Port Authority Chairman Urges Washington to Focus on Remaining Port Security Issues

A year after the Security and Accountability For Every Port Act became law, a number of important maritime and port security concerns still need attention, Port Authority Chairman Anthony Coscia told a U.S. Senate committee.

The Port Authority fully supports the SAFE Port Act and is working with government agencies and the private sector to ensure it is implemented smoothly, Coscia said October 4 in testimony to the Senate Committee on Commerce, Science and Transportation. He said the law and an earlier measure, the Maritime Transportation Safety Act of 2002, have had a positive impact on homeland security.

But urgent issues remain, he said, in areas that include cargo security, credentialing, response and recovery, funding and resources, and research and development. One key need is to ensure that mandatory minimum security standards apply to all containers destined for the United States, not just those with the cargo of importers that enroll in the voluntary Customs-Trade Partnership Against Terrorism program. Importers that go beyond the requirements can be accorded expedited handling, but those that cannot meet the minimums “should be faced with a ‘red lane,’” Coscia said.

“The potential for terrorist activity stretches from the cargo’s overseas point of origin to where the cargo is placed into a container to any point along the cargo’s route to its ultimate destination,” Coscia said.

“Our goal should be to increase our level of confidence that we know the contents of containers before they are even loaded on a ship destined for a U.S. port. The security process must also include an ability to verify (continued on page 3)

NRS Follows Sinotrans Venture With Plan For 200-Acre Facility

National Retail Systems Inc., which began life 55 years ago as a one-truck delivery service in New York City, launched a project to build a sprawling freight distribution complex for the retail sector.

Called “NRS City,” the 200-acre complex will take shape over the next three years within 10 miles of the Port Newark-Elizabeth Port Authority Marine Terminal, at a New Jersey site near the junction of the borders of Secaucus, Jersey City and North Bergen. Total cost is expected to approach $500 million.

The announcement, made at the New York-New Jersey Port Industry Day conference in October, was followed by Secaucus-headquartered NRS’s launch of a joint venture with Sinotrans, China’s biggest logistics company. The venture, named SinoNRS, will offer U.S. retailers integrated factory-to-store movement of Chinese-made products.

Raymond Wisniewski, NRS president and chief operating officer, said the company’s new freight complex will be “one of the most advanced distribution operations in the world.” It will feature two 100,000-square-foot container transload facilities, and the yard complex will have the capacity to hold 3,000 containers or trailers. Also being developed is an intermodal rail yard with direct access to main rail lines next to the site near an existing U.S. Postal Service sorting facility.

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FRIEND OF THE PORT IS A REGULAR FEATURE IN PORTVIEWS

Port businesses are embracing an exciting new approach to education by participating in a work-study program with Christ the King Preparatory High School in Newark. The school, which opened in September 2007, is a member of the Cristo Rey Network, a 12-year-old nationwide school program that provides the opportunity for students to pay for 70 percent of their tuition for private college preparatory school by working five days a month.

Corporate sponsors pay the school $25,000 annually to hire a team of four students to fill entry-level clerical positions. There are 25 companies participating in the program here, including Port of NY & NJ-based AarhusKarlshamn USA Inc. (AAK USA Inc.), FAPS, Inc., and Maher Terminals, LLC.

Students are employees of the corporate internship program, an entity separately incorporated by the high school and functioning as a temporary employment agency operated in conjunction with the high school. The students, who are from low-income families and might otherwise be unable to attend the private preparatory school, receive a salary that goes toward their tuition for private college preparatory school program that provides the opportunity for students to pay for 70 percent of their tuition for private college preparatory school by working five days a month.

The teens spent three weeks in a training camp prior to the school opening in September, where they were taught typing, proper telephone techniques, and filing. They were also trained in business etiquette such as how to speak to supervisors, shaking hands, and given tips on business dress. “Most 14-year-olds don’t know the do’s and don’ts of office etiquette,” said August LoBue, Principal, FAPS. “Our staff had an excellent first impression of the team we hired. This initial training helped them transition quickly into our work environment.” The “Boot” camp, which stands for Business Orientation and Objectives Training uses reading materials such as, “7 Habits for Highly Effective Teens,” and continues as a regular class during the school year.

Participants at FAPS are assisting individual automotive account administrators in daily functions that include proofing vehicle manifests, filing shipping documents, and ensuring punch list items are completed. At AAK USA Inc., students are handling the mail, supporting customer service and helping to prepare invoices. “Many students in this program are facing huge obstacles in their young lives, yet they are highly motivated, so polite and eager to learn our business,” said Josipa Paska, President, AAK USA Inc.

At Maher Terminals, the work-study team rotates job assignments. “By using a mobility approach, we are trying to give them a macro picture of how our terminal operates,” explained Michael Del Viscovo, Director of Human Resources and Compliance Programs at Maher. “Their first rotation was within the safety department, followed by an assignment in the security department. We believe this approach is giving our team a good understanding of the laws and regulations surrounding our business and why certain procedures are necessary. Some of the team has shifted to operations where they are assisting with documentation and computer input.”

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Freshmen Manegbeh Shariff, Tiffany Adams, Joanna Ampofo and Monica Nunes take a firsthand look at FAPS’ operation on September 4, 2007, for the Grand Opening of Christ the King Prep.
Port Authority Chairman Urges Washington to Focus on Remaining Port Security Issues

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along the route that the container and cargo have not been tampered with; that the container is transported under the control of responsible parties; and that the integrity of the data associated with the movement of the cargo has not been compromised.”

Washington also should recognize the costs that ports and maritime companies are bearing in helping to plan, manage and implement a federal pilot program to test the Transportation Worker Identification Credential, he said. These contributions should be accepted in lieu of cash to meet the 25 percent local match required for port security grants that cover, among other things, the TWIC pilot program.

Additionally, the federal government needs to create a uniform, nationwide Port Security User Fee to help offset the increasing costs of complying with federal security mandates, he said. There is fear that the alternative is a hodgepodge of diverse users fees at individual U.S. seaports that could put them at a competitive disadvantage to Canadian and Mexican ports.

Coscia also urged that:

• Public and private sectors collaborate to develop plans and procedures in each U.S. port to ensure timely recovery from an incident. These need to be backed up by continuity plans at individual businesses and a vigorous training program.

• The Federal Emergency Management Agency requirement that major U.S. seaports develop 5-year portwide strategic risk management plans be extended to lower-risk ports as well so all federal port security funding is distributed on the basis of risk.

• All cargo security research and development efforts be coordinated through a single office, the Director of Cargo Security Policy office created under the SAFE Port Act.

The Chairman noted that the Port Authority put together a security task force made up of independent, non-partisan business and government leaders in New York and New Jersey, which issued a set of recommendations in late 2006.

“Devising a system that enhances our national security while allowing the continued free flow of legitimate cargo through our ports cannot be accomplished through a single piece of legislation, or by a single nation,” Coscia testified. “It requires a comprehensive approach with coordination across state and national lines and among agencies at all levels of government as well as the cooperation of the private and public sectors and the international community.”

“It also requires that we periodically step back, measure our performance and identify areas requiring improvement, be it through new legislation, executive regulations or programmatic changes,” he added.

NRS Follows Sinotrans Venture With Plan For 200-Acre Facility

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“...the world’s largest, most affluent consumer market is right here in the U.S. Northeast,” Wisniewski said. “This is where retailers need efficient logistics services and where NRS will continue to deliver for our customers.”

NRS City will cover the company’s current 100-acre property in Secaucus and an additional 100 acres it acquired across Secaucus Road. The two new transload facilities will be located on the new property, and warehousing and corporate headquarters will be on the older property.

Privately held NRS has served the retail industry since it was founded. It recognized early that retailers were beginning to move away from handling their own logistics in favor of assigning the work to specialists. The retail sector also has shifted from sourcing many products from wholesalers to sourcing goods directly from overseas producers, and NRS is in the center of the action.

Today the company offers a full range of supply chain services to retailers that include big-box, department and specialty stores. It has a national network of logistics operations, offering truckload service, less-than-truckload service, warehousing and distribution, consolidation, pier drayage and direct-to-store delivery.

NRS units include truckload carrier Keystone Freight Corp. and LTL carrier National Freight Distribution.

The company also operates several facilities in southern California, including an automated distribution center and 23 acres of distribution space less than 10 miles from the Port of Long Beach. It has facilities in Greensboro, N.C., Tampa and Miami, Fla., and it just opened a transload facility in Savannah, Ga.

NRS president Wisniewski underlined the importance of the New York-New Jersey seaport to the company. He said NRS will “work with the industry to make sure the Port of New York and New Jersey maintains the transportation infrastructure needed for future growth.”

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Shippers and carriers in Asia show great interest in investments being made by the Port Authority and terminal operators to boost the bistate port’s capacity and productivity, according to Deputy Port Commerce Director Dennis Lombardi and Peter Zantal, General Manager of Strategic Analysis and Industry Relations. The two executives returned in October from a 15-day trip that took them to Mumbai, Singapore, Taipei, Hong Kong, Shanghai, Tokyo and Seoul where they met with port customers to brief them on developments at New York-New Jersey port facilities, gain feedback and learn of customers’ objectives and plans. Container and automobile traffic were the primary focuses, they said Asian shippers and carriers that are looking to shift more cargo bound for local and inland markets to all-water services were particularly interested in the progress of the 50-foot harbor deepening project, and the expansion of the port’s ExpressRail system.

“These programs are of vital importance to the ability to transit the port in a speedy, efficient and environmentally friendly manner,” Lombardi said, “and are considered key by the companies we met with.”

Overall Lombardi and Zantal were encouraged by what they heard. Although the shippers and carriers voiced unease at the state of the U.S. economy, their comments also made clear that there will be increasing demand for all-water services from Asia to the Port of New York and New Jersey.

“While there is concern about the short-term weakness of the U.S. economy compared to recent strength in the Asia-European market, there was no doubt in anyone’s mind that the Asia-U.S. trade will continue to grow in the medium to long term,” Zantal said.

Over the past several years, the Port Authority has invested more than $1.2 billion and terminal operators have invested another $1 billion to redevelop and improve the port. The work has included deepening channels, improving on-dock ExpressRail service, deploying state-of-the-art container cranes and reconfiguring the port’s roadways.

But the effort hasn’t ended. The authority’s new 10-year capital plan commits $2 billion to ensure the port continues to provide top service to global shippers by allowing larger ships to call and enhancing the movement of cargo through the port to and from inland destinations. The plan includes further investment in the 50-foot channel-deepening project and ExpressRail improvements. It also commits $285 million to make improvements in the capacity and safety of port roadways.

At the Emirates office in Japan, the Port Authority’s Peter Zantal, Dennis Lombardi, Donald Lam and Salina Wong met with Romil Kaushal, Jamshed Safdar and Noel Rattan.

Port Businesses Partner with Christ the King H.S.

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“At school, the course curriculum reinforces what they are learning on the job,” explained John Neal, Director of the Corporate Work-Study Program. “We are teaching business etiquette and instilling confidence in our students. On the job, they have a chance to see first hand what values are necessary to be a leader. Our school is blessed to have such amazing and dedicated partners.”

In the City of Newark, public high schools have an average drop out rate of 60 percent. The program and these port businesses aim to reduce that figure. Christ the King Prep is open to male and female students of all races and religions. “This program gives underprivileged children a chance to focus on their education and life ambitions without having to worry about life necessities, which others have the luxury to take for granted,” said LoBue. “Port businesses today are much more sophisticated, and our labor pool must match. This program gives us the opportunity to shape, mold and establish skill sets we seek as employers, while at the same time, we can give back to a community that has helped our business prosper.”

If your organization would like to make a difference in these young teenagers lives, please contact Anthony Nicotera, the school’s Director of Development at (973) 483-0033.

Christ the King Freshman Otis Johnson poses in front of the van FAPS, Inc donated to the school so that the children can be transported to their internships.
On November 11th, Robert Gaffney, Manager, Industry Relations at the Port Authority presented the traditional maiden voyage arrival plaque to the Master of the NYK Daedalus. The vessel docked at New York Container Terminal 21 days after sailing from Shanghai and discharging 1,050 containers. The 965-foot Panamax vessel, the first of five sister ships, was placed into service in mid-September 2007 and has a carrying capacity of 5,080 containers.

Its sister ship the NYK Constellation launched at the Hyundai shipyard in Ulsan, South Korea in October 2007, and arrived at New York Container Terminal on November 27th. The 965-foot-long vessel can carry 4,900 TEU’s, and with a beam of 106 feet, is the maximum size ship that can transit the Panama Canal.

On board the NYK Daedalus, Robert Gaffney of the Port Authority presents a maiden voyage plaque to Captain Osamu Manabe. On either side are Pete Mastandrea and Dan Sheehy of NYK Line.

Robert Gaffney also presented the traditional maiden voyage arrival plaque to the Master of the NYK Constellation.
Environmental Progress Report for the Port of NY & NJ

The Port Authority of New York and New Jersey and the Port of Rotterdam—Europe’s largest port—reached an agreement to jointly strengthen and expand environmental initiatives in both ports.

The agreement, signed by Port Authority of New York and New Jersey Deputy Executive Director Ernesto L. Butcher and Pieter Struijs, Senior Executive Vice President for the Port of Rotterdam, on August 30, 2007, calls for both ports to share information and experiences that will enhance existing programs to improve air, water, soil and wildlife quality.

The agreement is part of a U.S. Environmental Protection Agency-sponsored initiative known as “International Sustainable Ports and Carriers Partnership.” It involves ports from the United States and the international community forming a partnership to advance mutual goals for improving the environment.

Port Authority Executive Director Anthony E. Shorris said, “As we begin our $2 billion investment to upgrade our port infrastructure, we must tackle with equal vigor the sustainability issues associated with those major capital projects. We’re already off to a good start, but much more needs to be done. This agreement will allow us to share ideas with our sister port overseas so that we improve quality of life without undercutting economic growth.”

“We have had a close relationship with our colleagues in Rotterdam for several years,” noted Port Commerce Director Richard Larrabee. “This agreement formalizes that relationship and provides a focus on environmental issues. Both ports are growing, but we share a common interest that this should not negatively impact the environment or our neighbors.”

Mr. Struijs said, “I am convinced that within our competitive port businesses there is still room for enhancing sustainable port development. We are extremely happy that the old friendship between our ports will become the basis for further environmental improvement.”

Presentation to Long Island Import Export Association

On September 6th, the Port Authority made a presentation to approximately 65 guests at a dinner meeting of the Long Island Import Export Association (LIIA) in Farmingdale, NY. LIIA, which is celebrating its 25th anniversary, offers seminars covering a range of subjects focusing on key global issues with the goal of helping manufacturers, importers, business owners and start-up companies expand their knowledge in the field of international trade. The Port Authority was a sponsor of this opening meeting for fall 2007, which also included a presentation by US Customs and Border Protection (CBP). The theme of this meeting was “Navigating the Waters, Ocean Container Port and CBP Security Update.”

At the LIIA event are Bill Cronin, Manager, Shipper Sales, the Port Authority; Patti Staff, Executive Director of the Long Island Import Export Association; Moderator Joel Ditkowsky, Customs Compliance Consultant for Freight Brokers Global Services and Sharon McStine, Principal Customer Service Representative for the Port Authority.
Head of International Forwarder-Broker Company Visits The Port Friday, August 3, 2007

Mr. Klaus-Michael Kuehne, Executive Chairman of Kuehne + Nagel International, AG and his wife, traveled to the port on board the Queen Mary 2, which docked at The Brooklyn Cruise Terminal on Friday morning, August 3, 2007. Mr. and Mrs. Kuehne were met by Mr. Rolf Altorfer, President and CEO and Mr. Juerg Bandle, Senior Vice President of Kuehne + Nagel USA. After disembarking, Mr. Kuehne toured the APM Terminal in Elizabeth and was given a port presentation.

At the completion of the presentation, a small memento of the port was given to Mr. and Mrs. Kuehne. Pictured from left to right are Juerg Bandle, Senior Vice President, Kuehne & Nagel, Inc., William C. Cronin, Manager, Shipper Sales for the Port Authority, Mrs. Kuehne, Mr. Klaus-Michael Kuehne, Executive Chairman, Kuehne & Nagel International AG, and Rolf Altorfer, President and CEO USA, Mexico and Central America, Kuehne & Nagel.

MS Hanjin Phoenix Maiden Voyage Presentation

On Thursday, September 20, 2007, staff presented the Master of the Hanjin Phoenix the traditional maiden voyage arrival plaque. The 4,389 TEU capacity vessel docked at APM terminal. The 925-foot vessel operates with a crew of 16 merchant mariners at a service speed of 24.3 knots. The vessel sails directly from Busan, South Korea and arrives 21 days later in New York, after transiting the Panama Canal.

Robert Gaffney, Manager, Industry Relations at the Port Authority, presents the traditional Maiden Voyage plaque to the Captain of the MS Hanjin Phoenix. With them are Carmine Ruggiero, General Manager, Nestor Decastro, Regional Manager, Hong-ick Lee, Logistics Manager and Dang Yi, Marine and Terminal Operations Manager of Hanjin Shipping Corporation.

U.S. Merchant Marine Academy Alumni Foundation Salutes Port

Port Commerce Deputy Director, Dennis Lombardi, accepted the U.S. Major Liner Port Award on behalf of the Port of New York and New Jersey at the U.S. Merchant Marine Academy Alumni Foundation dinner on September 5th. Other ports on the Atlantic and Gulf Coasts also were honored at this dinner to benefit U.S. Merchant Marine Academy’s Regimental Band. Keynote speakers at the event included The Honorable Sean Connaughton, U.S. Maritime Administrator, and Mr. Richard P. Hughes, Jr., President of the International Longshoremen’s Association, AFL-CIO.

Pictured from left to right are the Honorable Sean Connaughton, U.S. Maritime Administrator; Mr. Ted Knight, Executive Assistant for Operations, the Port of New Orleans; Mr. Dennis Lombardi, Deputy Director, Port Commerce, the Port Authority of NY & NJ; and Vice Admiral Joseph D. Stewart, USMS, Superintendent, US Merchant Marine Academy.
Our Hudson Home

By Beverly Fedorko
Director External Affairs, NYSA

Historically, the Port of New York and New Jersey has played a significant role in the development of this region and its economy. A new exhibit at the Liberty Science Center in Jersey City, NJ educates visitors about the shipping industry and how the Hudson River and its resources have enabled the region to flourish into a major international and commercial landmark.

“Our Hudson Home” provides experiences and education about “America’s first river”—its ecology and its contribution to the phenomenal growth of the New York/New Jersey metropolitan region. Iconic exhibits focus on several port operations such as operating a gantry crane, piloting a large ship through the harbor, dredging harbor channels and using real-time data maps of harbor maritime conditions.

The New York Shipping Association donated 50 percent of the proceeds from its 50th Anniversary Gala, held in April 2005, to support the Center’s “Living with an Urban Estuary: Our Hudson Home.” The Gala was held at Liberty Science Center just before it closed for renovations. Frank McDonough, President of NYSA said they presented Dr. Emlyn Koster, President and CEO of the Science Center, with a $77,367.06 check in November 2005. At that presentation, he told Dr. Koster: “We feel strongly that the relationship we have established through our mutual interest and dedication to education about the Port of New York and New Jersey and the river that hosts it will benefit both of our organizations for years to come.”

Prior to the reopening of the center in Summer 2007, members of the New York Shipping Association and staff served as industry consultants and resources by collaborating with the exhibit development team, providing opportunities to see terminal operations first hand to ensure accuracy, and interviewing experts in particular areas such as dredging and tug boat operations.

“We feel strongly that the relationship we have established through our mutual interest and dedication to education about the Port of New York and New Jersey and the river that hosts it will benefit both of our organizations for years to come.”