This Changes Everything!

GOVERNOR WOLF USHERS IN A NEW ERA FOR PHILADELPHIA WITH $300 MILLION INVESTMENT OF PORT DEVELOPMENT PLAN

philaport.com
Mission

The Philadelphia Regional Port Authority, commonly known as PhilaPort, and referred to as The Port of Philadelphia, is an independent agency of the Commonwealth of Pennsylvania charged with the management, maintenance, marketing, and promotion of port facilities along the Delaware River in Pennsylvania, as well as strategic planning throughout the port district. PhilaPort works with its terminal operators to improve its facilities and to market those facilities to prospective port users around the world. Port cargoes and the activities they generate are responsible for thousands of direct and indirect jobs in the Philadelphia area and throughout Pennsylvania.

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Governor Tom Wolf Announces $300 Million Capital Investment in the Port of Philadelphia

On November 22, 2016, Pennsylvania Governor Tom Wolf announced that the Commonwealth of Pennsylvania will allocate $300 million toward the Port of Philadelphia’s Development Plan. This initiative will double container capacity, position the Port for future growth, and improve efficiency.

The investment will boost three of PhilaPort’s busiest sectors: containers, automobiles and breakbulk at the Packer Avenue Marine Terminal (PAMT); the Philadelphia Auto Processing Facility (PAPF); and the Tioga Marine Terminal (TMT).

“The Port Development Plan will give the Port of Philadelphia the tools it needs to improve its competitive position and create thousands of family-sustaining, middle-class jobs while increasing state revenues,” said Governor Wolf. “With its major economic impacts throughout the state, my administration understands the value of Pennsylvania’s port asset in Philadelphia.”
$200 million will be invested in PAMT, the Port of Philadelphia’s largest maritime facility. These improvements will include expansion of the facility by 40 acres, four new electric super post-Panamax container cranes, the relocation of warehouses to facilitate container growth and the construction of new warehouses, and a deeper 45-foot depth at the terminal’s marginal berths, to match the new 45-foot depth of the Delaware River’s main channel.

Electric systems throughout the terminal will also be modernized to allow electrification of existing diesel cranes, which will lower the Port’s carbon footprint.

Container-handling capacity will increase, with a 900,000 TEU capacity immediately resulting from the improvements, scalable to exceed 1.2 million TEU capacity in the future, a significant increase over the terminal’s current 485,000-plus TEU capacity.
Philadelphia Auto Processing Facility

The Philadelphia Auto Processing Facility, which currently processes 150,000 cars, will also receive approximately $90 million toward improvements of: 155 paved and fenced acres above the flood plain at the Port’s Southport site; the creation of a second auto-processing site; and enhancements at the main auto-processing site at Pier 98 Annex. These upgrades will more than double the Port’s automobile throughput capacity to at least 350,000 units per year.

"Doubling our car throughput capabilities, and our processing capacity, is a big deal for us. It will allow us to handle our current business even better, and enable us to pursue other OEMs and export business," said Charles Gallub, President of DVR Philly, LLC.

The Auto Port in Philadelphia is a world-class facility, with best-in-class customer service. We are committed to grow the volume and maintain the highest standards of this public-private partnership," commented Glenn Clift, President and CEO of Hyundai GLOVIS.
TMT will be the third beneficiary of the Port Development Plan. $12 million has been earmarked for improvements to the on-dock warehouses to support handling Brazilian wood pulp cargoes.

A second of four warehouses at TMT will be upgraded, allowing PhilaPort to increase its wood pulp volumes to meet the demands of Pennsylvania companies requiring this important forest product. Improved rail access and the purchase of a second mobile harbor crane will also add capacity for the terminal. The plan will nearly double pulp capacity at TMT, from the current 350,000 metric tons up to 600,000 metric tons by 2019.

“These major capital improvements will secure a bright future for our workers,” said Robert Palaima, President of Delaware River Stevedores, Inc., which operates Tioga Terminal. “These improvements will allow us to better serve long-term customers who have made Tioga their home and lay the foundation for new customers.”

When asked where the demand will come from to support the new capital improvements, PhilaPort’s Executive Director/CEO Jeff Theobald said, “Shipper frustration with congestion at larger ports, including West Coast gateways, has led them to look for alternatives. Global supply chains are increasingly looking for efficiencies. There is a drive by major shippers to take out costs in logistics. They will be looking for quicker, more efficient, lower cost alternatives like Philadelphia.”

“Governor Wolf’s leadership has enabled us to put together a remarkable plan. The plan accomplishes all our of goals. It enables us to hold on to existing customers and aggressively grow

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**Tioga Marine Terminal**

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“Governor Wolf’s leadership has enabled us to put together a remarkable plan. The plan accomplishes all our of goals. It enables us to hold on to existing customers and aggressively grow
our volumes, with a concentrated emphasis on containers.”

Theobald added “The Port’s plan for container growth will first build on its core competence. Refrigeration is a traditional strength. Consumers are increasingly aware of the benefits of healthy fresh foods, these refrigerated products of increasing varieties, will be imported via Philadelphia.”

A third source of growth in port cargoes is the continued migration of large distribution centers (DCs). Many of the large retail DCs that were once located in Northern New Jersey, where land values are higher, are moving into South Jersey and the Lehigh Valley. As these DCs locate near the Port, increased container volumes are expected.

David Egan, Head of Industrial & Logistics Research for the Americas, CBRE (Real Estate Services), has called the Lehigh Valley the “Inland Empire of the East Coast,” a reference to the largest DC in the country located inland from the ports of Los Angeles and Long Beach.

PhilaPort officials anticipate an aggressive “shovels in the ground” schedule beginning this year for the planned capital improvements.

The Plan is expected to lead to a total direct job increase of 70 percent from the current level of 3,124 to a projected 5,378 direct jobs. PhilaPort’s total employment will also increase, from 10,341 to 17,020, and state and local tax revenues generated will increase from the current $69.6 million to $108.4 million annually.

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**Channel Deepening Update**

These improvements will tie in with, and support the Port’s other large infrastructure project: the Delaware River Main Channel Deepening Project, which will dig Philadelphia’s main shipping channel from 40 to 45 feet. PhilaPort will have a navigable 45-foot channel by December 2017. The larger, deeper-draft container vessels that will be able to reach Philadelphia because of the deepening project (as well as a recently expanded Panama Canal) will now find a terminal that is ready for their needs.

In addition, road, rail, and private sector warehouses and terminals are also being improved in conjunction with the Plan. Federal and Commonwealth agencies are widening U.S. highway I-95, adding new off-ramps, and improving port roads. Finally, freezer, refrigerated, and dry warehouse companies are expanding existing facilities – and building new facilities – in preparation for the new cargoes that will arrive because of the Port Development Plan.

“Our thanks to the Governor for his great support of our Port,” said PhilaPort Chairman Jerry Sweeney. “His determination to reposition Philadelphia is the catalyst we needed to take advantage of the channel deepening and position ourselves as a competitive East Coast port. I am so proud of all the great work performed by the thousands of men and women who work hard to keep PhilaPort facilities moving every day.”
$300 Million Investment
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<th>Present</th>
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<td>Containers</td>
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<td>455,900 TEUs</td>
<td>900,000 TEUs</td>
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<td>Jobs</td>
<td>10,341</td>
<td>17,020 65% Increase</td>
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<td>Clean Air</td>
<td>Diesel Operated</td>
<td>Diesel to Electric</td>
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<td>Cars</td>
<td>155,000 Units</td>
<td>350,000 Units</td>
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<td>Cranes</td>
<td>Small Panamax</td>
<td>Large Super post-Panamax</td>
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<td>Tax Benefit</td>
<td>$69.6m Annually</td>
<td>$108.4m Annually</td>
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Rebranding is akin to smashing a bottle of champagne across the bow at the christening of a ship. It marks a commencement. A freshly-designed logo, updated color palette, a distinctly different tone of voice – these tools of the marketing trade all come together in a carefully crafted expression that announces something is changing.

The Port of Philadelphia is indeed undergoing a significant transformation. Last fall, Governor Wolf announced a $300 million investment to expand the Port into a Tier 1 facility of “National Significance” – well on its way to becoming a critical link in the world’s global supply chain. In other words, the Governor and PhilaPort have ambitious plans for the Port.

More than just a pretty paint job, a rebrand is a strategic business asset that, when effectively executed, provides a platform for achieving even the loftiest goals. Brands have the power to inspire workforces, galvanize audiences and competitively position organizations within their industries. The new Port brand ‘PhilaPort’ is designed to support these objectives and more.

Conceptually, the new brand conveys an awakening – not only of the port through its renovation and expansion —
but an awakening of the world to a potential that is just beginning to be realized. This is captured, both literally and figuratively, in the new logo: an abstract depiction of a ship’s wake symbolizes the port surging forward with energy, purpose and determination toward its own shining future.

The development of the new brand did not start in the creative minds of its designers. It began with discovery and research in the form of numerous interviews with representatives from the Port of Philadelphia’s supporting constituencies. All shared their ideas about the Port’s transformation, how it addresses the needs of shipping and cargo customers and how it will enable PhilaPort to increase its already vital role in the local and regional economies.

Most importantly, the conversations with employees revealed that the Port’s true, distinctive advantage is its incredibly dedicated workforce. The energy, purpose and determination expressed by the new logo comes directly from the PhilaPort community.

Doubling the size of the Port’s container and automobile capacity; deepening the channel to accommodate larger ships; expanding breakbulk and specialty cargo warehousing capabilities — all of these improvements and more will allow the Port to compete more effectively against its larger brethren: New York and Baltimore. However, size and capacity are essentially table stakes. According to customer intelligence, what makes the Port of Philadelphia exceptional is the willingness of employees at all levels to say “Yes, we can do that!” to atypical and often complex requests. In doing so, PhilaPort effectively raises industry standards for flexibility, efficiency and how customers can and should expect a port to speed their cargoes to market. These qualities aren’t a function of size and capacity, but a culture of service. In other words, cranes and forklifts don’t move cargo, people move cargo.

“This brand lives in the hearts and minds of everyone that works here at the Port,” observes PhilaPort CEO Jeff Theobald. “Their pride and determination inspired the idea of an awakening. In the coming months, you’ll see branded communications that will establish the Port as a partner 100% focused on helping customers optimize their shipping and logistics programs. In this context, the expansion gives our terminal operators and partners the facilities and capacity they need to take what customers tell us the port already does exceptionally well to a bigger stage. That’s what the new brand is designed to convey.”

Theobald, whose first year anniversary as CEO is coming up in August, recognized the $300 million expansion as a marketing opportunity not to be wasted. The time for PhilaPort to gain its rightful place as a major player in world shipping is now and he intends to capitalize on the momentum throughout 2017.

That said, marketing won’t be the only place you’ll see the new PhilaPort logo. It will be on the Port’s website and social media, terminals and signage, and even the new super post-Panamax cranes – an ever present badge of “port pride” and symbol of the commitment the port’s people have to each other, their customers and the future ahead.
For the seventh consecutive year, cargo has grown at the Port of Philadelphia with total cargo tonnage surpassing 6 million tons.

A total of 6,245,291 metric tons of cargo was handled at PhilaPort facilities in 2016 compared to the 6,095,575 tons handled in 2015. Over a seven-year period, cargo tonnage increased at a 9.5 percent growth.

Container growth is at an all-time high and accounts for half of the metric tonnage handled. Surpassing the three million tonnage mark for TEUs is a significant milestone for the port and reflects a consistent period of growth since 2010 when TEU tonnage represented under two million tons. Likewise, when the containers are measured in TEUs, the 459,701 TEUs handled in 2016 represents an impressive 7.5 percent increase over last year.

Breakbulk cargoes (goods not shipped inside containers) were nearly up 1 percent overall. The largest gains were made by wood pulp, lumber, cocoa beans and miscellaneous cargoes.

2016 Cargo Figures Demonstrate Sustained Growth at the Port of Philadelphia
Breakbulk highlights for 2016 included:

- Forest products, which include high-quality coated paper from Scandinavia used to print magazines and catalogs, and wood pulp from South America used in the manufacture of household items like diapers, bathroom tissue and paper towels, were up a healthy 18.4 percent, with 921,338 tons handled in 2016 compared to the 778,271 tons handled in 2015.

- Cocoa beans, with 123,356 tons arriving at PhilaPort in 2016 compared to 2015’s 101,166 tons, experienced a 21.9 percent gain. This gain, in conjunction with terminal operator Dependable Distribution Services (DDS) consolidating its regional cocoa cargoes at PhilaPort’s Pier 84 facility, shows why Philadelphia is ranked as the number one cocoa bean-handling port in the nation, according to The Journal of Commerce’s PIERS data service. When considering all cocoa products, PhilaPort ranks second in the nation.

- Steel, with 294,219 tons and Fruit with 240,504 tons handled in 2016 was moderate compared to previous port years.

- Liquid bulk cargo activity performed at about 2015 levels again resulting in a cargo at 1,286,489 tons. With about an 11.3 percent growth within the last 7 years.

- Roll-On/Roll-Off (Ro/Ro) cargoes primarily consist of new Hyundai and Kia automobiles that regularly arrive at PhilaPort’s Packer Avenue Marine Terminal from South Korea. Since 2010, their vehicle import business has shown a 12.4 percent growth over the last seven years. Shown as units, automobiles were down 10.8 percent, with 138,872 automobiles arriving at PhilaPort in 2016 compared to the 155,745 that arrived in 2015. The decrease was due to a recent labor strike the automaker had last year, causing U.S. inventory levels to fall below 30 days. Korean imports dropped by 23 percent, making it the costliest strike in the history of the automakers.

All tonnage figures are metric tons. Cargo gains in 2016 occurred during a busy and dynamic era for PhilaPort, with the newly announced $300 million Port Development Plan and a deeper 45-foot channel by December 2017. This major capital investment affecting PhilaPort will bring about more cargo to Philadelphia and the region.

2017 has started with record volumes. In January, container volumes hit a record of 50,152 TEUs, a 34 percent growth over January 2016. We also saw a tremendous surge in autos by 38 percent, forest products 10 percent, cocoa 58 percent and liquid bulk of 17 percent for a net growth of 20 percent over the same period last year.
Channel Deepening: We’re Almost There!

The highly anticipated $364 million project to deepen 102 miles of the Delaware River from 40 to 45 feet is now approximately 85 percent complete. The project, spanning from the Ben Franklin Bridge to the mouth of the Delaware Bay, will allow the vast majority of the world’s shipping fleet to call at terminals on the Delaware River.

Additionally, PhilaPort has a six-foot tide. This tide will be used during flood stage to accommodate vessel depth, on top of the new and improved deeper channel.

By December 2017, vessels transiting

...
to and from Philadelphia will be able to use the new deeper 45-foot channel.

Contractors working on the project will spend time in 2018 improving sections of the new channel, making them wider for two-way traffic.

Currently, the river can accommodate ships carrying a capacity of up to 9,400 TEUs. When the deepening project is complete, ships carrying up to 14,500 TEUs will be able to call on Philadelphia.

The remaining 10-mile section of the project, which began in 2010, is centered on a section of the river designated as ‘Upper Reach B’. It is roughly located between the Philadelphia International Airport and Claymont, Delaware. While most of the river bed consists primarily of sand and silt, this section is composed of a few rocky sections that create unique challenges to the scientists, engineers and dredging crews who work tirelessly to complete the project on time, on budget and in a manner that provides the maximum protection to this sensitive ecosystem.

When the project is completed, approximately 16 million cubic yards of material will have been removed from the river bottom.

In addition to the obvious benefits to marine transportation, there has also been beneficial uses for much of the material removed from the river. One of those benefits was the critical beach replenishment that occurred in the lower Delaware Bay at Broadkill Beach (See more about Broadkill Beach, page 19).

PhilaPort has already seen an unprecedented interest from new companies interested in moving their products through the Port of Philadelphia. Sean Mahoney, PhilaPort Director of Marketing, said “the level of interest in shippers wanting to make Philadelphia a port of call has been incredible. With the expansion of the Panama Canal and congestion concerns at competing ports, shippers are looking for alternatives and Philadelphia is in a prime position to service these new customers.” Philadelphia is already seeing vessels that could utilize the deeper channel. The arrival of the MSC Anzu at 9,008 TEUs is the largest vessel to visit PhilaPort. It has been stated by seasoned port professionals that vessels of the 9,000 – 10,000 TEU range will be the workhorses of the Eastern Seaboard.

“This has been a long and arduous capital project that has been championed by many Governors, Senators, Congressmen and local officials. It is wonderful to see that an end is finally in sight. Generations of longshoremen, shippers, consumers and manufacturers will benefit from this project,” Dennis Rochford, President of the Maritime Exchange for the Delaware River and Bay said. “The economic impact that will result from this project cannot be overstated.”
1000th Vessel Transits Expanded Panama Canal Destined for Philadelphia

PhilaPort welcomed the *MSC Anzu*, Sunday, March 26, 2017.

The Neopanamax containership *MSC Anzu* marked the milestone as the 1000th transit Neopanamax vessel to use the Expanded Panama Canal while destined for Philadelphia on March 19, 2017 – since the expanded Canal’s historic inauguration less than nine months ago.

Facts about the Expanded Panama Canal:

- The average number of Neopanamax ships that transit the new lane per day is 5.9.
- The container segment represents more than half of the transits through the expanded Canal. 53% of the cargo transiting the interoceanic route in container ships uses the expanded Canal.
In addition to the massive economic impact deepening the river will have on the shipping, warehousing and distribution industries in the region, one local town is reaping the benefits of dredging in a very different way. Broadkill Beach, Delaware, a beach town just north of Lewes near the mouth of the Delaware Bay, received 1.9 million cubic yards of high-quality sand retrieved from the dredging operation to help restore and replenish its 3-mile stretch of beach that had been decimated by fifty years of erosion. In addition, a large dune, the size of the one protecting the boardwalk at Rehoboth Beach has been created to further defend the residents and businesses in the town from storm surges. To counter the effects of natural erosion, the Army Corps of Engineers will continue to replenish the beach with sand removed from the mouth of the bay as part of its maintenance dredging obligations. These efforts are expected to give life to the beach for the next 60 years.
In August, Maritime Industry Veteran Jeff Theobald Took the Helm at the Port of Philadelphia

Last July, PhilaPort’s Board of Directors selected global transportation executive Jeff Theobald as PhilaPort’s new Executive Director/CEO. Theobald, most recently the President and CEO for Ports America Outer Harbor Terminal, LLC, replaced James T. McDermott, Jr., who retired from the Port Authority last year. Theobald
assumed his new duties in August, and became the Port Authority’s third chief executive since its creation in 1989.

Jerry Sweeney, PhilaPort Chairman, said, “Jeff Theobald is a seasoned maritime industry executive with a proven track record. He has extensive expertise in terminal operations, international supply chains, strategic planning, contract negotiations, and financial control and will prove invaluable in overseeing port growth plans. He has excellent strategic vision and is joining at the right time, as so many projects and initiatives at the Port of Philadelphia are coming to fruition.”

Theobald held several senior-level maritime industry positions over the course of his career, most notably as a senior executive for ocean carrier APL, LTD, where he started in port terminal management and ultimately rose to the rank of Senior Vice President of Global Operations, Networks and Terminals. As Senior Vice President, he was integral to all aspects of APL’s worldwide operations, including negotiations with port authorities, terminal operators, railroads, and labor; port investments; establishment of worldwide shipping routes; oversight of all operational functions; and direct management of over 150 employees.

Pennsylvania Governor Tom Wolf was also pleased with the selection of Theobald by PhilaPort’s Board. “My administration is extremely committed to the success of the Port of Philadelphia, one of the major economic engines of both the Philadelphia area and Pennsylvania as a whole,” Governor Wolf said.

“This is a critical time for Philadelphia, and in Jeff Theobald we have a strong, experienced guiding hand to assist our board in assuring that all projects are successfully completed and, more importantly, deliver maximum benefits to the people of Pennsylvania.”

“a seasoned maritime industry executive with a proven track record”

Since taking over leadership duties in August, Theobald has led the planning and initial implementation of Governor Wolf’s Port Development Plan, which will allocate $300 million to critical port improvements and expansions. In addition, a new agency structure was implemented to improve efficiency and prepare PhilaPort to meet growth opportunities head on.

Assessing his experience after six months on the job, Theobald said, “I’m excited by what I see here in Philadelphia. Considering the size of our market, our geographic location, the quality of our workforce, and the experience of our marine terminal operators, we have real growth potential. Governor Wolf has entrusted us with a $300 million investment, and that will allow us to handle the new cargo that wants to ship via PhilaPort’s terminals.”
Last year, PhilaPort gained its first benefit from channel deepening. Although the two-decade long project to deepen the Delaware River main channel to 45’ is not yet complete, bigger ships can already take advantage of greater depth to reach PhilaPort’s Packer Avenue Marine Terminal (PAMT).

In August, Philadelphia received its first calls from a larger class of container ship. These ships range in size from 8,800 to 9,400 20-foot container capacity.

“Every container port is working to ensure their terminals are ready to handle the newer larger ships,” said Gregory Iannarelli PhilaPort Chief Counsel,
recently selected to lead business development efforts at PhilaPort. The older, smaller class of container ship is being phased out. If we did not deepen our main channel, and make the capital improvements Governor Wolf announced, we could not survive as a competitive container port.”

Utilizing the larger ships, Mediterranean Shipping Company (MSC), the Port’s second biggest customer, introduced a new service from the West Coast of South America, bringing fruit and dry cargoes from Chile and Peru to Philadelphia. The service continues on to Northern Europe, with a nine-day service to Rotterdam, The Netherlands.

The export leg of the service, which PhilaPort is calling the “Philadelphia Express,” provides best-in-class speed for Pennsylvania and other U.S. exporters to reach the rich economies of Europe.

Eric Holt, whose family’s group of companies operates PAMT, is excited about the new service. He noted that MSC previously moved 500 to 700 containers per week at PAMT to and from South America. With the bigger ships, “our hope is that they are going to double that,” he said.

Bigger ships allow greater economies of scale, reducing costs, and providing shippers with greater access to global markets.

Also, these new ships have more refrigerated plugs. The MSC Sofia Celeste, for example, has 1,462 refrigerated slots, capable of maintaining the “cold supply chain” for fruit containers from Peru or Pennsylvania meat containers for export.

Additionally, the bigger ships allow PhilaPort staff and the Holt organization to compete for more of the export market from the U.S. Midwest. “Because competing ports suffer higher levels of congestion, while Philadelphia has higher productivity, MSC is promoting Philadelphia as a superior gateway for industrial exports from the U.S. heartland to get to Europe,” said Tom Holt, President of Holt Logistics. “The bigger ships make that gateway effort possible.”

While happy with the 8,800+ TEU vessels, PhilaPort officials are already planning for the next generation of ships. Pennsylvania Governor Tom Wolf’s recently announced Port Development Plan will increase the size of PAMT by about 40 acres; purchase four new super post-Panamax container cranes; move warehouses from the terminal; and deepen the berths to 45‘ to match the deeper channel.

These improvements, plus channel deepening, will allow the port to handle potentially up to 14,500 TEU ships, which are the biggest ships able to transit the newly-expanded Panama Canal.

The Panama Canal expansions were completed last year and are driving port improvements along the entire U.S. East Coast.

The Port Development Plan and the Channel Deepening Project are also leveraging private-sector investment in the Philadelphia area.

“We are seeing a significant increase in the region’s private refrigerated and freezer warehouse capacity, to accommodate the greater cargo flows expected from the bigger ships.” commented PhilaPort Sr. Marketing Representative, Dominic V. O’Brien. “Private sector companies in the region share our confidence in cargo growth through PhilaPort.”
Fyffes is one of the largest and oldest tropical produce importers and distributors in Europe. They have an infrastructure that reaches across the globe. As a true global player, Fyffes is primarily involved in the production, procurement, shipping, ripening, distribution and marketing of bananas, pineapples, melons and more recently ethnically traditional vegetables.

Currently, Fyffes is the largest importer of bananas into Europe and the number 1 importer of melons in North America.

The 128 year old Fyffes was originally established in the UK, however in the 1980’s Fruit Importers of Ireland (FII) assumed the British company’s name. Its main markets are in Europe and the United States. Last year, Fyffes recorded revenue of more than €1.2 billion.

This past January, Fyffes announced its cargo will move from one of PhilaPort’s breakbulk facilities and to PhilaPort’s container terminal Packer Avenue Marine Terminal (PAMT). This is a strategic move, which will give the company additional room for growth. “With Fyffes’ recent expansion in North America, the PAMT will allow us to be 100 percent containerized and give us greater flexibility on how we serve our customers.” explained Juan Alarcon, CEO of Fyffes North America, Tropical Division.
PhilaPort and Holt’s investment in the infrastructure of the PAMT will allow for PhilaPort to accommodate the new business Fyffes will bring. Fyffes’ new terminal location is key to Fyffes’ strategy, in maintaining the integrity of the cold chain. It allows Fyffes to import top-grade produce from five different countries, rather than two at its previous terminal. Almost as important is that the Fyffes’ volumes allow for new and expanded Ports of Call by their carrier of choice – SeaLand. This new more robust service will enable other third-party tropical fruit shippers to use PAMT.

“The Fyffes brand and reputation for quality has well been established throughout Europe. In Philadelphia, their recent move to utilize PAMT signals that same commitment to quality is being expanded into U.S. markets,” Jeff Theobald, PhilaPort Executive Director/CEO, commented. “The recently announced major capital improvements being made by PhilaPort and its operator, Holt Logistics, will ensure that U.S. consumers will know Fyffes fruit and produce as a first choice for their families’ tables.”

In early 2017, Fyffes will be acquired by the Japanese company, Sumitomo in a deal worth over €750 million. This takeover will not affect operations at Philadelphia or North America.
On November 14, 2016, East Coast Warehouse & Distribution (ECW), a leading refrigerated and dry warehousing and transportation provider, as awarded a five-year contract from the U.S. Customs & Border Protection (CBP) to operate the new Centralized Examination Station (CES) for the Port of Philadelphia.

ECW, established in 1957 and based out of Elizabeth, NJ, has opened its Philadelphia CES and warehouse operation at 1600 Warfield Street in Philadelphia. The facility has 50,000 sq. ft. of space and is expandable by an additional 20,000 sq. ft., if needed. ECW collectively oversees 1.5 million sq. ft. in the U.S. Northeast of warehouse space, with over 300 employees supported with a fleet of 150 drivers. Over 60 percent of ECW operations is accounted for by its trucking and warehousing capabilities. Their CES capabilities in Philadelphia will help to augment those services and provide a valuable service to the port community and the local Philadelphia District of the CBP. These CBP examinations will include: Manifest Exam Team/Trade Compliance; Contraband Enforcement Team; and USDA Quarantine Inspections. East Coast Warehouse is Safe Quality Food (SQF) certified, American Sanitation Institute (ASI) certified, Oregon Tilth Certified Organic (OTCO), FDA-registered and U.S. Customs bonded.

“As the only CES facility in the Port of Philadelphia we are very excited. It is a privilege to be selected by CBP,” said James Overley, CEO of ECW. “It’s great to be here and I am looking forward to the growth in the Port of...
Philadelphia. Mr. Overley has over 20 years’ experience in the trucking and warehousing industry. His outlook for the future is that he would like to continue to grow with the Philadelphia market and build their trucking fleet to accommodate the plans of PhilaPort to double its throughput.

Upon being awarded the contract, they quickly began making the necessary changes to get through all requirements needed to comply with rules and regulations set by CBP to open the facility.

With the Philadelphia region being the biggest agriculture port on the East Coast, it is often busy. Some days are busier there than others and different seasons determine what will take place from day to day. The goal that ECW strives for is to get containers to the facility quickly, examine the freight and get it back to the customer as soon as possible.

While the process may seem easy, there is a great deal that goes into the inspection of each container. CBP selects the container that will get inspected, then they assign a trucker to transport the container to the warehouse. Upon arrival of the container, a non-intrusive inspection (NII) is conducted, which may include a partial unload or a full unload. Once the examination is over, the customer is given two options on how the shipment is returned to them. Once completed containers are reloaded, customers are notified about their shipments and delivery or pick-up arrangements are confirmed.

In some cases, shipments can be held over for further review or not returned to the customer until other checklist items are cleared to their satisfaction. CBP controls what they want to look at when a container is selected and when the examinations will take place. Business hours are Monday through Friday, 8AM–5PM. Customs agents and staff can work on weekends if needed or extend their hours if necessary. Private offices, lockers and other amenities are provided for Customs to make it easier for them to do their job efficiently.

ECW takes great pride to ensure that both its operations and cargo are carefully accounted for by employing their own in-house private security which is tasked with managing all entries and exits, including guard-controlled gates, 24-hour video surveillance of all facilities over CCTV, DVR recorders and motion detectors.

In addition to the expedited U.S. Customs & Border Protection Exam Services and U.S. Food & Drug Administration (FDA) inspections, the facility is connected to central station-monitored alarm systems, which monitors use of door and window contact points, high chain link fencing around entire exterior perimeters. The building and parking lot is equipped with mounted lighting to support truck and container storage area and Electric Guard Dog’s provides a multi-layered system of physical, shock and alarm deterrents.

“There has been very positive feedback from the Philadelphia port community” said James Overley. “We look forward to working with carriers and shippers in the Philadelphia area for many years to come.”
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