SAVE THE DATES

SEPTEMBER 2018
Thursday, September 27, 2018
CMA Education Awards Luncheon
Presentation of the Annual CMA Education Awards
Plus
A panel of former CMA Interns now fully employed and involved in the maritime industry locally (Panel TBA)
Moderator: Jim Lawrence, Chairman of Marine Money, Partner of MTI Network, President of IMS and 2018 Seamen’s Church Institute Silver Bell Award Winner

Water’s Edge at Giovanni’s II
2748 Post Road, Darien, CT 06820

Open Bar: 12 Noon – Seating for Lunch 12:45 pm
Members $50 / Non-Members $60

OCTOBER 2018
Thursday, October 18, 2018 (TBC)
CMA Speaker Luncheon
Speaker & Topic TBA

Water’s Edge at Giovanni’s II
2748 Post Road, Darien, CT 06820

Cash Bar: 12 Noon – Seating for Lunch 12:45 pm
Members $50 / Non-Members $60

Tuesday, October 30, 2018
CMA Halloween Happy Hour
From 6:00 pm-9:00 pm

Sign of the Whale
6 Harbor Point Road, Stamford, CT 06902

Sponsored by the CMA with the first drinks on us up to $1,000 total and appetizers too!
Get in the spirit and dress for Halloween – there will be a Costume Contest and prizes! If not wearing a costume we ask for a $5 cash donation (for the CMA Education Foundation!)
No RSVP necessary – All CMA Members in good standing are welcome

For Reservations for all CMA Events please call Lorraine at +1.203.406.0109 Ext 3717, or email conferences@cmaconnect.com or LParsons@marinemoney.com

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mous tragedy in order to prevent so many deaths from occurring again in the future.

Tariffs continue to be an issue for us, as well as something of a moving target, as the situation escalates and the United States and others increase this tariff or that in response to the actions of others. There is some uncertainty being reported regarding final destinations of some coal cargoes loaded in the United States and destined for China, and indeed a vessel called Underdog arrived at China with 63,000mt of US coal, only to drift off the coast of Nanshan for a week before finally being instructed instead to Yeosu, South Korea, where she will finally discharge her cargo. Don’t expect this trade issue to be resolved any time soon.

Bunkers also remain in the news, but not only regarding the upcoming 2020 sulphur regulations. The past few months have seen numerous vessels supplied with bad fuel oil in such places as Houston, parts of the Caribbean, and Singapore. The US Coast Guard, Intertanko, and P&I Clubs have issued what I would generally describe as alerts highlighting the problems, but quite remarkably, the source of the contamination, reported to be phenol and styrene, which cannot be identified from standard bunker testing, remains unknown. There is great concern regarding this issue, and rightly so. At this point, there does not seem to be any real solution to this very difficult problem.

Our next event will be the CMA Education Awards luncheon on Thursday, September 27th. Our friend Jim Lawrence will be moderating a panel of former CMA interns who are now employed and fully involved in the Maritime industry. As always, I encourage all of our members to attend, and take some time to meet the scholarship winners – no doubt our members will be hiring these young people in the near future, so start to get to know them now! October’s luncheon will be on Thursday, 18 October, and we will provide details regarding the speakers in the next few weeks.

The CMA Halloween Happy Hour will be at Sign of the Whale on Tuesday, October 30th this year, so mark this in your calendars now! We hope to see many of our members there for this event. We will have more specific details in the weeks to come about this.

We are pleased that this issue has some very interesting articles from our members, as well as an article on scrubbers written by a CMA intern, which I understand is quite excellent, although it’s fair to say that there may be some bias on my part.
Summer is over and it is back to school. CMA will soon resume its frenetic series of events which I hope you can attend. Keep in mind there is only 6 months ‘till Shipping 2019. Congratulations to the NY Harbor School on Governor's Island on their 15th anniversary.

This month’s Newsletter is chock full of information on a wide range of topics from authors around the world. If you are a new CMA member I think you must be impressed with the scope of our professional interests and the diversity of our members. We, the old-timers, certainly are and we encourage you to get to know CMA, and understand the opportunities the CMA represents that will enrich your perspective of your job and our industry.

By the way, the CMA Board has an opening to chair the social committee. Actually, we might break that slot into two--- social and sports. We are always looking for people to help make CMA a valuable professional experience as well as fun.

This month we have a thought-provoking paper on the future of crews, a very illuminating piece on exhaust gas scrubbers for ships, and a look at reasons why America’s Marine Highway (a.k.a. Water-95) has not caught on in Long Island Sound. Instead of focusing on the traffic on I-95, the piece tries to look at the idea as a marketing problem seen from consumers’ and shippers’ perspectives. This approach was inspired by an article in The NY TIMES Sunday August 19, 2018 by Oset Babur “Talking About Failure Is Crucial for Growth” (page 3, Business Section).

Loosely connected to America’s Marine Highway was the assumption ten years ago that Very Large Container Carriers (14-24,000 TEU) would be the predominant type of vessel using the Third Lane of the Panama Canal. Things have changed. Use of the Suez Canal and Round-the-World Service has grown. NEOPANAMAX transits of Panama between October 2017 through June 2018 shows 49% were made by containerships, 25% by VLGC (LPG) tankers, 12% by LNG carriers and 3% by crude oil tankers. The fastest growth has been, and probably will continue, has been transits by gas carriers. Poten & Partners issued a very interesting review August 24th that also dealt with use by AFRAMAX and SUEZMAX tankers.

I suppose you have all read about shipping applications of Blockchain processes. A recent article (August 24th) in the JOC blog noted CargoX’s electronic blockchain version that will save significant costs in transferring Bills of Lading and other cargo documents required to implement Letters of Credit. This is another example of CMA being ahead of its time when it explored the topic of Electronic Data Interchange (EDI) to speed up the transfer of documents at CMA Shipping 1989.

See you in September
Don Frost

A few events you might be interested in attending:
“America’s Blue Highway” all day seminar on America's Marine Highway (thanks for the name to Sean Connaughton) a.k.a.- Short Sea Shipping (thanks for the name to Bill Schubert) to be held at SUNY Maritime Thursday September 27, 2018. $50 tickets info: www.museum@sunymaritime.edu
Inter-Maritime School Monomoy races SUNY Maritime Saturday September 8, 2018, Besides SUNY and KP who have competed for years, this year’s races will have teams from Maine Maritime, Massachusetts Maritime and the US Coast Guard Academy. Teams are now open to all students, each boat must have 2 women and there will be prizes awarded by MARAD Administrator Adm Mark Buzby USN (ret) at the BBQ that follows the races. Info: lainok@marinesocietyny.org (or call Karen Laino at 212-425-0448)
ANCHOR AWARDS sponsored by the American Caribbean Maritime Foundation at the New York Yacht Club October 18, 2018, info: email executivedirector@acmfdn.org or call Geneive Brown Metzger 914-788-0072
MALTAMARITIME SUMMIT

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MEMBERSHIP NOTES

A slow hot summer even for new members.
Please welcome:

Mr. Christopher Clark, Marine Surveyor, EIMC, Jersey City, New Jersey
Ms. Cynthia Ro, Corporate & Maritime Administrator, IRI/The Marshall Islands Ship Registry, New York, NY
Mr. Fumi Tabuchi, Senior Vice President- Dry Bulk, Mitsui O.S.K. Bulk Shipping (USA), LLC, Woodbridge, New Jersey

Welcome aboard.
Greg Kurantowicz, Membership Committee Chair

CMA INTERN’S ESSAY

By Emily Herrmann

This past summer I worked as an intern at Northern Shipping Funds and Marine Money. During my time at these two companies I was required to complete various different projects. The bulk of my time at Northern and Marine Money was spent helping the accounting department with projects such as 2019 budgets, Accounts Payable entries, and helping out with the annual compliance audit.

Initially I was only going to be working for Northern Shipping Funds this summer. I started working for them at the end of May. During this time I was able to see how the accounting department worked together and was able to further my knowledge in accounting and finance. At the beginning I was a little nervous because, this being my first internship, I did not know what to expect. I did not think that I would be as involved with the financial statements as I was. At Northern, I was able to learn about how to put a budget together, create a cash flow summary, format a structure chart for the most current fund, and help gather all of the necessary information for the upcoming compliance audit. At first, when I was told what I was going to be doing, I thought that it was going to be very difficult however, now that I have the chance to reflect, I can see that with the proper training and help from the accounting department once you get the hang of it the work is not as intimidating as it seemed to be.

Another thing that I observed about Northern was, since it is such a small office, all of the departments were constantly interacting with each other. You could see that everyone was dedicated and committed to a common goal. This interaction was not just limited to the departments within Northern. Since Marine Money was just across the way there was plenty of exchanges between the two companies both in and out of the office. In the middle of June Marine Money hosted its annual Marine Money Week in New York City which, along with many of the people from Northern, I was fortunate enough to attend. During this conference I was given the opportunity to attend the closing bell of the NASDAQ Stock Exchange for the first time. Directly after the closing bell I attended a cocktail party with representatives from the entire global shipping industry and, while I was listening to some of the conversations, I got a small peek into why this industry is so unique and the undeniable passion that the people have for it.

After that week, I began my internship with Marine Money. I was assisting the accounting department by creating and paying invoices, sending out subscription renewal notices, and following up when on overdue invoices. This was a good experience because I got to learn an entirely new system and see how a different company in the same industry works. Overall, I really enjoyed working for both of these companies because I had the opportunity to learn how two different companies operated. I think that this was a good experience because it gave me exposure to an industry that not many people would go into. With the different financial and accounting techniques I learned this summer it will help me moving forward in the financial industry and further my knowledge of how different companies work together and separately.

CMA INTERN’S ESSAY

By James Gross

My time working at MTI /IMS this summer was very well spent. I was given the opportunity to actively participate in a global industry instead of doing coffee runs. Beyond honing my professional skills, I was exposed to information and ideas that has me reevaluating my personal beliefs, even as I write this essay.
I was given an assignment right off the bat. I was to read through a specific Marine Money magazine and compile all the data regarding worldwide shipping portfolios onto a single Excel spreadsheet. Since I knew nothing about Excel, it was up to the IT staff to train me to use the program with more patience than I thought possible. Thank you!

Going past the improvement of marketable skills, I feel that I had some personal revelations during my stay at MTI. Before I began working there, I was something of an armchair intellectual when it comes to the maritime industry. Having a father in the business I thought I already knew everything I’d need to know for this job. In his defense, he can talk for hours without pause about the maritime industry.

As enjoyable and informative as the internship was, it has solidified my opinion that I may not be cut out to work in a the world that transports the world’s goods to and fro. I’d like to be an architect and try to focus on returning people from sterile structures to some kind of symbiotic existence with nature.

I guess the most important thing I’ve gained from this internship is an idea of how much I still must learn.

The Great SOx Scrubber Controversy

By James Gross

Innovation is borne out of necessity. Oars gave rise to sails to be replaced with motorized engines. In the past few years, the need for cleaner, more efficient means of propulsion has resulted in the birth of new and amazing technologies that can soon be implemented. Sadly, the maritime industry has always been slow to change. Perhaps, with the impending implementation 2020 IMO 0.5% Sulphur Regulations, ancient marine traditions can be brought into the modern world to revitalize our industry.

On January 1, 2020, the IMO will implement its most recent Sulphur Emissions Cap. Once upon a time a ship’s exhaust could have a maximum Sulphur content of 3.5%, it will now be lowered to a maximum of 0.5% Sulphur content. This does not include the preexisting Environmental Control Areas (ECA’s) running along the North American and European coasts that limits the maximum percentage of a ship’s Sulphur emissions to 0.1%.

These regulations have come into play due to the environmental issues that arise from the increasing levels of Sulphur Oxides (SOx) that have been emitted by many industries over centuries including shipping’s use of sulfurous Heavy Fuel Oil (HFO).

Humanity has already pushed Earth beyond the point of no return; it can never be restored to its primeval state. There are methods that can help mitigate the damage that has been done. In terms of SOx emissions in the maritime industry, there are several options currently available to do just that.

Ships can be built or retrofitted with a Liquid Natural Gas (LNG) fuel system instead of HFO. Natural Gas/Methane (CH4), composed only of carbon and hydrogen atoms, means there is no Sulphur to be released when combusted. Unfortunately, methane is also a potent greenhouse gas (GHG) making it a less desirous option. LNG is rather cheap to buy, due to its abundance. However, it’s low energy density makes it costly because LNG must be cryogenically stored in large, heavy containers that will reduce cargo capacity and throw off the center of mass for any retrofitted ship, giving rise to handling and stability issues. Because even the most efficient container still leaks methane, an LNG conversion will only reduce total GHG emissions by 5%.

While it is becoming more common, there are still few ports that offer LNG bunkering, making availability an issue. There are fewer than ten planned or existing LNG powered merchant vessels, but this number is expected to slowly rise.

Ships can avoid a retrofit altogether by switching to Very Low Sulphur Fuel Oil (VLSFO). When refining crude oil, refiners get several products such as HFO and VLSFO. The refined crude product is called a Distillate. The Distillate can either be burned on its own (No. 1 and No. 2 Distillate Fuel) or blended with HFO (No. 4 Distillate Fuel) until the Sulphur content is low enough to be within compliant levels. Ships can switch from HFO to VLSFO after cleaning out their fuel tanks, a process that should take less than a week to complete. Unfortunately, VLSFO is expensive and the maritime industry isn’t the only customer. No. 1 and No. 2 Distillate Fuels are used to fuel power generators, buses, automobiles, commercial trucks, trains, and several military vehicles. No. 4 Distillate Fuel can be blended 15 different ways, each method holding different price tags. If one variety isn’t available at a port, ships will have to spend several
days cleaning out their fuel tanks before they can be bunkered. Not only will this delay increase costs, but also perishable cargos may not make it to their destination before expiring. The price of all forms of VLSFO is expected to rise rapidly due to an insufficient capacity to produce enough compliant fuel oil. The current $250 spread between VLSFO and HFO is expected to rise to $400 by 2020. While the spread is expected to stabilize at $300 in 2022, the result is nonetheless increased ship operating costs.

SOx Scrubbers are now seen as viable alternatives to these options because they allow ships to keep burning HFO while remaining compliant with SOx emission regulations. By spraying the exhaust gas with water, the SOx is captured by the mist and is not released in the atmosphere. In an Open-Loop model, the sulfurous water is released into the ocean, since the salt water partially neutralizes the acidity of the wash water. A Closed-Loop/Hybrid model will either treat the water with a high pH chemical (caustic soda, lye, etc.) and reuse it several times before discharging or strain the water through a filter to remove the sulfur from the water before treating and reusing it. With a cost as low as two million dollars per unit, and with a spread possibly exceeding $400, some Scrubbers can pay for themselves in under a year. However, some models for larger vessels cost upwards of $12 million, and current spread estimates are not an absolute guaranteed price for the next several years. Due to the high cost, Scrubbers only make financial sense on large, fuel guzzling vehicles that have the space to host the device, assuming it can be installed before the spread peaks. Should prices fluctuate against the speculated outcome, some scrubbers could end up costing investors rather than paying for themselves. Finally, there are questions regarding the future availability of HFO, which could negate any investment in a Scrubber entirely.

Not only are there potential financial risks associated with Scrubbers, several operational issues exists. Open-Loop Scrubbers simply dump the acidic wash water right into the ocean, thereby cancelling the environmental benefit. Because of this, it is expected that regulations will be created after 2020 to limit their use or ban them outright. Closed Loop/Hybrid Scrubbers require that sulfurous sludge be stored aboard until it can be pumped out at port. Regardless of the variant of Scrubber installed, they are heavy, bulky pieces of equipment that require power to operate. On average, Scrubbers increase fuel consumption by 1-2%. On larger vessels, this could be a 1.9 ton per day increase in fuel consumption.

Scrubbers have a lengthy installation time for retrofits, taking as long as three months in some cases, as large swaths of the ship must be reengineered to accommodate the system. All the major SOx Scrubber manufacturers are currently unable to fulfill any more orders for Scrubber Systems until after 2020, leaving (as of August 6th, 2018) only minor manufacturers to take any latecomers to Scrubbers in late 2019. Since most manufacturers don't offer installation services, a third-party installation team must be hired to install a Scrubber, and experienced teams are few and far between. Only Wartsila offers both manufacturing and installation and they're unable to take any more orders for the foreseeable future.

There is expected to be some 'cheating' when it comes to compliance with the new regulations, especially in developing markets. At the June 18th, 2018 Marine Money Conference, Jonathan Chappell estimated that 10% of the market will not be compliant with the 2020 Sulphur Cap for at least the first quarter of 2020. There is no universal penalty set for non-compliance, but it is expected that all 173 nations under IMO’s umbrella will individually enact strict penalties. Some examples include multi-million-dollar fines, loss of insurance, and/or banning noncompliant ships from a nation’s waters for several years. These penalties are expected to be harsher in Australia and the E.U., where environmental regulations are more stringent.

The rising price of compliant fuels will significantly affect how the maritime industry operates. Because of this price hike, vessel operating costs will likely rise in the coming years. There is some uncertainty about whether this higher cost can be passed onto charterers. Older, fuel-inefficient ships will be scrapped in favor of newbuilds and younger ships. Slow Steaming, the act of keeping ships below their maximum speed to improve fuel economy, has already been on the rise for the past several years. Ships are expected to continue to slow down even more.

It should be noted that refiners haven’t made any comments regarding the once-derided Scrubbers. It is possible for refiners to upgrade their facilities to produce VLSFO from HFO, but the upgrades are expected to cost around $750 million per facility and will take 3-5 years to complete, during which time the refineries will be completely off-line. Upgraded or not, the refineries will continue to process crude oil into refined products, increasing the volume of oil processed to keep up with demand, resulting in a boom for petrochemical industries. Despite the larger available pool of fuel, prices of diesel and gasoline are expected to rise as
it will be diverted into bunker pools at a higher rate than it's being produced. This price hike will strain land-based industrial facilities, utilities, and transportation industries that also rely upon VLSFO.

Beyond 2020, we are likely to see the implementation of technologies that are still considered experimental today as mainstream equipment. Rotor Sails are being used to generate propulsion on the Norsepower designed 'M/V Estraden.' The ‘MS Beluga SkySails’ of Beluga Fleet Management GmbH is equipped with a computer-controlled SkySail for similar wind powered propulsion. The ship-mounted Wave-Power System designed by Fraunhofer Center for Manufacturing Innovation converts the kinetic energy of waves into electricity that can be used to power a ship with sufficiently large batteries. Numerous companies like Algae Systems and Algaewheel are planning to create facilities where they can grow algae in sewage water, simultaneously treating the water and generating biodiesel. Similarly, algae and microbes are being used as sources for fuel cells, instead of production-intensive hydrogen. It is doubtful that any singular technology listed here will be enough to replace combustion engines and GHG emitting fuels entirely. More likely, future vessels shall be 'Frankenstein Ships,' built by combining several of these systems into coherent, albeit clunky, vessels. With the approach of technologies like these on the horizon, fossil fuels and the vehicles they power are likely to be relegated to backwater routes in less developed markets, if not eliminated entirely in the coming decades.

There's no singular, definitive solution on how to successfully respond to the 2020 Sulphur Cap. Each of these solutions has their own benefits and pitfalls affecting fleets differently. It will be up to individual owners to find which option will be most effective for their vessels to become or stay compliant with maritime regulations.

**MOVING CONTAINERS ON LONG ISLAND SOUND BY BARGE**

By Donald B. Frost

Time and cost are major factors that determine whether moving sea containers via barge from the Port of NY-NJ offers a real solution to Connecticut's highway congestion.

**Facts**

- More than 62% of Connecticut's population is located within 112 miles of the NY State border.
- Proximity to New York makes trucking the most expeditious transport mode for containerized goods, materials and manufactured assemblies to CT.
- Consumers, retailers and shippers are intolerant of delayed or slow deliveries, empty retail shelves and inventory outages. (Just-In-Time Inventories meet The Amazon Prime effect)
- The number of long haul trailer trucks moving domestic freight into and through Connecticut on I-95 is about three times the number of sea containers from the Port of New York-New Jersey. In 2001 private sources found the majority (40-45%) of the trailer trucks on I-95 were hauling long distance domestic freight. Sea containers less than 20%, and the remainder were box delivery trucks, tank trucks delivering heating oil or gasoline, cement and building materials trucks and municipal waste haulers all engaged in short haul domestic service routes.

**Time Issues in the Port of NY-NJ**

The Port of New York-New Jersey has seven container terminals – Port Newark and Port Elizabeth (3), Jersey City (1), Staten Island (1), Brooklyn (2).

It is highly unlikely that on any one day all the containers meant for Connecticut will be at the same terminal. A typical deck barge fitted to carry 300-400 forty-foot containers will likely require two or three stops. This “shifting time” can be 6 or more hours for each movement.

Customs and Border Protection inspections of containers from foreign ports are made before the container is cleared to leave the terminal whether for delivery via highway or trucking along-side a waiting barge.

**Cost Issues in the Port of NY-NJ**

Each stop requires another tug boat assist, pilots and other services. Add standby time for line handlers, stevedores and other shore labor unions at two terminals. Add fuel and government agency inspection fees, overtime and fines (e.g.- Customs and Border Protection for security and crew tracking; US Dept of Agriculture often just to check packing materials for insect infestations; U.S. Coast Guard ship safety - foreign or US). While some costs are borne by the ocean carrier, all of them are ultimately payable by the shipper.

The International Longshoremen’s Association (ILA Union) and the Checkers Unions in the Port of NY-NJ do not have a tariff (price list) for moving containers from ocean going ships directly to barges. One must be negotiated.
Cost issues in Connecticut

CT’s ports do not have cranes to discharge and reload barges - so-called lift on/lift off (LO/LO). The CPA or terminal operators will need to buy several with flexible spreaders able to handle more than one size container. Service contracts to keep the cranes running without down time and liability insurance will need to be negotiated.

Containers on barges will need chassis (trailers) at Connecticut which will carry them to their ultimate destination. The CPA or the terminal operator must buy, insure and service them. Eventually shippers pay but all these expenses impact the competitiveness of Water-95 vs the highway.

CT Ports and Sea Containers

In port a container ship requires berthing space. The most expensive time in a ship’s life is port time so it is important to have a berth available as soon as it arrives in port. The efficiency of the container system depends on tight schedules so operators seek to have an alternative berth available if another ship is delayed at the primary berth. Ships make money at sea, not in ports.

A container terminal in Connecticut needs space to stage the outbound containers-on-chassis prior to loading the barge, and space to receive those incoming before the consignees pick up those that were discharged. Shipper/Receivers often use containers as in-transit inventory and delay picking them up at after discharge to save warehousing expenses. Therefore terminals have to have some additional space for short term use.

Freight rates

The contract of carriage between shipper and ocean carrier is based on a Through Bill of Lading—i.e. from origin to final resting place. The ocean carrier controls the mode which is used to deliver the container to its destination. They have their own trucking companies or long-term contractual relationships with trucking companies. Therefore, a shipper who wanted to control the transport leg between the ocean terminal to an ultimate receiver in Connecticut, would book just the ocean leg and negotiate a separate agreement to move the container to Connecticut.

A. Pricing models for the domestic move assume that there will be containers to take back to the Port of NY-NJ (i.e.- a “backhaul”). The labor to load and unload an empty container is the same as a full one. Without revenue from a backhaul the cost of moving a container by water to Connecticut could be twice, or more, than with a backhaul. The volume of traffic moving into and through Connecticut is far greater than traffic back to the Port of NY-NJ so most containers will go back empty via barge or highway.

B. The contract of carriage with the ocean shipping line allows the shipper a set amount of time to unload the box and return it to the carrier. That means, if the shipper elects to independently barge the container to Connecticut, the shipper has to pay to move the empty container back to NY or pay demurrage on the box until a backhaul cargo is found.

Market externalities

A. HARBOR MAINTENANCE TAX

The Federal 1986 Water Resource Development Act (WRDA) imposes a Harbor Maintenance Fee. The US Supreme Court ruled in March 1998 it is a TAX and is only charged against imports. It is based on the value of the cargo ("ad valorem"—0.125% of the commercial value of the merchandise being imported) and paid by the cargo owner (*). Trans-shipping imports via water requires paying the HMT twice.

B. A Merchandise Processing Fee (MPF), a much smaller fee, is charged on goods being imported. This tax depends on the commodity being imported.

C. Whatever solution is chosen to reduce highway congestions there will be a loss of proposed highway toll revenue.

D. Empty containers returning to the Port of NY-NJ by truck add to highway traffic.

E. Delivery times’ impact on costs and sales

a. High priced electronics or fashion clothing demand quick access to retail shelves to sustain demand. Containers loaded with less valuable goods are still vulnerable to delays as they effect storage and inventory costs.

b. A loaded towed barge travels at about 7 to 9 miles per hour depending on wind speed and direction. Articulated Tug Barges (ATB) can attain higher speeds and newer barge designs can be still faster, but those barges are more expensive and tugs would need higher horsepower engines which burn a greater amount of fuel. New emission standards going into effect January 2020 require higher priced fuels.
(*) On February 14, 2018 the Trump Administration proposed cutting the Harbor Maintenance Tax in an effort to shift the burden of maintaining ports to the importers and reducing imports. Unmentioned is the loss of dredging money would also impact exports, raising freight rates for exports and imports making US Exports uncompetitive worldwide and raising retail prices for US consumers.

**ONCE UPON A FUTURE**

By Carl Martin Faannessen, Managing Director, Abojeb Group (Ship Managers and Crewing Agents)

The glossy videos say it all: If we are to believe the classification-societies and shipyards, we are heading for a future where there be fewer and fewer people onboard anything afloat.

The manufacturers will have to keep a keen eye open for what engineers call a “graceful decline, not catastrophic failure”. The days of 20+ people onboard a ship will be gone, perhaps reduced to a complement of 5-7 crew. The few who are onboard will be surrounded by increasingly advanced equipment, and connectivity will be endemic. This equipment will, almost by necessity, have to be increasingly self-contained and self-diagnostic. And the people onboard must be technology-savvy and familiar with its limitations.

We are talking about a small group of people, operating in an environment which can turn treacherous quickly and from which escape can at times be measured in days if at all possible, surrounded by advanced machinery that could suffer catastrophic failure. Sound familiar? The maritime sector will need astronauts, not seafarers.

Astronauts? Well, yes, and astronauts have its easy! In case of an emergency, they can make it from the International Space Station to solid ground in 3-5 hours. Try that during a storm in the south Atlantic, will a comatose crew-member onboard. And take into consideration that despite the 400 km distance between earth and the ISS, astronauts today have better access to communication services – for free – than the majority of seafarers at any given time.

If futurologists are correct, we see several large implications for the maritime industry and the people onboard con-
First, the mental aspect becomes much more important than today. One of the toughest hurdles for an aspiring astronaut to pass, is the psychologist’s assessments. A small group of people, working closely together in enclosed spaces, under immense work-related stress, and with limited opportunity to form separate cliques, can easily reach levels of discord or groupthink that threatens life, the environment, vessel and cargo. Technology can only do so much when faced with the human psyche. Looking at all the traditional sourcing-locations for crew, how many of them offer mental assessments at the level and volume that will be required?

Second, technical competencies will have to be lifted significantly. New modes of ship-shore cooperation will have to be developed. Increasingly digitized equipment onboard will place new requirements on the people operating and maintaining it. And we must not forget the essential soft skills that the crew of tomorrow should muster like assertiveness, leadership, effective communication, adaptability to change, critical thinking and more. The people who will be onboard working these vessels are already in school; are education systems around the world preparing them for this future? Or will the burden fall to the ship-owner?

Third, there is a large body of law and insurance-policies that will need to catch up. Already today, with crew sizes of 15 and up, an event like a fire can swiftly become unmanageable. With half the people onboard, there are obviously fewer lives at risk, but we can well imagine insurers not being too happy at the prospect of being told that vessel and cargo had to be abandoned as what was a controllable fire in 2018 becomes uncontrollable in 2039 due to lack of manpower to fight it.

Technology did allow us to, put people in space and land them on the moon. And yes, it will improve and hopefully render irrelevant many current concerns at the depicted future of our industry. But, at the root of it all we still find people: seafarers who may have to catch up with their spacefaring counterparts, and this means that they will face requirements significantly different from what they face today. Which maritime administrations and educators are preparing? None that we know of, and the pages on the calendar keep flying off into the dustbin. That may also be where we find our current paradigms on seafaring 30 years from now.
Candidate 10: Seeking new challenges within the shipping market

After nearly 30 years in Dry Cargo shipping field, I am seeking a medium to large broker firm and/or new adventure within the maritime industry.

Experience includes:
- 10 years with international trading house
- 10 years as in-house owners broker
- 10 years as competitive broker

Currently located in Greenwich, Ct.

Holding dual Citizenship (Canada/Norway) and Green Card for the USA.

Contact: David C. Wold

Cell: +1 203-274 1433

E-Mail: dcwold@gmail.com (S17-04)

Candidate 11: Experienced Operations Manager looking for new position in Tanker Operations

Professional dedicated to delivering excellence in Team Leadership, Operations/Captain and decision making. As such, my focus is on meeting the needs of the organization. I have extensive experience in understanding customer needs. Over 30 years’ experience gained both at sea and ashore from leading tanker companies foreign flag and US Flag (MSP and John’s Act).

As a hardworking and detail-oriented producer, I am also a project leader with expertise in long term planning. My team building, cross functional communication, and problem solving skills enable me to give a positive and immediate response to the needs of the company.

Area of expertise:
- Commercial tanker operations.
- Risk Analysis - Ship’s Operation and Maintenance.
- Marine Quality Assurance & Regulation Compliance
- Marine Incident Investigation.
- Operations Management of ships.
- Third party ship managers interaction as Owners representative or vice versa.

Some recent accomplishments include:
- Proposed and implemented modifications on tanker barges allows to increase safety and efficiency of operations.
- Developed and implemented program for vessels helping Crew to achieve SIRE Zero observations goal.
- Increased productivity by establishing and implementing department procedures, increasing progress and productivity.
- Increased efficiency by coaching and training crews and junior operations staff.

I look forward to discussing how my qualifications could be an immediate asset to your company.

Cell: (713) 249 2304

E-Mail: fedorov0413@comcast.net

Notes: Full resume available upon request. (S18-01)

Candidate 12:

Objective

Recent graduate looking for a mechanical engineering position that offers hands-on engineering opportunities. Additionally, I am seeking opportunities in conceptual and prototype testing as well as implementation and operation of legacy and emerging systems.

Education

The United States Merchant Marine Academy

June 2011 - June 2013

Kings Point, New York

Major: Marine Systems Engineering

Texas A&M University Galveston

September 2014 - December 2017

Galveston, TX

Major: Marine Engineering Technology

Marine Engineering Technology is an interdisciplinary education in applied Mechanical Engineering programs and is accredited by the Engineering Technology Accreditation Commission of ABET. The curriculum is a blend of Mechanical Engineering programs as applied to shipboard propulsion (steam, gas turbines and diesel), electrical power generation (steam, gas turbines and diesel electric power generation operations), electronics, and shipboard-related engineering.
Experience

Liberty Maritime Corporation
November 2012 - February 2013
• Junior Engineer aboard the M/V Prestige, New York. 120-days at sea. Global Circumnavigation.
• Supervisor: Chief Engineer Josh Reed
• Responsibilities: Engine room maintenance and operations for Large Slow Speed Diesel propulsion plant; Electrical generation and load balancing; hotel services (HVAC), water distillation. Duties also included making rounds and comparing mechanical gauges to the automation system and adjusting/calibrating discrepancies within the automation. In-port maintenance included disassembly, maintenance and repair of pistons, piston rings, cylinders, fuel injectors, turbochargers, and alpha lubricators for a MAN B&W 7-cylinder, large, slow speed Diesel. In-port duties included maintenance and repair of 3, medium speed, 10-cylinder, Hyundai Diesel Generators, and associated fuel filters, fuel and lube oil purifiers, jacket water temperature management systems, as well as management, and maintenance of an Aalborg, rotary cup, smoke in tube, auxiliary boiler for engine room service and hotel steam.

McAllister Towing and Transportation, Providence, RI
August 2013 - September 2014
• Port Engineering Intern and Operating Engineer aboard M/V Rainbow, M/V Reliance and M/V Puma
• Supervisor: Port Engineer Ethan Gifford
• Responsibilities: Operator of tugboat twin diesel propulsion plant and electrical plant generation for M/V Rainbow, M/V Reliance and M/V Puma for at sea harbor tug and escort operations. In-port maintenance included oil changes, injector testing, jacket water chemistry, and overhaul of 4-cylinder Detroit diesel generator. Other maintenance included bow mat restoration welding, ballast management, installation of radar upgrade package, and installation of wheelhouse remote engine and rudder controls.

Lakewood Yacht Club, Seabrook, TX
September 2014 - June 2017
(Summertime and weekend employment while enrolled at Texas A&M)
• Green Fleet Optimist Dinghy Sailing Coach
• Program Director: Marek Valasek, Lindsay Valasek
• Responsibilities included taking care of, and teaching 6-12 year-old children how to sail and be successful at sailboat racing.
• This job requires patience, and the ability to communicate with children. Additionally, it helped developed my ability to organize groups of people towards common goals. Goals for children include: learning to rig a boat properly; sailing up wind; navigating a racecourse; and encouraging teammates to rise to their potential regardless of their current skill set.
• US Sailing Level 1 Certified Instructor
E-Mail: napingalls@gmail.com
(S18-03)

Candidate 13: Looking for entry level work in transportation loss prevention, vessel/port planning and operations, marketing/business development, and personal assistant positions at a maritime-related company, government agency, nonprofit, investment bank or public/private partnership in the NYC region. Available to work October 2nd, 2017.
Graduated from SUNY Maritime College with a Master of Science in International Transportation Management in January 2017. Worked as a Loss Prevention Summer Intern for the American P&I Club in New York City until October 2017. Co-authored a member alert on collision avoidance in anchorages off of Chittagong, Bangladesh and a club guidance on seafarer’s mental health, in addition to organizing survey compliance data on member vessels.

Candidate 14: Transformation, Innovation, Technology & Blockchain for Shipping
Experienced NYC metro area shipping industry executive is seeking a new management role directing transformation, innovation, automation, etc. in the maritime industry. Let me help your company become more competitive, develop strategy, save money and be better prepared for the massive changes coming to shipping in the near future. Are you ready to start discussing and executing plans for automation, blockchain, analytics, IoT, cybersecurity, artificial intelligence, machine learning and discovering new ways to model your business and connect with the rest of your supply chain? Let’s discuss your future plans today and see how I can help get you on the road to the future.
E-Mail: transformation@dx9.io
(S18-04)

Help Wanted
NOTE: two months of running your ad in this newsletter costs companies only $300 - and it has proven to be THE place to be seen and answered.

Position A: Marine Accounting Manager (m/f)
Laytime Desk
Stamford - full time
Company Overview:
Oldendorff Carriers are one of the world’s largest dry bulk shipping companies, shipping and transshipping over to 320 million tons of bulk cargo every year. The company is based in Lübeck, Germany with additional offices in Hamburg, Singapore, Mumbai, Melbourne, Shanghai, Tokyo, Hong Kong, Vancouver, Stamford, London, Dubai, Abu Dhabi, Iskenderun, Trinidad, Guyana, Santiago and Copenhagen.
Job Description:
• Responsibility for preparation, negotiation and finalization of laytime calculations and statements of account
• Close communication and co-operation with in-house operations and commercial departments
• Close communication with business partners such as broker, charterers and owners
Candidate's Profile:
• Shipping experience / Laytime experience
• Softmar knowledge is of advantage but not necessary
• Excellent verbal and communication skills
• Fluency in English is essential
• Good computer knowledge (MS Office)
• Analytical skills
• Quick learner and able to cope in a fast paced environment
• Ability to negotiate with our business partners
• Leadership experience/potential an advantage
• Enjoy working in a team environment
Position B: Maritime Advisory Associate, Seabury Maritime, LLC

Location
Seabury Maritime HQ - Edison, New Jersey

Job Summary
The Maritime Advisory Associate will support and at times lead work streams for advisory services in the Maritime, transportation, and logistics industry.

The advisory services activities will be wide ranging; including operational planning, business planning, fleet advisory, economic impact analysis, due diligence, public private partnership transactions, and infrastructure advisory.

The Maritime Advisory Associate will support business intelligence on advisory opportunities, potential and existing clients, competitors, partners, trade associations, trade data, and industry trends. He or She will be assigned a wide variety of projects and given as much responsibility as their experience and capabilities permit, including interfacing with client's senior management team.

The position will also support vessel plans & operational analysis for all cargo modes including container, breakbulk and bulk.

Reporting Relationship
Reports to Managing Director & Global Head of Advisory

Principle Areas of Responsibility and Accountability
• Coordinate, direct and oversee work done by non-FINRA Seabury Maritime Analysts;
• Coordinate fieldwork for assignments with the leadership team including developing project plans, task schedules, scheduling and preparing for client workshops and interview, gathering documentation, analysis, and liaising with client staff;
• Perform engagement procedures designed to identify and define issues, review and analyze evidence, and document business and processes;
• Conduct interviews with client management to gain an understanding of client business conditions, risk and opportunities with delivery of specific technical inputs;
• Identify, develop and document issues, findings, analysis and recommendations using independent judgement;
• Assist in coordinating and communicating the results of advisory projects via written reports and oral presentation management;
• Provide input to the project team during all phases of the project;
• Participate in drafting of reports and presenting drafts to the senior leadership team;
• Related projects as assigned;
• Contribute to proposal submissions and business development initiatives under the direction of leadership team, drafting key technical sections of proposals especially approach and methodologies;
• Manage all components of medium-sized bids including technical and commercial methodologies, staffing, budgets and
• Participate in networking events related to Seabury Maritime’s practice areas;
• Gather information and coordinate the market intelligence function.
• Conduct and/or support advisory work streams as required by client scope of work agreements or engagement letters;
• Complete industry and company research, quantitative analysis and valuation analysis under the supervision of a FINRA registered rep;
• Developing and maintaining complex financial and operational excel models;
• Monitoring port market sector procurement requirements, capacity, volume, and economic impact;
• Participating in client meetings and workshops;
• Supporting due diligence processes.

Required Experience, Qualifications, and Skills
• Thorough knowledge of maritime, transportation, and logistics operations encompassing carriers, ports, and terminals
• Excellent Microsoft Office Excel, PowerPoint, and Word skills and experience. Access or other database tools experience a plus.
• Strong communication skills (written and verbal)
• Highly motivated self-starter able to work within a close knit team environment and also work independently with limited guidance
• A critical thinker who can quickly and accurately evaluate and analyze companies and financial information
• A fast- learner who can quickly understand new information and take appropriate actions
• Exceptional attention to detail

Requirements
• Must have Bachelor's Degree in relevant discipline with a strong academic record.
• US/State Maritime or US Military academies a plus.
• Master's Degree (MBA, Economics, or other business discipline) is preferred.
• 3 - 5 years minimum maritime, transportation, or logistics industry experience

Introduction to Seabury Maritime, LLC:
Seabury Maritime, LLC was established in 2016, and is the amalgamation of aspects of the former Seabury Group LLC (Seabury) and what was once known as Paul F. Richardson Associates, Inc. (PFRA). Today, the firm functions as a self-standing enterprise delivering solutions to the maritime industry on a global basis.

Seabury Maritime includes traditional maritime-oriented advisory core competencies such as operational analysis, strategic planning, financial evaluations, master and business planning, supply chain design/ integration, transaction advisory, due diligence, market & competitive intelligence, economic impacts, asset optimizations, procurement, and industry technology applications. This full range of advisory services is united in a singular fashion with customary investment banking services to include merger & acquisitions, sales & divestitures, private placements, corporate valuations, strategic financial advisory, restructurings, as well as a defined merchant banking capability.

Company: Seabury Maritime, LLC
E-Mail: careers@seaburycapital.com
Notes: Applicant Instructions: For consideration, applicants must submit a resume via email.

Position C: Director of Maritime Advisory, Seabury Maritime, LLC

Location Seabury Maritime HQ - Edison, New Jersey

Job Summary
The Director of Maritime Advisory will lead work streams for advisory services in the Maritime, transportation, and logistics industry.

The advisory services activities will be wide ranging; including operational planning, digitalization, business planning, fleet advisory, economic impact analysis, due diligence, public private partnership transactions, and infrastructure advisory.
The Director of Maritime Advisory will coordinate all business intelligence on advisory opportunities, potential and existing clients, competitors, partners, trade associations, trade data, and industry trends. He or She will lead a wide variety of projects and be given as much responsibility as their experience and capabilities permit, including interfacing with client’s senior management team.

The position will also lead vessel acquisitions plans & operational analysis for all cargo modes including container, breakbulk and bulk.

**Reporting Relationship**

Reports to Managing Director & Global Head of Advisory

**Principle Areas of Responsibility and Accountability**

- Coordinate, direct and oversee work done by Non-FINRA Seabury Maritime Associates & Analysts;
- Serves as a resource and mentor to internal staff consultants on a range of client projects
- Coordinate & lead fieldwork including developing project plans, task schedules, scheduling and preparing for client workshops and interview, gather documentation, analysis, and liaising with client staff;
- Develops customized products and/or services for clients
- Maintains existing relationships using a balance of industry expertise, objectivity, and other relationship building skills to become the ‘trusted advisor’;
- The Director is expected to provide forward thinking points of views and challenge ‘business as usual’ processes.
- He/She is expected to understand industry trends & future demands and develop and deliver solutions;
- Manages projects and resources to correspond with budget and expectations;
- Conduct interviews with client management to gain an understanding of client business conditions, risk and opportunities with delivery of specific technical inputs;
- Identify, develop and document issues, findings, analysis and recommendations using independent judgement;
- Coordinate proposal submissions and business development initiatives under the direction of leadership team, drafting key technical sections of proposals especially approach and methodologies;
- Manage all components of bids including technical and commercial methodologies, staffing, budgets;
- Participate in networking events related to Seabury Maritime’s practice areas;
- Develop and maintain complex financial and operational excel models;
- Monitoring port market sector procurement requirements, capacity, volume, and economic impact;
- Leading client meetings and workshops; and
- Lead due diligence processes.

**Required Experience, Qualifications, and Skills**

- Thorough knowledge of maritime, transportation, and logistics operations encompassing carriers, ports, and terminals
- Ability to manage a staff and budget
- Leadership and Effective Project Management skills
- Excellent Microsoft Office Excel, PowerPoint, and Word skills and experience. Access or other database tools experience a plus.
- Strong communication skills (written and verbal)
- Highly motivated self-starter able to work within a close-knit team environment and also work independently with limited guidance
- A critical thinker who can quickly and accurately evaluate and analyze companies and financial information
- Exceptional attention to detail
- Extensive travel required in support of clients

**Requirements**

- Must have Bachelor's Degree in relevant discipline with a strong academic record.
- US/State Maritime or US Military academies a plus.
- Master's Degree (MBA, Economics, or other business discipline) is preferred.
- 10 years minimum maritime, transportation, or logistics industry experience

**Introduction to Seabury Maritime, LLC:**

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This full range of advisory services is united in a singular fashion with customary investment banking services to include merger & acquisitions, sales & divestitures, private placements, corporate valuations, strategic financial advisory, restructurings, as well as a defined merchant banking capability.

Company: Seabury Maritime, LLC

E-Mail: careers@seaburycapital.com

Notes: Applicant Instructions: For consideration, applicants must submit a resume via email. (HW09-18)