having an ear cocked to listen to its user base is not the only factor that sets the Maritime Exchange apart from other service providers. Unlike any other company offering manifest filing and other critical programs in the U.S. — perhaps even the world — the Exchange is a maritime business. Exchange staff work in the industry every day, so they are keenly aware of the challenges faced by maritime businesses.

“It’s refreshing and reassuring to have a software provider that operates in the maritime industry and understands how this world works,” said Lana Gormakh, operations manager at Onego Shipping. “The Maritime Exchange routinely takes suggestions from users and implements them, making TRACS more functional.”

The largest project underway — developing an outbound manifest filing tool — came after not only user requests but a call from CBP to identify new participants in the export manifest program. The Exchange expects to launch the new program and begin participating in the pilot program in the spring.

So what does the future hold? We will let the users tell us where to go from here.

To suggest future system enhancements, contact the Operations staff at ops@mxops.org. Doing so gives you a voice and helps ensure MOL is the best it can be.

Contact Paul Myhre at pmyhre@maritimedelriv.com to see what Maritime On-Line can do for you.

Quality time with PhilaPort

The Maritime Exchange was pleased to have the opportunity to host new PhilaPort team members Angie Frederickson, Collette Pete, and Ayanna Williams (above right) in January. Thanks especially to PhilaPort’s Dominic O’Brien (left center) for coordinating the visit.

First order of business was a rundown on the many programs available through the Exchange. The talk then centered on key port issues, notably the channel deepening, agriculture imports, and port expansion throughout the region. Exchange President Dennis Rochford, Operations Coordinator Darleen Michalak (above left), and VP Lisa Himer (not pictured) provided a deep dive into Maritime On-Line and a broad overview of all things maritime at Delaware River ports.

Exchange members interested in similar port briefings are welcome anytime. Contact exchange@maritimedelriv.com to arrange your visit today!
CSX, CN launch new rail service to Philadelphia

Last fall, rail giants CSX and CN announced a new intermodal service offering from CN’s greater Montreal and Southern Ontario areas that includes a stop in Philadelphia.

“Over the long term, the freight market will increasingly depend on demand driven by the consumer economy, and the rail industry must create new intermodal services that can successfully rival the over-the-road options,” said JJ Ruest, president and chief executive officer at CN. “This interline service fits perfectly with our strategic focus on feeding our unique network through organic and inorganic growth opportunities, including extending our reach into new geographic markets.”

The service answers a need expressed by CSX customers, according to Jim Foote, its president and chief executive officer. “This new service positions us to capture market share from trucks and increases capacity in these expedited lanes, as larger container ships call at the Port of Philadelphia . . . ,” he said.

According to the Consulate of Canada in Philadelphia, Canada is the number one trading partner for the Commonwealth of Pennsylvania and the Greater Philadelphia region. “Trade between Canada and Pennsylvania accounted for more than $20 billion in goods in 2018,” said Khawar Nasim, Acting Consul General. “With the recent ratification of a new and expanded trade agreement [USMCA], we are excited by the prospect of an even stronger relationship between Canada and Pennsylvania. This new service will offer businesses easy access to the Canadian market while improving access for Canadian exporters working in Philadelphia or looking to leverage the infrastructure available in the Philadelphia region.”

The new intermodal service, which targets refrigerated shippers, effectively gives the Port of Philadelphia service from three Class I railroads. CN has dedicated the staff and equipment to make handling perishable by rail a reality.

“Having the capability of servicing discretionary cargo markets like Toronto and Montreal from the heart of the world’s most lucrative consumer markets — Philadelphia — is a tremendous added value for Philadelphia ocean carriers and beneficial cargo owners,” said PhilaPort Director of Marketing Sean Mahoney.

Mariner East pipeline construction to resume

Delaware River ports received a New Year’s present from the Commonwealth of Pennsylvania. In a January 3, 2020 announcement, the Pennsylvania Department of Environmental Protection said it would lift the nearly year-long prohibition against certain pipeline development projects.

“This action comes after DEP and pipeline operator ETC Northeast Pipeline, a subsidiary of Energy Transfer, finalized a consent order and agreement and means construction can resume on select portions of the Mariner East 2 pipeline network that is now approximately 98% complete.

Pennsylvania Energy Infrastructure Alliance spokesman Kurt Knaus said, “DEP’s recent regulatory actions demonstrate the strict oversight this project has endured — before shovels ever hit the ground and during the entire construction process. The continued vigilance by regulators ensures this pipeline is meeting the highest environmental standards. Skilled laborers who have been waiting to get back to work will finally be back on the job, putting their training to use for the safe, responsible development of critical infrastructure.”

The permit halt DEP placed on Mariner East was unrelated to work on that line. It resulted from an incident on the Revolution Pipeline in Beaver County in western Pennsylvania last year, also being developed by Energy Transfer.

Under the consent order and agreement, $28.6 million will go to the Oil and Gas Program Fund and Clean Water Fund, and an additional $2 million will be directed toward one or more DEP-approved community environmental projects that benefit Pennsylvania.

“Construction of Mariner East pipelines and supporting infrastructure at the Marcus Hook Industrial Complex will profoundly benefit the economy of the region,” said Exchange President Dennis Rochford.

Due to the significant impact associated with the Mariner East pipeline, Sunoco Pipeline, L.P. and its parent Energy Transfer commissioned an updated economic analysis from Econsult Solutions. According to study findings, construction of Mariner East projects are estimated to generate a potential one-time economic impact of nearly $9.1 billion in Pennsylvania. Construction supported 57,070 direct, indirect, and induced jobs between 2013 and 2019, with earnings of $2.7 billion affecting numerous industries.

“That Mariner East construction is moving forward again and near completion is welcome news and a great way to celebrate not only the beginning of a new year, but a new decade’s worth of regional growth,” said Rochford.
Resolved: We’ll miss Jeff Parker

After a distinguished career of over 40 years at Hamburg Süd, Jeff Parker quietly retired in 2019. Choosing to continue to serve on the Exchange board through the remainder of the year, Parker tendered his resignation in January 2020. In recognition of his many accomplishments and long years of service to the Exchange, members of the board adopted a resolution lauding Parker and extending best wishes for a long, healthy, and happy retirement. Parker (left) accepted a signed copy of the resolution from President Dennis Rochford at the Exchange’s January board meeting.

Fair winds, Jeff!

Exchange board welcomes Jeff Raven to its ranks

At its January meeting, Maritime Exchange directors unanimously voted to add Hamburg Süd’s Jeff Raven to their ranks. Raven is assuming the seat vacated by director Jeff Parker, who retired after 11 years of service to the Exchange. Raven has 25 years’ experience in the container shipping industry. In his hometown of Melbourne, Australia, he started with Maersk in 1996 in a sales position. In 2001, he joined Hamburg Süd, also in sales, and in 2003 relocated to its North American regional head office in Morristown, N.J., where he held positions in product management and IT development/roll-out. In 2017, Raven took on an export customer service role in the Philadelphia Service Center, and in mid-2019 he was promoted to the Head of Customer Service in Philadelphia, a position which also includes responsibility for Hamburg Süd’s Seattle Customer Service Center.

The Maritime Exchange board is pleased to welcome Jeff Raven; he brings a strong commercial ocean carrier background to our team.

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Fair winds, Jeff!
On Jan. 20, 2000 the U.S. Navy agreed to homeport the battleship “USS New Jersey” at the Camden waterfront. The 20th anniversary of that event just a few weeks ago prompts me to share a little information about America’s most decorated battleship.

While every day on or near the Delaware River is a good day, Nov. 11, 1999 will go down as one of my greatest. It started aboard a McAlister tug heading downriver to meet the battleship as she was towed to the Philadelphia Naval Shipyard for restoration in advance of her donation for use as a museum.

The morning was grey — fitting to match her beautiful grey hull as she moved smartly up the Delaware River on her voyage to the site where she was launched on Dec. 7, 1942. As she proceeded under the Delaware Memorial Bridge, a flotilla of tugs and other vessels packed with well-wishers welcomed her home.

The early planning for the “USS New Jersey” (BB 62), an Iowa-class fast battleship, began in 1938. Commissioned in Philadelphia on May 23, 1943 and christened by Carolyn Edison, wife of New Jersey Governor Charles Edison, a former Secretary of the Navy himself, she would be the second Navy ship named for New Jersey.

The “Big J” and Black Dragon were her nicknames, and her motto was “Firepower for Freedom.” She displaces about 50,000 long tons and has a length of 887 feet and beam of 108 feet. I would hear from Panama Canal pilots that her passage through the canal was not easy, with little room to spare in her beam.

When the “USS New Jersey” passed through the canal on Jan. 7, 1944, she was officially in the war in the Pacific. She served bravely during 1944-45, supporting many invasions and conquests on her war cruises. With nine battle stars and citations to her credit, she remained active after the war until her decommissioning at Bayonne, N.J. on June 30, 1948.

The advent of the Korean War in 1950 ensured her layup would not last long. As part of the Naval mobilization, the “USS New Jersey” was named for New Jersey Governor Charles Edison, a former Secretary of the Navy himself, she would be the second Navy ship named for New Jersey.

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The advent of the Korean War in 1950 ensured her layup would not last long. As part of the Naval mobilization, the “USS New Jersey” was recalled from the mothball fleet to provide seaborne artillery support for UN and South Korean troops. She was recommissioned at Bayonne on Nov. 21, 1950 and arrived off the east coast of Korea on May 17, 1951.

This mighty battleship served admirably in support of the U.S. and UN troops fighting in Korea until the end of the war in late 1953. Prior to departing for the U.S., South Korea President Syngman Rhee presented the ship with the Korean Presidential Unit Citation.

The “USS New Jersey” would continue to sail as a training ship for midshipmen until Aug. 1957 and once again, layup in Bayonne and be decommissioned.

It would be another 10 years before she was again called to duty. This time it was the Vietnam War. Looking for a way to alleviate heavy aircraft losses, in 1967, Secretary of Defense Robert McNamara recommissioned the “USS New Jersey” to augment the Naval gunfire support force in Southeast Asia. By September of 1968, she was on her first tour along the Vietnamese coast, serving with bravery until 1969.

Once again, with her duty completed, she headed to decommissioning at the Puget Sound Naval Shipyard on December 17, 1969.

Her next recommissioning would not result from war. This time it was President Regan’s desire to create a 600-ship Navy. On Dec. 28, 1982 the “USS New Jersey” was recommissioned at Long Beach, Calif. after a 13-year layup. Once again the “Big J” would roam the seas, displaying her power and might. It would not be long before a bloody civil war would start in Lebanon, leading to the deaths of some of our Marines. By September 1983, the “USS New Jersey” arrived on the scene and commenced firing her guns at hostile positions inland of Beirut. This would be her heaviest shore bombardment since the Korean War, and this engagement would be her last.

The “USS New Jersey” remained on active duty until Feb. 8, 1991 when she was decommissioned for the final time at Naval Station Long Beach, Calif. after serving a total of 21 years in active service. With a total of 19 Battle and Campaign Stars, the “USS New Jersey” is America’s most decorated battleship and surviving warship, and we count her as one of the foremost treasures of the tristate region.
It’s a brand new year, and with it are predictions for technology trends to expect over the next twelve months. Depending on your place in the spectrum — inventor, engineer, manufacturer, shipper, early adopter, grudging user — either tech is not progressing fast enough or you may be calling for a breather to figure out how to use the gadgets you purchased last year. Regardless of where you stand, here are just a few trends to keep an eye on in 2020.

AI and machine learning in cyberspace

It is not a secret that the bad guys work overtime to infiltrate, steal, harm, hack, and otherwise make navigating the web or opening an email seem like a risky proposition at the best of times. While not a magic bullet, strides in artificial intelligence and machine learning can detect and analyze threats much quicker than any human and reduce response times to seconds rather than hours. Look for a more widespread use of AI by major cybersecurity providers.

Autonomous “things”

Security isn’t the only application for AI — drones, robots, self-driving vehicles, and autonomous ships will become more prolific in 2020 and beyond. Part of this push is an ever-increasing desire for near-immediate delivery of our “stuff,” coupled with lower shipping and delivery costs. Many logistical, safety, and regulatory hurdles must be overcome before humanless vehicles become mainstream, but as the technology improves, we inch that much closer to next-hour drone deliveries and robot chauffeurs.

Faster hard drives

Have you purchased a new PC or laptop recently? If so, chances are the hard drive might be an NVMe SSD, a non-volatile memory express solid-state drive. Clunky spinning-disk hard drives and the previous generation of solid-state drives are at death’s door. NVMe reads and writes four times faster than earlier tech, with an additional 10 times faster on seek. The more “sea-soned” workers among us will remember when rebooting a computer was a great excuse to go get coffee. Now the login prompt appears before you have a chance to grab your cup and get out of the chair.

Still trending from 2019

Some earlier tech is still on the radar. Blockchain continues to gain traction, though it is slower than its proponents may have hoped. The transportation sector in particular may turn out to be one of its bigger champions as there is significant interest in using the technology to improve visibility into the end-to-end supply chain. The main telecommunication carriers are competing to position themselves as 5G leaders. With the promise of wireless communication speeds at up to 20x, look for limited rollouts in more major cities in the U.S and additional 5G-capable phones coming to market.

Innovations in technology provide better and more timely access to critical shipping and business information than ever before. They allow more of us to work from home, get next-day deliveries (and sometimes same-day), and connect seamlessly to colleagues, business partners, and customers almost anywhere in the world. We may still be required to drive our own vehicles to work, but at least some of the cars can parallel park themselves. We’re getting there.

Paulsboro has the potential to become the epicenter of New Jersey’s green energy economy. We built it to handle conventional cargo such as breakbulk, containers, and even automobiles, but it can also support the movement of enormously heavy generators and massive monopiles required for the wind energy projects being planned and developed off of the coast of New Jersey and nearby states. Paulsboro Marine Terminal is still under construction, with full build out of Phase 2 to be completed in 2021.

Q: What challenges do we as a region need to address to grow commerce and jobs in our port community?

A: We have to work together as a port community. A 45-foot channel benefits the cars can parallel park themselves. We’re getting there.
While we might soon see autonomous ships and flying cars, when the Maritime Exchange was first formed in the late 1800s, the telegraph was still the hottest tech around. The Exchange maintained a series of watch stations from the Delaware Bay north and transmitted information about ship movements from one to the other until it reached Philadelphia.

Once there, staff logged information in permanent record books and posted ship schedules on a chalkboard. Members of the port community would gather on “the floor of the Exchange” in the Bourse Building not only to learn about expected ship arrival and departure times but also to meet with their colleagues and share the latest news.

The earliest networking at Delaware River ports . . .
PMTA reports gains

Negotiating a new contract is a chore most parties would rather avoid. So when the PMTA — Ports of the Delaware River Marine Trade Association — and the locals of the International Longshoreman’s Association operating at Delaware River ports inked a new six-year contract, it was cause for celebration.

“A longer-term agreement gives the shipping public the breathing room to make credible supply chain decisions, and it gives both waterfront employers and workers a stable base on which to attract business to the Delaware River,” said Robert Palaima, President of Delaware River Stevedores, Inc.

While the master contract for ILA at East and Gulf Coast ports has been in place since September 2018, local employers and labor leaders continued discussions until December 2018 when the contract was ratified. It was then made retroactive to Oct. 1, 2018 to coincide with the expiration of the previous contract.

“The 2018-2024 agreement includes a number of salary and benefit increases for the workers,” said PMTA President Patrick T. Dolan, “and our local agreement continues to be one of the most user-friendly contracts up and down the coast. Everyone realizes the importance of flexibility for our customers, so we maintained the hiring and starting times to make doing business in our ports that much easier.”

Container vessels calling Delaware River ports can start on the hour from 0700 to 0100.

That the PMTA-ILA decisions are on target was apparent in the PMTA’s latest update.

Dolan said ILA hours rose sharply over the year the new contract has been in effect. From the one-year period ending September 2018 to the same period in 2019, hours worked increased from 1.920 million to 2.047 million, a 6.63% jump. “We haven’t seen numbers like these since 1990,” Dolan said.

Recent cargo volume increases and port development activity have also led to a gain in the total workforce. Over 1,300 new employees were added to the rolls over the last several years. The secondary workforce has almost 200 workers, and the “basic unit level” roster, which includes workers with the highest seniority, has over 500 employees. Dolan said the number of female workers continues to grow as well.

“The first woman came on board in 1998,” he said, “and about 10% of ILA workers today are female.”

“The members of the Delaware River ILA locals are professionals, and everyone works to make it work,” said Maritime Exchange President Dennis Rochford. “This customer-oriented approach continues to serve our port, and more importantly, its customers, very well.”

The PMTA has served the Delaware River port community since 1947. It represents all ILA employers in southeastern Pennsylvania, southern New Jersey, and Delaware.
CAPT Anderson to receive Spirit of Port

By: Helene Pierson, Executive Director
Seamen’s Church Institute

The Spirit of the Port Award is presented each year by the Seamen’s Church Institute of Philadelphia and South Jersey to an individual, selected by maritime community leaders, who epitomizes the spirit and humanity of our ports. This year’s recipient is CAPT Scott E. Anderson, Commander, Coast Guard Sector Delaware Bay.

CAPT Anderson graduated from the U.S. Coast Guard Academy in 1994 and has just completed his 25th year of service. He has been in our region since 2015, when he joined Sector Delaware Bay as Deputy Sector Commander. In June 2017, he became Captain of the Port.

The duties of commander are significant as they include overseeing 750 active duty, reserve, and civilian personnel as well as 2,100 Coast Guard Auxiliary volunteers. The responsibilities include marine safety, security, and environmental protection across much of Pennsylvania and New Jersey, and all of Delaware out to 200 miles offshore. CAPT Anderson’s notable career will be highlighted in more detail at the luncheon.

When Ray Heinzelmann, Spirit of the Port Committee Chairperson, told him he was the committee’s selection, CAPT Anderson humbly expressed, “I am truly speechless. There are so many great people making a difference every day in this port — to even be considered is a tremendous honor.”

SCI’s interaction with CAPT Anderson is just a small part of his vast responsibilities. We are impressed by his spirit and humanity, which made him an easy choice as Spirit of the Port Award recipient for 2020. We interact with him officially mostly as the leader of the Area Maritime Security Committee. Near and dear to our mission, the first Coast Guard Auxiliary Volunteer Chaplaincy Program came to fruition during his years of service here. We observed as his team carried on with the utmost professionalism during the government shutdown in early 2019, which affected many Coast Guard families. We are most impressed by his presence in the region’s maritime community throughout his tenure here. In addition to the many lunches and dinners that occur with the various agencies of our community, CAPT Anderson has run in both Philly Ship Run 5K events in the cold of November, including our 2019 run after breaking his leg earlier in the year.

SCI President Capt. David K. Cuff said, “It is a real honor to give CAPT Anderson the Spirit of the Port award. His leadership and friendship to the seafarer and port community have been invaluable.”

Two former Captains of the Port sent their regards upon learning of CAPT Anderson’s recognition. SCI Board Member and Captain of the Port during 9/11 CAPT Greg Adams remarked, “As a fellow SOP recipient, I am pleased to see that the Coast Guard, through CAPT Scott Anderson’s strong command leadership, is again being recognized for the invaluable maritime safety and security service it provides to the port community throughout the Delaware River and Bay.”

CAPT Anderson’s predecessor, CAPT Benjamin Cooper sent warm regards, “Scott Anderson is a good friend and a fantastic choice to receive the Spirit of the Port recognition. His dedication to the maritime community, the Sector Delaware Bay team, and the maritime safety, security, stewardship across the three-state region is highly commendable.”

While CAPT Anderson is originally from the Las Vegas area, we hope that he and his wife, TraceyAnn will make our region their home, and we will continue to benefit from his inspiring leadership and presence. Please visit sciphiladelphia.org to learn more about attending and supporting the Spirit of the Port event.

Save the dates for events that support SCI:
March 5, 2020: Spirit of the Port Award Luncheon at Auletto’s, 1849 Cooper Street, Deptford, NJ 08096
April 27, 2020: 10th Annual Golf Tournament at Manufacturer’s Country Club, 511 Dreshertown Road, Ft. Washington, PA 19034
November 7, 2020: 3rd Annual Philly Ship Run 5K and Walk at the Philadelphia Navy Yard

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Maryland
222 Inner Harbor East
Suite 114
Baltimore, MD 21202
Tel: 410.387.1155
Fax: 410.387.1156
Christmas at Sea shines a light on seafarers’ mental health

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

As the new year begins and we reflect on our just-completed Christmas at Sea program, I can’t help but think about the crews we met and their reactions to the presents we distributed. Repeatedly we heard how much they appreciated the gifts. Yet an even greater overwhelming theme was that the ditty boxes reminded them they were not forgotten.

Some recent studies, including one done by Yale University, have identified potentially dangerous levels of depression, anxiety, and suicide risk for seafarers. One study found that “The data on suicides proves that the mental health of seafarers in many cases continues to be very poor and often fatal.”

Among the reasons these men and women are so prone to depression is that their jobs are physically taxing, and they often work long hours with little sleep. They can also be stressed by the dangers of their onboard living, including the threat of accidents and piracy. Beyond long work schedules, limited diets, and isolation, extended periods away from home and family are also contributing factors.

Also at play may be Seasonal Affective Disorder, a condition possibly stemming from lack of sunshine that increases depression. For seafarers who live and work in a metal box, lack of sunlight is probably a year-round situation.

As someone who has boarded ships for many years, I am sure communication between seafarers speaking different languages also contributes to stress.

Seafarers’ families move on with their lives while these workers go to sea. They miss births of children and milestones of all types in an effort to support their families. It is no wonder that their mental health is at risk and that they feel like the forgotten workers of our world.

In the grand scheme of things, putting a few gifts into boxes and wrapping them in festive holiday paper seems like such a small thing. But it makes a huge difference in the lives of these soldiers of the sea. The Seamen’s Center of Wilmington is proud to be able to do its part to support these unsung heroes.

This year, why not make a resolution to join us in our important mission? Only a few hours a month can make a difference. Contact scw@scwde.org or call 302-575-1300 to learn how you can help make a difference in seafarers lives!

SCW Executive Director Joan Lyons delivers holiday ditty boxes to seafarers at the Port of Wilmington.
Reminder: last “Seafarer Access” deadline nearing

In April of 2019, the U.S. Coast Guard published a long-awaited rule to benefit seafarers and others who need routine access to regulated maritime facilities.

Under the regulation, marine terminal owners/operators must implement systems to provide seafarers, pilots, and representatives of seafarer welfare organizations with access between vessels docked at their berths and the facility gates. While terminal operators have generally provided such access in the past, the new requirement stipulates that such access must be timely and offered at no cost to the covered individuals.

Facilities must update their security plans to document the access procedures and submit the plans for approval to their captains of the port.

“The final rule provides regulatory flexibility to owners and operators to determine the method(s) of shore access that best suit the size and function of their facilities. These methods may include, but are not limited to, providing regularly scheduled or on-call shuttle service, taxi service, arrangements with seafarers’ welfare organizations, or monitoring of pedestrian routes,” said Captain of the Port and Commander of Sector Delaware Bay CAPT Scott E. Anderson last year when the rule was published.

“Since the Coast Guard finalized MTSA [Maritime Transportation Security Act of 2002] implementing regulations in 2005, Delaware River port owners and operators have largely been extremely accommodating to seafarers, the Seamen’s Church and Seamen’s Center, and the pilots,” said Exchange VP Lisa Himber. “The Congress included this new requirement in its Coast Guard authorization bill for 2010 because the same is not true in other port regions. We are very fortunate on the Delaware River,” she said.

Key dates

The final rule became effective May 1, 2019.

The date for facilities to have amended their security plans and obtained Coast Guard approval just passed on February 3, 2020.

New procedures for access control outlined in the amended plans must be in place not later than June 1, 2020.

Congratulations to Exchange IT Director Michael Fink (center), who was recently elected as a vice chair of the American Association of Port Authorities Information Technology Committee! At the AAPA Leadership Summit on Jan. 28, 2020 in Tampa, Fink and his colleagues gathered to help AAPA shape the goals and objectives for each of its technical committees.

Joining him were (l-r) Christopher Connor, AAPA President and CEO, Michelle Thames, Chief, Information Systems of Port Miami, Kenneth Washington, Vice President and CIO of Port Tampa Bay, and Meredith Martino, AAPA Vice President of Member Engagement.

Fink joins AAPA leadership team

PhilaPort

Just 3 reasons to Ship Philly First!

www.philaport.com
The Ports of Philadelphia Maritime Society plans to award five scholarships of $1,500 each to students pursuing maritime, transportation, or logistics degrees. Those seeking to advance their professional skills and update or obtain Coast Guard licensing are eligible to apply. Individuals currently employed in the maritime field can use scholarships to participate in marine, maritime, or port-related professional development programs. Applicants must reside or work in the tristate area.

Scholarship applications are due by March 31, 2020, and applications are available on the Maritime Society website at www.portsofphilamaritimesociety.com. The scholarships will be awarded at the Maritime Day Dinner in May.

Over the past six years, the Ports of Philadelphia Maritime Society has awarded 28 scholarships after collecting over $300,000, along with the Independence Seaport Museum and the Maritime Academy Charter School. With the financial assistance of sponsors, the organizations host several events, including the Annual Maritime Day Dinner at the Independent Seaport Museum. The three organizations distribute the proceeds through their individual scholarship programs.

The Ports of Philadelphia Maritime Society is pleased to announce that John Brady, President of the Independence Seaport Museum, will receive its prestigious Person of the Year award for 2020. Brady will receive the award at the society’s annual dinner, set for this year on March 19 at the Cescaphe Ballroom. Visit www.portsofphilamaritimesociety.com for more information.

Brady is PPMS “Person of the Year”

PhilaPort welcomes new containerized auto facility

A new, state-of-the-art center for containerized auto shipping opened in December near the PhilaPort Packer Avenue Marine Terminal in South Philadelphia.

Freight forwarder CFR and logistics provider GWSI developed the facility to serve high-volume exporters buying vehicles in bulk at auto auctions around the U.S. The two companies anticipate shipping thousands of containers through the first year of operation and ramping up significantly over time.

According to the partners, the site offers high-security storage for over 1,200 vehicles, flat rates year round, and a host of other advantages. “I’ve seen containerized auto shipping facilities all over the U.S. and around the world,” said CFR Co-Owner Christoph Seitz, “and this is the best laid-out site on the U.S. East Coast.”

“We welcome CFR to our community, we appreciate their business, and we are confident they will succeed working with GWSI, a trusted stakeholder in our port,” said PhilaPort Director of Marketing Sean Mahoney. “The Port of Philadelphia is in full support of this endeavor.”

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Confined space: The initial test of the atmosphere

By: Capt. Gavan Dunleavy

International maritime standards are thorough. They require vessel crews worldwide to have extensive training and certifications that permit them to sail.

Lately, industry has focused on the hazards of working in confined spaces on ships. Yet one thing may have been overlooked: the limited training officers receive regarding the testing of confined spaces.

Generally, as long as the officer testing the confined space approves safe entry, most will take his or her word for it, sign the required paperwork, and enter the space. This assumes that the officer is properly trained and can competently give the “all clear.” Unfortunately, this assumption is not based on practice or reality. Without adequate training, the officers expose themselves and subsequent entrants to unknown risk.

Current maritime guidelines state that humans can enter a tank when its atmosphere contains 19.5% to 22.0% oxygen. A ship’s officer with inadequate training could get a reading of 19.8% oxygen in a space and very well extrapolate that it is safe, allowing employees to enter. On the other hand, an officer trained on confined space entry and the use of multi-gas meters would infer this lower percent of oxygen is a sign of some irregularity in the tank.

Within a shipboard tank, coating breakdown exposing the metal substrate within the tank is one of the most common occurrences. This chemical reaction allows for the formation of iron oxide, or rust, which can deplete oxygen inside the space and occasionally increase the levels of hydrogen as a byproduct. Hydrogen can be very explosive at certain concentrations.

It is therefore imperative that the officer making the test be trained to understand what the meter is saying about the space. Officers authorized to test and certify confined spaces for crew entry must have a comprehensive understanding of the limitations of the gas detection equipment. They must also be aware of what the meter can measure and the permissible levels allowed for human entry. They must be familiar with common toxic vapors, such as carbon monoxide or hydrogen sulfide, sometimes found in confined spaces, and they must know what else could be lingering in the space from carrying prior substances.

The obligations of the tank tester do not just end at the entrance to the space. After reading industry-acceptable values on the meter from outside the space, the tester must enter with the meter to establish a complete sample. The entry provides an opportunity for the officer to confirm that no physical hazards exist within the space.

Within the last couple of years, international bodies have called for more confined-space awareness for crews. Vessel staff are now required to participate in confined-space rescue drills, and vessels must carry the appropriate gas detection equipment. Since the amount of training seafarers must complete to maintain their credentials is growing by the year, the addition of yet another requirement could be discouraging.

Nonetheless, it is only prudent to push for specific training for officers whose duties require they check confined spaces. The International Maritime Organization should include rigid standards — requiring that training is conducted by a qualified organization (such as a marine chemist or industrial hygienist in the U.S.), for example — within the convention of the Standards for Training, Certification and Watchkeeping for Seafarers, the best assurance of compulsory compliance.

Unfortunately, owners of much of the world’s fleet do not have the luxury of obtaining a U.S.-based gas chemist or equivalent on short notice or out at sea. The shipping industry and its seafarers can only benefit from gaining a deeper understanding of the need to test confined-space atmospheres properly. When health and safety are at issue, we must be proactive not post-accident active. The costs are minimal compared with the costs of litigation and compensation following accidents resulting in injury or death.

The crew and officers onboard are the first line of defense in preventing a confined space accident, and we must give them the tools they need to do their jobs effectively.

Confined-space awareness for crews. Vessel staff are now required to participate in confined-space rescue drills, and vessels must carry the appropriate gas detection equipment.
Tariffs are taxes, plain and simple

On the Delaware River and throughout the country — at seaports on the coasts and in the heartland — Section 232 tariffs have had only harmful effects. The nation’s farmers are clearly struggling, and they are not shy about vocalizing their concerns. We do not by any means begrudge the farmers (or the manufacturers, or the downstream industries) their efforts to make their voices heard. On the contrary, we applaud them. Yet it sometimes seems the hit to the maritime industry is getting lost among the clamor.

Historically, the number of ships bringing steel cargos to Delaware River marine terminals has averaged 10 percent of total vessel arrivals each year. Following the imposition of these tariffs in June of 2018, steel ship arrivals at Delaware River ports plummeted, decreasing from 207 in 2017 to 117 for 2019, or about 5.8% of the total ship calls last year.

Take a moment to calculate what the Section 232 tariffs have cost your business. Then think about all your partners in the transportation chain. Ours are you will agree that the entire maritime industry in this region is feeling the pinch caused by this substantial loss of business.

Call them what you will, but make no mistake about it: 232 tariffs are taxes. Taxes on hard-working Americans and nearly 330 million U.S. consumers. About 300,000 jobs lost to the trade wars as of September 2019, according to Moody’s Analytics, jobs across numerous industry sectors, including seaports.

Many organizations are coalescing to make their voices heard, under umbrella groups like Americans for Free Trade, Tariffs Hurt the Heartland, and the American Association of Port Authorities. Yet another association has put substantial money where its mouth is.

AIS v. the U.S.

The American Institute for International Steel has sued the U.S. government to have the Section 232 statute declared unconstitutional on the grounds that it violates the non-delegation doctrine. AIS’s case is clear. It alleges in part that Section 232 violates the Constitution by allowing the president to assume duties reserved for Congress and to act without the checks and balances the nation’s founders intended for the three branches of government. While a Senate effort is underway to draft bipartisan legislation aimed at reining in the president’s authority to unilaterally impose trade barriers, it is unlikely to gain any traction. Such legislation faces exceptionally long odds in the current political climate, and the president would certainly veto it if it did somehow manage to pass both chambers of Congress.

Equally clear is AIS’s goal. It will take its case to the U.S. Supreme Court if needed. Over the past 18 months, this legal challenge has navigated its way through various twists and turns as it moved from the U.S. Court of International Trade to the Court of Appeals for the Federal Circuit in Washington, D.C. Beyond the initial suit, AIS is back in court with a new initiative seeking to establish a class action that would allow recovery of previously paid Section 232 duties. Anyone who has paid these duties may be entitled to a refund if AIS succeeds.

For AIS to continue fighting, a minimum of $250,000 must be raised. The Exchange will contribute an additional $2,500 to help AIS in this battle.

We ask all members of the Delaware River maritime community to support this important cause. Please give as much as possible, not just to end the current tariffs but to prevent any president from taking similar action in the future.

Our ability to raise just $50,000 towards these legal costs, a fraction of the amount raised in other port areas, will go a long way towards helping AIS — and ultimately, all of us on the Delaware River — achieve its goal.

Please give as generously as you can to AIS for its representation of our interests.

Note that contributions are tax deductible as a business expense.

Make checks payable to AIS and send to: American Institute for International Steel, 1180 Cameron Street, Old Town Alexandria, VA 22314.

Pilotage not to be taken lightly

As people all over the world were deep in holiday cheer and preparing for their new year celebrations, the family of Sandy Hook pilot Dennis Sherwood was shrouded in grief. In the early morning hours of December 30, the 35-year veteran was hurt in a fall from a pilot accommodation ladder and later died of his injuries.

The global maritime community mourns with the Sherwood family.

The incident reminds us of how fraught with danger piloting can be. Pilots associations worldwide place a very high premium on safety; navigating safely is in fact their only goal. Many a time has Capt. Jonathan Kemmerley, president of the Pilots’ Association for the Bay & River Delaware, been heard to say, “We will not move the ship if conditions are not safe to do so.” Pilot groups are as deeply entrenched in their communities as other port businesses, and they certainly concern themselves with factors that contribute to an economically viable port, such as the velocity of cargo throughput and efficiency of vessel movements. But to pilots the economic health of the port always takes a back seat to the physical health of its mariners.

Local pilots are charged to bring the increasingly larger commercial cargo ships from the oceans up the rivers and through the harbors to the marine terminals where the ships discharge and load their cargos. While ship masters remain the overall authority on board during these transits, the pilots’ knowledge of their waterways — such as the exact location and dimensions of the shipping channel, where shoaling has taken place, whether submerged objects or other hazards exist — provide the master with invaluable guidance. Without this service, the world’s ports could find that the safe arrival of vessels and cargos is the exception, not the rule.

But we as a public — including many who work in the international maritime industry and clearly the consumers who expect fresh bananas for their morning cereal and gas in their cars — tend to take navigational safety and the men and women responsible for it for granted, if we think about it at all.

That is, until tragedy calls attention to it.

The international convention known as SOLAS, Safety of Life at Sea, first adopted in 1914 in response to the sinking of the “Titanic” and updated several times since then, specifies minimum standards for the construction, equipment, and operation of ships to ensure mariner safety. Among many other provisions, it covers fire protection, carriage of dangerous goods, radio communications, and of course, life boats. SOLAS also specifically dictates how pilot transfer is to take place, including arrangements for what is commonly referred to as the “Jacob’s ladder” sometimes used by pilots and others to board large cargo ships while underway or at anchor.

Even if a ship adheres to or even exceeds the minimum safety standards, and regardless of a mariner’s training and experience, accidents can still happen. Too many factors outside the mariner’s control can conspire to turn a routine activity into a disaster. Strong winds, high seas, navigation aid failure, even poor communications after a fall that prevent rescue have all contributed to the loss of pilots while in the act of doing their jobs.

Pilotage is risky, and the men and women who undertake it deserve our recognition and gratitude.
As members of the maritime industry are aware, the risks associated with the ocean transportation of cargo do not begin or end with the loading or discharge at our marine terminals. Stakeholders must consider their potential liabilities during the inland portion of the transportation as well as the ocean carriage.

In the Summer 2015 issue of The Beacon, I discussed the growing number of injury and death claims against shippers, brokers, forwarders, and steamship lines following motor vehicle accidents involving commercial trucks draying containers or otherwise transporting cargo to or from point of origin or inland destination. Of course, the motor carrier bears primary responsibility for an accident, but many small and mid-size trucking companies carry only $1 million in auto liability coverage, an amount insufficient to satisfy the wrongful death or catastrophic injuries suffered by third-party motorists. A car or SUV is simply no match for an 80,000-pound truck.

So we now see plaintiffs’ attorneys suing just about everyone else in the transportation chain. The target defendant is generally the party responsible for the inland transportation, although a logistics provider or other intermediary may also be sued on the theory that it negligently selected an unsafe motor carrier. In either case, the potential jury verdicts can run into the millions, and even tens of millions in some cases.

Our 2015 article focused on best practices to avoid such liability when hiring motor carriers. In the intervening years, developing case law suggests a purely legal avenue of defense against such claims — federal preemption.

At the risk of oversimplifying a very complex legal concept, the Supremacy Clause of the Constitution provides that state legislators and courts may not enact or enforce laws that are contrary to federal law. In the event of a direct conflict, federal law will usually prevail.

For our purposes, the focus is on a federal transportation statute that prohibits state and local governments from enforcing any law relating to “a price, route, or service of any motor carrier . . . broker or freight forwarder with respect to the transportation of property.” Brokers and others facing negligent hiring/selection claims have invoked this statute as a complete defense with increasing success in the federal courts.

Although the statute is commonly known as the Federal Aviation Authorization Administration Act (FAAAA), it has been applied to the interstate movement of property via all forms of transportation. Attorneys for brokers and shippers argue that the imposition of a state-law duty to select a competent and “safe” motor carrier directly conflicts with the FAAA mandate against the state’s interference with the transportation of cargo in interstate commerce.

In the last two years, at least four federal trial courts have ruled that negligent hiring/selection claims are preempted by the statute, and two decisions are pending appeal in the appellate courts of the 9th and 6th circuits.

Several other district courts have made contrary rulings and allowed the claims to proceed to trial. They reason that 1) negligent selection claims are not sufficiently related to the prices or services of a broker or forwarder and/or 2) that such claims fall within the safety exception of the FAAA, which specifically provides that “the safety regulatory authority of a State with respect to motor vehicles” is not restricted by the preemption provision of the statute.

Although the lower federal courts are currently divided on the issue, the current trend seems to favor preemption. At least two cases are now on appeal in the federal circuit courts, and we expect the Supreme Court may ultimately take up the issue in the years to come.

The federal preemption defense applies only to state law claims and should have no impact on claims for damaged cargo shipped under a through bill of lading.

The bottom line is that those hiring motor carriers to perform inland cargo transportation must continue to establish and follow (and follow) vetting procedures in order to avoid liability on state negligent selection claims. Most importantly, you may want to consider insuring against this potential liability exposure.

For a copy of the 2015 article, “Hiring motor carriers? Don’t get caught between a rock and a hard place” contact the author at reeves@lawofsea.com.
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Calendar of Events

2/26
Seamen’s Center of Wilmington Board Meeting

2/27
Greater Philadelphia Energy Action Team (GPEAT), Networking for the Energy Economy
Kimpton Hotel Monaco, Philadelphia, PA
Contact Christina Coleman, coleman@chambereph.com

2/28
AMSC General Members Meeting, USCG Sector Delaware Bay
Contact Gena Tredinnick, giena.t.tredinnick@uscg.mil

3/5
Seamen’s Church Institute Spirit of the Port Luncheon
Honoring CAPT Scott Anderson, USCG District Commander
Auletto’s, Almonesson, NJ
Contact Cindy Ryan, cryan@sciphiladelphia.org or 215-940-9900 x 104

3/11
Maritime Exchange Board of Directors and Annual Meetings
Maritime Exchange Annual Election

3/19
Ports of Philadelphia Maritime Society Annual Dinner
Cescaphe Ballroom, Philadelphia, PA
Contact Linda Greene, dbrcadmin@dbrcinc.org, 610-859-2830
World Trade Center Greater Philadelphia 17th Annual Global Business Conference
Temple University, Alter Hall, Philadelphia, PA
Visit www.atcphila.org

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World Trade Center Greater Philadelphia 17th Annual Global Business Conference
Temple University, Alter Hall, Philadelphia, PA
Visit www.atcphila.org

4/1
Vessel Owners’ & Captains’ Association Dinner
Sheraton Philadelphia Society Hill Hotel, Philadelphia, PA
Contact Bill Anderson, mail@generalmarine.org or 856-488-8300

4/8
Maritime Exchange Executive Committee Meeting

4/14
U.S. Customs & Border Protection Quarterly Meeting
U.S. Customs House, Philadelphia, PA
Contact Chief Elliot Ortiz, elliott.n.ortiz@cbp.dhs.gov

4/27
Seamen’s Church Institute 10th Annual Golf Tournament
Manufacturer’s Country Club, Ft. Washington, PA
Contact Cindy Ryan, cryan@sciphiladelphia.org or 215-940-9900 x 104

5/1
AMSC Managing Board Meeting

5/5
Port of Wilmington Maritime Society Spring Fundraiser
Contact Lindsay Pennington, director@powms.org

5/13
Maritime Exchange Executive Committee Meeting
Maritime Exchange Board of Directors/Organizational Meeting
Maritime Exchange Membership Reception/Unsung Hero Award Presentation
Corinthian Yacht Club, Essington, PA
Contact Beverly Ford, bford@maritimedelriv.com or 267-670-7946

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