# CAPTAIN'S



# QUARTERS



Chartered 1770

QUARTERLY NEWSLETTERS - Prepared for the interest of all members (Regular, Honorary and Associate) of the Marine Society of the City of New York in the State of New York, Suite 714, 17 Battery Place, New York, NY 10004. Office 212-425-0448 FAX 212-425-1117 Website: www.marinesocietyny.org

October 2007

#### **Quarterly Meeting 15 October 2007**

The next Quarterly Luncheon will be held on 15 October 2007 at 1230 hrs. at Giovanni's Atrium, 100 Washington Street, NYC.

For reservation, call Karen at 212 425-0448 or email at: marinesociety.captains@verizom.net

The guest speaker is not confirmed at the time of this writing. Check the website for updates. The web site address is: <a href="https://www.marinesocietyny.org">www.marinesocietyny.org</a>.

#### **New Members**

Capt. Thomas Dorr elected Regular member 25 June 2007

Capt. Eugene F. Sweeny elected Regular member 25 June 2007

Capt. John W. Sullivan elected Regular member 25 June 2007

Capt. Peter A. Junge elected Regular member 11 July 2007

Mr. Michael Edgerton elected Associate member 17 Sept. 2007

Mr. Richard A. Zimmerman elected Associate member 17 Sept.

#### **Kings Point Defeats Fort Schuyler**

In retribution for last years race, Kings Point defeated Fort Schuyler in the Annual Lifeboat (Monomoy) Race on the Long Island Sound 29 September 2007. Toss Oars!

#### **Crossed The Final Bar**

Edward R. Simpson, Associate Member elected 11 July 2005. crossed the final bar 8 July 2007. He served in the U.S. Maritime Service as Radio Officer/purser from 1944 to 1949. A member of the Dennis A. Roland Chapter of the American Merchant Marine Veterans, he is survived by his wife of 58 years Doris, four children and six grandchildren.

THE WALL STREET JOURNAL, September 26, 2007

# Why the 'Law of the Sea' Is a Good Deal

By James A. Baker III And George P. Shuitz

he Convention of the Law of the Sea is back. It will be the subject of Senate hearings this week. If the U.S. finally becomes party to this treaty, it will be a boon for our national security and our economic interests. U.S. accession will codify our maritime rights and give us new tools to advance national interests.

The convention's primary functions are to define maritime zones, preserve freedom of navigation, allocate resource rights, establish certainty necessary for various businesses that depend on the sea and protect the marine environment. Flaws in the deepseabed mining chapter that prevented President Reagan from supporting the convention were fixed in 1994. Both President Bill Clinton and George W. Bush have supported accession. Yet, the U.S. remains one of the few major countries not party to the convention.

Our participation would increase our ability to wage the war on terror.

The convention assures maximum maritime naval and air mobility, which is essential for our military forces to operate effectively. It provides the stability and framework for our forces, weapons and materials to be deployed without hindrance—ensuring our ability to navigate past critical choke points throughout the world.

Some say it's good enough to protect our navigational interests through customary law. If that approach fails, then we can employ the threat of force or the use of it. However, because customary law is vague, it does not provide a strong foundation for critical national security rights. Meanwhile, the use of force can be risky and costly. Joining the convention would put our vital rights on a firmer legal basis, gaining legal certainty and legitimacy as we operate in the world's largest international zone.

This is why the U.S. military has been a strong advocate of joining the Law of the Sea Convention. This point was reinforced in a recent letter sent by the Joint Chiefs of Staff to Sen. Joe Biden, chairman of the Senate Foreign Relations Committee, calling on the Senate to support U.S. accession because "[i]t furthers our National Security Strategy, strengthens the coalition, and supports the President's Proliferation Security Initiative."

The convention also provides substantial economic benefits to the United States. It accords coastal states the right to declare an Exclusive Economic Zone—an area where they have

exclusive right to explore and exploit, and the responsibility to conserve and manage, living and non-living resources extending 200 nautical miles seaward from their shoreline. Our nation's EEZ is larger than that of any country in the world-covering an area greater than the landmass of the lower 48 states. This zone can be extended beyond 200 nautical miles if certain geological criteria are met. This has potentially significant economic benefits to the U.S. where its continental shelves may be as broad as 600 miles, such as off Alaska, an area containing vast natural resources.

Further, as the world's pre-eminent maritime power with one of the longest coastlines, the U.S. has more to gain and to lose than any other country in terms of how the convention's terms are interpreted and applied.

Accession would increase our influence by allowing us to nominate experts for the technical bodies that apply the convention's terms, address proposals to amend the convention from within (rather than from the sidelines), and increase our credibility as a leader in international ocean policy.

As we speak, international deliberations for rights to energy- and mineral-rich areas in the Arctic beyond the traditional 200-mile EEZ are proceeding without U.S. input. Just recently, Russia placed its flag on the North Pole's ocean floor. While seen as largely symbolic, the part of the Arctic Ocean claimed by Russia could hold oil and gas deposits equal to about 20% of the

world's current oil and gas reserves. If the U.S. was party to the treaty, we would strengthen our capacity to influence deliberations and negotiations involving other nations' attempts to extend their continental boundaries.

As a non-party, however, the U.S. has limited options for disputing claims such as these and is stymied from taking full advantage of resources that could be under U.S. jurisdiction. Similarly, lack of participation in the convention is jeopardizing economic opportunities associated with commercial deep-sea mining operations in international waters beyond exclusive economic zones—opportunities currently being pursued by Canadian, Australian and German firms.

The continuing delay of U.S. accession to the convention compromises our nation's authority to exercise its sovereign interests, jeopardizes its national and economic security, and limits its leadership role in international ocean policy.

Given President Bush's public statement of support for the convention, the support of prior presidents and their administrations and the strong, bipartisan and diverse support it has from all major U.S. ocean industries, the environmental community and national security experts, it is clearly time for the Senate to act by supporting accession to the Convention on the Law of the Sea.

Messrs. Baker and Shultz are former secretaries of state.

EDITORS NOTE:

This is your newsletter. If you have any news or item which you believe might be of interest to members of The Marine Society as a whole, please don't hesitate to hand it, mail it or "e-mail" it to Karen Laino, Office Administrator. Thank you.

J.R.S.

# MARINE SOCIETY OF THE CITY OF NEW YORK

#### 

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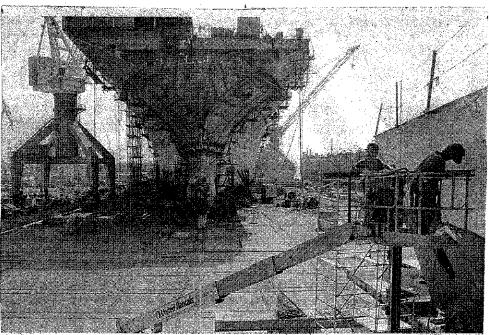
Ms. Karen Laino

The Marine Society of the City of New York is a charitable and educational organization, the regular membership being comprised entirely of seafarers, all of whom must have been Captains or Officers of merchant vessels under the United States of America flag or of U.S. Naval /U.S. Coast Guard Officers of the rank of Commander or above. It was formed in Colonial days, formerly chartered in 1770 by King George III to "improve maritime knowledge and relieve indigent and distressed shipmasters, their widows and orphans." Among early members of the society was President George Washington.

By and large, the Marine Society of New York has performed its charitable service quietly through the years without fanfare, as becomes an organization of seafarers. It stands today as the watchdog of their interests and interests of American shipping as a whole.

Be sure and request your next of kin or a friend to notify the Society in case of illness or incapacity.

It is also important for regular members to let your next of kin know that they have the right of relief in case of future need.



KARI GOODNOUGH/BLOOMBERG NEWS

Welders at work in 2005 on the first national security cutter, which remains a work in progress but is said to have flaws that could compromise its ability to protect classified communications.

# Early Flaws Seen in New Coast Guard Cutter

By ERIC LIPTON

WASHINGTON, Sept. 27—The Coast Guard has found hundreds of deficiencies in the communication and electronics systems being installed in the flagship of its new fleet, threatening to delay the delivery of the ship, known as a national security cutter, internal documents show.

The problems with the electronics in the \$640 million, 418-foot ship include design flaws and improper installation of cables for its classified communications systems, according to a written summary of a Coast Guard review of the program.

"When our communications systems are vulnerable to eavesdropping, I consider that a major problem," said Representative Elijah E. Cummings, Democrat of Maryland and chairman of the Houses subcommittee that oversees the Coast Guard.

Coast Guard officials and executives at Lockheed Martin, the contractor responsible for the ship electronics, said the short-comings are to be expected because they turned up in what they said was an unusually early inspection as the equipment was still being installed. This early check, they added, shows that the project managers had learned from earlier problems with the \$24\$ billion fleet rebuilding program known as Deepwater.

"We want to make sure we are

catching everything," said Troy Scully, a spokesman for Lockheed, which is building the ship in a partnership with Northrop Grumman. "This is exactly why we test."

Brendan McPherson, a Coast Guard spokesman, said officials had expected that the inspection would find flaws.

"It is almost impossible not to find problems because you are looking even before the work is done," he said, adding that before the ship is delivered, the Coast Guard "fully expects our industry counterparts to meet their contractual obligations."

The first ships produced by the Deepwater program — eight 123-foot patrol boats — were pulled from service late last year, after they suffered repeated hull cracks, mechanical problems and similar flaws in their electronics networks.

The much larger and more expensive national security cutters are unlike any other vessel ever commissioned by the Coast Guard. With its millions of dollars of high-tech communications and surveillance equipment, the cutter is designed to go far beyond traditional agency missions like drug interdiction and off-shore patrois. It is supposed to be able to help prevent or respond to terror attacks and be ready, on short notice, to join Department of Defense convoys, which means its classified communications equipment is essential to its mission.

An internal agency report late last month by Rear Adm. Ronald J. Rábago, the head of the Deepwater project, said there was a high probability that the ship, at the time of delivery, "will be unable to process classified information" because of the deficiencies. The problems with the electronics networks were first reported Wednesday on the Internet site of Wired magazine.

The delivery date for the first national security cutter has already been pushed back from this past August to February 2008. The price tag for the ship is also now double the \$322 million estimate first provided in 2002.

Earlier this year, the Coast Guard announced that it would assume the lead role as project manager and reserve the right to put out to open bidding contracts for any new ships or aircraft that are built.

The Coast Guard is also working on a plan to structurally reinforce the national security cutter's hull, after determining that design flaws would probably mean that it would develop significant cracks long before reaching its planned 30-year service life.

A report by the inspector general for the Department of Homeland Security blamed the Coast Guard for not properly overseeing work by its contractors.

By Nancy Keates

NCERTAINTY continues to Barefoot Cruises as passengers battle to get answers from the cruise company about refunds and future cruises amid reports that crew members have vet to be fully paid.

Labor disputes with crew members docked two ships owned by the company over the past couple of weeks, stranding some passengers in Costa Rica and Aruba. Windjammer, a 50-plus-year-old sailing cruise company, has just four vintage sailing ships, but a loyal following among cruise lovers.

"I am very upset that they'd treat us like this," says Pam Rhyne, a retired teacher from Woodstock, Ga., who is out \$6,000 for the week-long trip she and her husband were supposed to take on the company's S.V. Mandalay this past Sunday. The Rhynes arrived in Panama for their cruise Saturday night and weren't met at the airport by a cruise representative even though they had paid for the transfer upfront. When they arrived at their hotel, a crew member told them the ship wouldn't be sailing because the crew hadn't been paid for months and that they should make other plans. The Rhynes flew home Monday, paying an extra \$1,600 because the airline couldn't reschedule their flights. Despite numerous calls to Windjammer's office in Miami, they haven't been given any assurance of a refund.

Bob Casper, a teacher from Rochester, N.Y., also flew home from Panama after a crew member told a group of passengers the ship wouldn't be sailing. The official line was there was a hurricane, but the crew member told the passengers that the crew refused to sail until they were paid. Passengers were told their hotel bills would be paid by the company, but Mr. Casper says he had to pay for his own room-\$68 a night for two nights. He also had to pay \$250 to change his flights back home.

Windjammer has had labor dispute issues on all four of its ships over the past two weeks. The common complaint: Crew hadn't been paid in weeks. Jerry Ceder, who on Monday identified himself as a spokesman for TAG Virgin Islands Corp., the investment company that is in the process of purchasing Windjammer from a family trust, told reporters Monday that TAG Vir- was no food for the crew aboard

gin Islands had paid the crews. Stephen Pallister, the attor-

surround Windjammer ney who controls the family trust that currently owns Windjammer, says the situation is still fluid but under control: "The crews are being attended to-there are discussions. They should be just fine," he says. Anyone who has had a "difficulty with the company will be compensated accordingly," he says. TAG Virgin Islands should be injecting a "very significant" amount of cash into the company over the next three months, says Mr. Pallister. Mr. Ceder (who now identifies himself as representing a "small group of investors?) says all ships will be on their regular schedule next week.

> One captain said he couldn't go on until he found a replacement for his first mate, who had disembarked.

But according to a person familiar with the matter, the crew of the Mandalay still hadn't been fully paid as of yesterday morning and it was unclear if the ship will be able to sail for its scheduled cruise this coming Sunday.

Emails obtained by The Wall Street Journal that were written by the captain of the Mandalay to Windjammer officials and the ship's agent confirm that the company has been experiencing financial difficulties for some time. On Aug. 17. Capt. Cornelius Plantefaber, known as "Captain Casey" wrote that the crew had decided to go on strike because they had been "promised and promised" pay and still hadn't received it. "Two weeks ago, the company asked me to talk to the crew and just hold on for two weeks. I did such that and all agreed to do just as asked...to help out. The two weeks has now come and gone," he wrote.

The other issue is one of safety and the inability to get necessary repairs on the Mandalay because of inadequate funds, the captain said in the email. "We are in dire need of forward stays without the capabilities of obtaining them. This is very concerning to my crew as seafarers. Mandalay can't safely fly sails due to the uncertainty of the forward rig.'

According to the captain's email, until late Tuesday there

the Mandalay (there was five cases of beer, however). "The crew are living in passenger garbage because we have not paid the trash bills for two weeks," wrote the captain. According to the email, the ship's agent in Panama lent the captain \$1,000 for crew food and the captain is wed almost \$7,000.

AIG Travel Guard, which issues travel insurance, says its claims department was looking into whether the company should be put on its financial default list after it received word from a travel agent about the sitnation. A spokeswoman for the **Federal Trade Commission said** the agency hadn't filed any action against Windjammer. It is the agency's policy to decline comment on possible or pending investigations.

Lisa Whitley, a stay at home mom in Morristown, N.J., was on the Windjammer's S.V. Legacy Aug. 4-11, returning to Costa Rica the day before the crew of that ship went on strike and stranded passengers there. Mrs. Whitley says the crew told her they hadn't been paid in months: she says there was no scuba diving or teen kid's clubtwo reasons Mrs. Whitley had chosen that ship for a trip with

her husband and two children.

On Mrs. Whitley's trip, the Legacy sailed straight from Costa Rica to Panama with no stops, despite advertisements to the contrary, says Mrs. Whitley. Passengers weren't allowed off the ship in Panama. On the way back to Costa Rica, it stopped at a small port; the captain told passengers his first mate had disembarked and they couldn't go on until he found a replacement. He suggested the passengers "find a Plan B," says Mrs. Whitley. "We didn't know how long we'd be there," she says. (It was two days.) By the last two days of the cruise, they

didn't have clean towels or lin-

ens because the company hadn't

paid its water bills, she says. The Whitleys have been trying since Tuesday to get a call back from Windjammer for a refund of the \$3,400 they paid for their kids' fares. The grown-up fares were free because she and her husband were using an IOU the company had given Mr. Whitley years earlier when he hadtaken a Windjammer cruise and an alcoholic captain had run the ship aground. Fellow crew mates have been told they wouldn't receive a refund but might get a "future credit" as compensation. "If they offer us another free cruise, I don't think we will take it," says Mrs. Whitley.

# Port sniela tests rigged, says GAO

Devices detect cargo radiation

BY JOE MALINCONICO STAR-LEDGER STAFF

With America on the verge of installing new technology designed to prevent nuclear weapons and dirty bombs from being smuggled through the nation's seaports, federal auditors issued a report yesterday saying the testing of the equipment was flawed.

In its report, the United States Government Accountability Office urged the Department of Homeland Security to delay deploying the new radiation detection devices — which eventually would be installed on the docks at Newark and Elizabeth — until more testing is done.

Previous tests "were not an objective and rigorous assessment" of the new equipment's capabilities, partly because the contractors were allowed to put their devices through dry runs with the same radioactive materials that were later used in the formal tests,

But the director of the Domestic Nuclear Detection Office disputed the report's conclusions and said.

he would move ahead with a schedule that could put some of the devices in the \$1.2 billion program in operation at the ports by early next year.

"It's fatal to wait for perfection." said Vayl Oxford, the nuclear detection director. "Some people want to make these things the silver bullet. It's not practical and it's not possible."

At issue is the equipment used to check cargo containers for radiation at the nation's ports, known as portal monitors. The equipment now being used cannot tell the difference between dangerous radiation that would be used in weapons and naturally occurring radiation like that found in ceramic tiles and cat litter. As a result, the portal monitors often set off alarms for cargo that turns out to be harmless. That happens about 200 times a day in the Port of New York and New Jersey, officials said.

The false alarms waste time and money. The new technology is supposed to prevent that by identifying the type of radiation as part of the initial screening process.

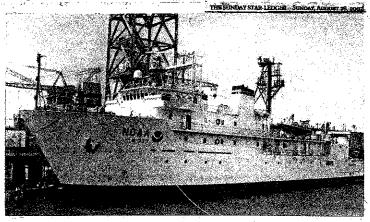
Three contractors are designing and manufacturing the new portal detection systems: Canberra Industries Inc., Raytheon Company-Integrated Defense Systems and Thermo Fisher. '

Last year, the GAO issued a report that raised questions about the new devices' ability to detect radiation. Federal nuclear detection officials conducted another round of tests in Nevada from February through May. The GAO now is questioning the way those tests

C't'd on Pp.7

### Drawing on worldwide experts in real time to help identify discoveries in the Black Sea

#### Deep-sea explorer puts new spin on ship-to-shore call



The agency Okeanos Explorer will go to sea next year as the first U.S. ship dedicated to exploring unknown parts of the ocean, and will be in touch with land-bound scientists through high-speed communications.

#### BY RANDOLPH E. SCHMID

ASSOCIATED PRESS

WASHINGTON — Undersea explorer Robert Ballard leans back and smiles at the screens arrayed above his desk. One displays a view of a remote operating vessel, another scans along a seafloor never before viewed by humans.

It's the Black Sea, not far from Ukraine, a region long closed to outsiders and now yielding a treasure trove of Byzantine vessels that mestheir ends 1,000 or more years

For Ballard the archaeologist, those vessels and their contents are a delight.

For Ballard the explorer, the modern technology he's testing for the National Oceanic and Atmospheric Administration is pretty exciting, too.

Thanks to the massive speed of modern communications, talking to him from a desk in Silver Spring. Md., while he is aboard the research vessel Alliance in the Black Sea is almost as simple as talking to him in person.

And that's the idea.

Ballard is testing a system planned for use aboard NOAA's new vessel Okeanos Explorer, scheduled to go to sea next year as the first U.S. government vessel dedicated to exploring unknown parts of the ocean.

"It's mission, literally, is to go where no one has gone before on planet Earth," Ballard said.

"That means that the exploration could encounter a biological discovery, a geological discovery,

hopefully for many of us an archaeological discovery. So there is no way of knowing in advance what the discovery is going to be," he

The plan is to have dozens or hundreds of scientists participate without ever having to leave their homes and universities.

The ship will be in high-speed communication with a center at the University of Rhode Island, and from there via Internet2 to universities and science centers across the country, calling on whatever expertise is needed.

Ballard likens it to a hospital emergency room.

"An emergency room has no idea what the ambulance is going to deliver at 3 o'clock Sunday morning," he explained. "They don't know if it's going to be a head injury, a mother having a baby, a heart attack or whatever," so the hospital has a system for doctors to be on call.

"Now we're doing the same sort of thing in support of NOAA," he said.

The center in Rhode Island will operate like the NASA space center in Houston, which is constantly in contact with the astronauts in outer space, just as Rhode Island will be with the aquanauts in inner space.

Above Ballard's head, the underwater camera continues to move across the seafloor, passing mainly stones and sand and, suddenly, a series of straight lines and right angles. C't'd. on p.7

INVESTING

# Shipping finds calm as global markets roil

By Alaric Nightingale and Todd Zeranski

LONDON: Shipping companies are sailing through this month's turmoil in financial markets and shareholders are poised for annual returns above 20 percent.

Shipping rates as measured by the Baltic Dry Index climbed 9.6 percent since world stock markets started a decline on July 17. Record prices for hauling coal and bulk commodities are benefiting companies like Navios Maritime Holdings, Genco Shipping

& Trading and DryShips.

Almost all the 6,600 ships available for hire are at sea, and the rising cost of credit threatens to stall financing of new vessels. Sales of raw materials to China will climb 25 percent this year, and may send profit up as much as sixfold at the Bermuda-based Golden Ocean Group, Compagnie Maritime Belge and Quintana Maritime of Greece. The stocks are cheap, when the prospects for earnings are compared with the broader stock market.

When the dust settles, we could see these stocks moving up" by 20 percent by the end of the year, said Jonathan Chappell, an analyst at IP-Morgan Chase in New York who recommends Navios, based in Piraeus, Greece, and Genco of New York.

"The underlying fundamentals couldn't be better," Chappell said. Nobody is expecting a slowdown of demand.

The Bloomberg Dry Ships Index of 13 companies trades at 12 times earnings, compared with 16.9 times for the Standard & Poor's 500-stock index. The shipowners pay a dividend yield of 4.4 percent, more than twice the 1.9 percent of the S&P, according to data compiled by Bloomberg.

Tve been involved in shipping 35 years, and I've never seen a market like this one," said Klaus Kjaerulff, chief executive of the Copenhagenbased A/S Torm D/S, which operates both oil tankers and commodity carriers. "If you take shipping as a barometer of the world economy, it seems like the future is optimistic.

Navios and DryShips, based in Athens, posted record second-quarter profits. Twelve of the industry's 13 biggest publicly traded shipowners reported second-quarter earnings more than doubled. Profit growth for the S&P 500 was 10.7 percent in the period.

A weakening U.S. economy will take "two to three months" to reduce demand in freight markets, said Andreas Vergottis, a director at Tufton Oceanic in London.

Orders for bulk carriers are close to their highest point ever. A total of 1,364 bulk carriers are on order, almost three times the level of a year ago.

Higher borrowing costs have already slowed ship financing. Precious Shipping, the biggest sea-transportation company in Thailand, scrapped a planned bond sale of as much as \$1 billion on Aug. 16 as the subprime mortgage rout reduced investor demand for new securities. Thoresen Thai Agencies did the same

four days later.

Rental income from so-called capesize carriers - bulk ships so large they have to circumnavigate the southern tips of Africa and South America rather than squeeze through the Suez and Panama canals - has climbed 77 percent to \$118,521 a day since Jan. 22, according to the Baltic Exchange in London. Worldwide, 96 percent of commodity carriers were in use in August, 1 percentage point below the all-time peak in July, according to data from Laurentzen & Stemoco, based in Oslo.

China will import 616 million tons of iron ore and commodities by sea this year, compared with 490.6 million tons last year, according to estimates from Clarkson, the world's biggest shipbroker.

The decline of as much as 20 percent in the Bloomberg Dry Ships Index from its July 23 peak "is a real buying opportunity," said Natasha Boyden at Cantor Fitzgerald in New York. "There's a lot of fear in the market, and I think if anything, these companies are safe havens. They've

gotten so cheap it's silly."

Goldman Sachs Group analysts led by Tom King in Hong Kong wrote this month that investors are underestimating the industry's profits. The firm said its favorite Asian shipping stocks - U-Ming Marine Transport, Pacific Pasin, Malaysian Bulk Carriers and Korea Line - will gain anywhere from 25 percent to 62 percent.

"What you have got to do is look at the trends of the world and ask, 'Am I a believer?" said James Glickenhaus, a fund manager at Glickenhaus & Co. in New York, including shares of Eagle Bulk, Navios and Quintana. "I'm a believer that China will keep growing, India will keep growing, Russia will keep growing.

Bloomberg News

Todd Zeranski reported from New

## As Arctic Ice Melts, Northwest Passage Beckons Sailors

Roger Swanson's Ketch Plies Route of Amundsen; 'Crushed Like a Nut'

#### By Douglas Belkin

CAMBRIDGE BAY, Nunavut-In 2005, when Roger Swanson tried to cross the Northwest Passage in his 57-foot ketch, the ice scraping against the boat's fragile fiberglass hull sounded like bones snapping underfoot.

When the vessel became bottled up in ice and Mr. Swanson and his boat Sources: National Snow and Ice Data Center (Ice level); The British Library (route) narrowly escaped, he swore he would never again return to this graveyard of a waterway.

Last month, he was back for a third attempt, he said, at commanding the first American yacht to make the eastwest trip in a single year. But this time, instead of encountering the deadly ice floes that have crushed far sturdier

ships, it was all smooth sailing.
"There was hardly any ice," said Mr. Swanson, a 76-year-old Minnesota pig farmer turned yachtsman, relaxing aboard ship while docked in this Canadian town about 170 miles north of the Arctic Circle. "It has been a beautiful trip."

In the past six years, as climate change has steadily thawed the Arctic, more recreational boats have crossed the Passage than in the first 95 years since Roald Amundsen pioneered the route between 1903 and 1906. The hope, then and now, was to establish a trade route from the Atlantic to the Pacific.

This summer, sailors like Mr. Swanson are breezing through the famously inhospitable 3,200-mile passage in weeks instead of years. And there's barely an iceberg to photograph as a souvenir.

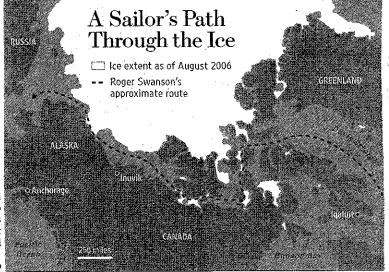
Last month in tiny Cambridge Bay, where the waterfront is lined with rusted, hulking fuel tanks, James Allison and his father docked their boat "Luck Dragon" next to Mr. Swanson's "Cloud Nine." Mr. Allison expected to be the first Englishman to sail the passage. Comparing their smooth travels with the hardships of his predecessors, he smiled sheepishly.

"I feel like a bit of a fraud, really," Mr. Allison said. "It's all been quite comfortable."

Soon, such journeys could become routine. Scientists predict a long-term thaw in the far north will open the Passage to safe commercial shipping as early as 2020.

Since 1979-when satellites made accurate monitoring possible—arctic ice has receded by an average of 38,000 square miles a year, says Mark Serreze, a senior research scientist with the National Snow and Ice Data Center. And while the passage is impossible to navigate some summers, this

THE WALL STREET JOURNAL. Thursday, September 13, 2007



month there has been less ice than at any time in at least a century.

Serreze. "This is the first time the passage has ever been entirely ice free."

Starting with John Cabot in 1497, explorers spent centuries searching for a passage in 2005, just two succeeded. passage through all the ice and islands. men left dozens of names like Frobisher, Hudson and Baffin on the map and hundreds of corpses in the sea.

By the time Amundsen bulled his way through the passage, at least 139 other vessels had turned around, disappeared or been "crushed like a nut on the shoals and buried in the ice," as one 20th-century Canadian captain put it.

Today, Canada is moving to assert its lucrative trade route. Commercial ships regulations and to notify the Canadian Coast Guard of their intention to enter the passage 96 hours before they arrive.

Recreational boats, on the other hand, don't have to tell anyone where they are. As a result, the first time the Coast Guard hears about a ship passing through may be when it calls for help.

Since 1906, just 110 boats have successfully completed the trip, says Peter Semotiuk, a ham-radio operator who lives in Cambridge Bay and has been broadcasting ice reports to sailors for 20 years. He has sailed the passage himself. Of those vessels, 80 have been ice cutters or commercial ships with hardened hulls. Just 30 have been recreational boats.

Some of them are clearly unprepared. Many boats, like Mr. Swanson's, have fiberglass hulls, which can be crushed by shifting ice. Others have failed to carry enough food or fuel for heat to last a winter should they become stuck. One French crew hit up Mr. Semotiuk for warmer clothes when they stopped in Cambridge Bay. At least two sailboats had no indoor cockpits, so pilots were left exposed to the elements. In 2003, a British man tried to paddle half the passage in a 17-foot rubber kayak. He had to turn around.

A boat stuck alongside Cloud Nine in 2005 is still in the Arctic. A third "What we're seeing in 2007 ap- that started that same year was pears to be unprecedented," says Mr. docked in Cambridge Bay for two winters because the owner couldn't get a visa to re-enter Canada after he left. Of the eight boats that tried to make the

Mr. Swanson, who was in the U.S. that lie across the top of Canada. Those Navy during the Korean War, takes pride in his meticulous preparation. On board he carried not two, but three sets of spare engine parts and he spends weeks planning his trips. But even he was surprised by how quickly the passage turned against him.

In his first attempt at the passage, in 1994, he turned back because of heavy ice.

During his 2005 attempt, he and his sovereignty over what could become a crew tried to squeeze through a narrow seam in the ice that stretched for are required to comply with extensive 100 miles. Three days later, he was trapped, unable to go forward or back. Mr. Swanson and a Norwegian boat also trying to navigate the passage found safety in a small cove and waited for an east wind to push the ice back. It never came.

The captain of the Norwegian vessel



Roger Swanson on his 57-foot ketch.

tried unsuccessfully to use dynamite to blast his way out. Finally, a Canadian Coast Guard cutter cleared a path, but not before the ice lifted a third boat out of the water and damaged a fourth.

Mr. Swanson, who built and sold several manufacturing companies as well as running his farm, bought the Cloud Nine in 1981. Since then, he has circumnavigated the globe three times. The Northwest Passage was one of the few challenges that eluded him.

This past spring, Mr. Semotiuk tempted him by sending a set of charts showing how much the ice was receding.

I swore I would never do it again, Mr. Swanson said. "And here I am."

In the comfort of his cabin with a black wool cap pulled low over his weathered face and the most dangerous part of the voyage behind him, Mr. Swanson refused to consider his and his crew's impending accomplishment.

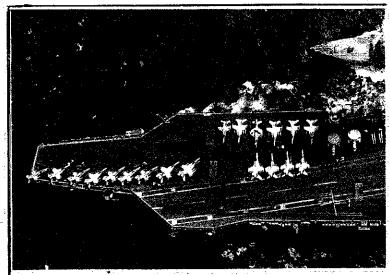
Instead, he told the story of two boats that were sailing through the passage four hours apart a few years ago. One made it out, the other had to turn back when the wind picked up and ice locked up the water. The boat was forced to spend the winter in the north.

"Anything can happen in a boat," Mr. Swanson said before he set sail for the final 1,200 miles. "Especially up

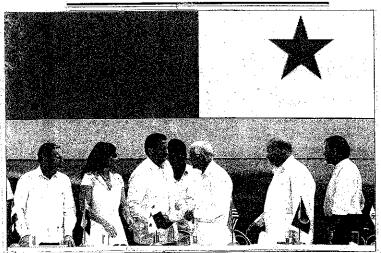
Two weeks later, he made it through to Nome, Alaska. The trip had taken about 45 days.

#### WSJ COM

ONLINE TODAY: See maps showing how other sailors and explorers have tackled the Northwest Passage over the years, at WSJ.com/OnlineToday



the USS Reagan



anian President Martin Torrijos, third from left, shakes hands with former U.S. President Jimmy Carter during the ceremony kicking off the Panama Canal expansion. Others are Colombian President Alvaro Uribe, far left; Panama's first lady, Vivian de Torrijos; Jose Miguel Insulza, second from right, the Organization of American States' secretary general; and Nicaraguan President Daniel Ortega, far right.

# Panama Canal expansion starts

# \$5.25B widening of locks to double capacity

ASSOCIATED PRESS

PANAMA CITY, Panama --Part of a hillside next to the canal was blasted away yesterday, marking the start of the waterway's biggest expansion since it opened 93 years ago.

In the presence of former U.S. President Jimmy Carter, who signed the 1977 treaty that gave Panama control of the waterway, Panamanian President Martin Torrijos celebrated the start of construction on two wider sets of locks being added to both sides of the canal.

"We are witnesses to an exceptional and unique act." Torrijos said moments after the explosion sent up a curtain of smoke and water.

The \$5.25 billion expansion is expected to double the 50-mile canal's capacity and lower the price of consumer goods on the East Coast of the United States by allowing wider vessels to squeeze through with more cargo.

About two-thirds of the cargo that passes through the canal is headed to or from the United States. China is the Panama Canal's second-largest user.

The waterway now moves 4 percent of the world's cargo. The new locks, approved in a referendum nearly a year ago, are expected to be ready for use between 2014 and

The Panama Canal Authority,

the autonomous government agency that runs the canal, is borrowing up to \$2.3 billion between 2009 and 2011 to help finance the project. It expects to pay that back by increasing ship tolls an average of 3.5 percent a year.

In addition to benefiting international trade, the new locks are expected to generate more revenue for the canal and Panama's government, which is struggling to pay back more than \$10 billion in debt and battle poverty that affects some 40 percent of the population.

"I'm proud of the grand plans for this expansion," said Carter, who signed the 1977 treaty with Torrijos' father, strongman Omar Torrijos, that led to the U.S. handover of the canal to Panama on Dec. 31, 1999.

Under Panama's control, canal accidents and the time needed to traverse the canal are down, while revenues have increased.

President Theodore Roosevelt arranged for Panama's independence from Colombia in 1903 to build the canal. By some accounts. more than 25,000 people died during American and French efforts to build the engineering marvel, which opened on Aug. 15, 1914.

Also attending yesterday's ceremony were Sen. Robert Byrd, D-W.Va., and several Central American leaders and Colombian President Alvaro Uribe.

#### Hawaii Ferry Officials Cancel Plans to Resume Service

LIHUE, Hawaii, Sept. 22 (AP) Officials with the first passenger-vehicle ferry between major Hawaiian islands canceled plans to resume service to Kauai, despite a partial court victory and an announcement by Gov. Linda Lingle that the ferry would start up again next Wednesday.

Hawaii Superferry officials said late Friday that the decision was made "for the safety of the community, our passengers and our dedicated employees."

The announcement came a day after more than 1,000 people jammed a public meeting on Kauai with Ms. Lingle, a Republican, who tried to sell the project to island residents. Opponents shouted her down, calling the Superferry a threat to the environment and the island's rural charm.

Many opponents said they would risk arrest or put their own safety on the line to block the ferry, which offers the only alternative to air travel. The last time the ferry tried to dock on Kauai, on Aug. 27, protesters on surfboards and in canoes and kayaks turned it away.

The Superferry, which voluntarily suspended its Oahu-Kauai service on Aug. 28 because of the . protests, gave no date for resuming service. Oahu-Maui trips have been halted by a court or-

The announcement on Friday came about an hour after Ms. Lingle said resumption of the service would "help restore the state's reputation as a place of mutual respect for those who



The 450-foot Hawaii Superferry, which cost \$85 millio

with differing points of view."

Opponents want the courts to ground the Superferry until the state determines its potential environmental impact on harbors, whales and marine species.

Earlier Friday, a judge left the way open for the Superferry to resume service to Kauai, but he refused a motion to dismiss the case against the ferry.

Judge Randal Valenciano of Circuit Court scheduled a hearing next Thursday for an injunction to halt the ferry, a day after it was scheduled to resume service between Honolulu Harbor on Qahu and Nawiliwili Harbor on Kauai under heavy Coast Guard protec-

"We're certainly going to regroup and look at the options in light of the court's ruling," said Daniel Hempey, a lawyer representing the group 1,000 Friends of Kauai.

Days before ferry service was to start, the State Supreme Court ruled that an environmental assessment should have been conducted. A request is pending in lower courts to halt the ferry while the assessment is done, which could take months.

THE NEW YORK TIMES SUNDAY, SEPTEMBER 23, 2001

■ Carnival: Carnival, the world's largest cruise operator, reported a 12 percent increase in third-quarter profit, based on higher booking prices and the introduction of new ships in its North American and European brands.

Carnival also said its fourth-quarter results were expected to come in lower than in the year-earlier period, but gave a higher range for full-year earnings expectations.

Miami-based Carnival reported net income of \$1.38 billion, or \$1.67 per share, for the third quarter ended Aug. 31, versus \$1.23 billion, or \$1.49 per share, a year earlier. Revenue was \$4.3 billion, up from \$3.9 billion in the same period last year. THE STAR-LEDGER SEPTEMBER 21, 2007.

THE STAR-LEDGER SEPTEMBER 10, 2007

#### Lightning strikes boat, hurts dad and daughter

A New Milford father was listed in critical condition at a hospital last night after he and his 8-year-old daughter were struck by lightning while boating on Lake Hopatcong, authorities said.

The Tarantino family was on the main lake near Windlass Restaurant shortly after 6:30 p.m. Saturday when their boat was caught in a sudden thunderstorm, State Police said. Robert Tarantino, 41,

and his daughter, Emily Ann, were struck as the family sought shelter, police said.

Tarantino's wife, Melissa, and a second daughter also were on the boat. The Tarantinos were assisted to shore at the Main Lake Market and were treated by the Jefferson Township Rescue Squad, police

Tarantino was flown to Saint Barnabas Medical Center in Livingston for burn injuries, police said. The 8-year-old was in critical condition last night at Morristown Memorial Hospital, authorities said.

By Henry L. Henderson

PERVERSE spring and summer . and Chesapeake bays. season descended on United States waters this year, spreading death and destruction like weeds chaking an ntended garden.

First came news that thousands of eshwater fish were bleeding internally nd dying in the Great Lakes at the ands of an invasive microbe called viral emorrhagic septicemia. Then scientists sported that the noxious Chinese mitten rab is gaining a foothold in the Chesaeake and Delaware bays, threatening lready fragile native crab populations nd contributing to soil erosion. And proughout the summer, defenders of the dirondack lakes in upstate New York. ought an all-out war against Eurasian ratermilfoil, a "stringy herb" that is elowing out native aquatic plants at an larming rate.

This onslaught of "living pollution" has een particularly apparent and - in the ase of viral hemorrhagic septicemia ruesome this year. But it's not new. For ecades, the people living along our oastlines have struggled to eradicate or ontain foreign plants, animals and nicroorganisms that enter the United tates by the billions each year via inernational shipping vessels.

The annual cost  $\bar{to}$  the United States of ttempting to control aquatic invaders is bout \$9 billion. That number will contine to rise, as will the rate of new invasive pecies, unless federal, state and local heir primary source: ballast water, thich is sea water taken on board by hips to provide stability during voyages nd dumped overboard once they reach heir destinations. Ballast water from a ingle ship can carry up to 4,000 unique, come with it. pecies of plants, animals or microorgansms, including pathogens that are a Henry L. Henderson is the director of the hreat to humans.

Many studies of aquatic invasive speheir large amount of ship traffic and partment of Environment. resh water supply. The Great Lakes contitute nearly 20 percent of the world's vailable fresh water and are a drinkingvater source for millions. More than 160 avasive fish, plant and parasitic species nfest the Great Lakes, and researchers iscover a new invasive species every ight months. As a result, the lakes' bioiversity and water quality pay a heavy rice, as does the region's economy.

The sea lamprey, which first appeared a Lake Erie in 1921, destroyed lake trout nd walleye commercial fisheries in the ireat Lakes. The round goby and ruffe rreaten the Lakes' native perch, smallnouth bass and emerald shiner poplations. The Great Lakes' \$4.5 billion shing industry, as well as the area's lurative tourism and sport-fishing indusies, are being irrevocably damaged. he cost of controlling and repairing the amages there is \$5.7 billion annually.

But the Great Lakes Basin certainly is ot alone. Nationally, the Congressional ffice of Technology Assessment reports nat environmental losses from intro-

Heavy Water duced fish are \$1 billion per year; from arthropods, \$2.13 billion; and from molhisks, \$1.3 billion. The San Francisco Bay is home to 234 alien species; or 90 percent of the bay's aquatic population. And cholera bacteria in ballast water has been re-CHICAGO leased by marine vessels into the Mobile

#### Shipping sneaks harmful invasive species into our lakes and rivers.

So what should be done? Michigan has taken a leading role by passing regulation preventing ocean-going vessels from discharging contaminated ballast water. Shipping companies have tried to challenge the Michigan law, however, a recent dismissal of the case by a federal court gives other states the green light to enact similar legislation.

But the federal government has a responsibility to fight invasive species as well. A federal court in California has held that the Clean Water Act applies to ballast water and ordered the Environmental Protection Agency to regulate discharges. The decision is under review by the United States Court of Appeals for the Ninth Circuit - affirmation would bring federal environmental authorities into the fight.

Additionally, numerous pieces of legislation to control and prevent the onslaught of invasive species are languishing before Congress. Federal leaders must move aggressively to consolidate overnments work together to regulate the strongest aspects of proposed bills and pass legislation to provide regulatory support to state and local efforts. Otherwise, American waters will continue to be a dumping ground for ballast water and the unwelcome organisms that

Natural Resources Defense Council's Midwest office and the founding comies focus on the Great Lakes because of missioner for the City of Chicago's De-



### MATTS Can Track Container's Cargo



#### BACKGROUND

The Marine Asset Tag Tracking System (MATTS) is a miniature sensor, data-logging computer, radio transceiver and inertial-assisted tracking system for containers that has been integrated into a small black box. Affixed to a ship container, MATTS configures a container's location, stores the container's travel history and logs when the container has been opened, and reports it to a Web-based center.

#### SCOPE

The Department of Homeland

"tests" continued from p.3

were conducted, saying they were done in such a way as to improve the devices' performance.

The report raised three main

The contractors were allowed to put their equipment through dry runs, using the same materials: used in the formal testing, and were allowed to adjust their systems to identify the materials in between dry runs and actual testing. This improved the performance of the new devices during the testing, the report said.

■ The equipment was not tested to see how it would handle a wide variety of materials that can be used to mask or hide radioactive. substances from detection systems.

■The new technology, known as advanced spectroscopic portals, or ASPs, was not tested well enough to measure how it would perform compared to the system currently in place.

"We believe that DNDO's test methods - specifically, conducting dry runs and dress rehearsals with contractors prior to formal testing enhanced the performance of the ASPs beyond what they are likely to achieve in actual use," the report said.

Oxford said he was disappointed in the GAO's findings.

"There's not much substance to it," he said. "Most of the recomSecurity's Science & Technology (DHS S&T) directorate has spent about \$3 million developing MATTS. The directorate is manufacturing production units through industry partner iControl Inc. for a variety of testing venues. The cost goal for MATTS is \$50 per unit percontainer per trip between ports.

#### TIMELINE

Work on MATTS began in 2004 and is in its last phase of development. Each component of MATTS - the unit, its logging capabilities and its inertial tracking system that uses the Global Positioning System of navigation satellites — has been tested. The final "meshing" test is expected in early 2008, which will involve simultaneous tests of all the components.

#### WHO'S IN CHARGE

Robert N. Knetl, engineering adviser and DHS S&T's program manager for container security. Prior to joining the DHS, Knetl spent 30 years in the program management field.

from the August "Seapower" (Navy League of U.S.A.)

mendations are so broad and generic, I'm not sure how to react.

He dismissed the criticism of the dry runs, saying they were similar to exposing bomb dogs to explosives as part of their training.

By November, Oxford said, his agency would ask Homeland Security Secretary Michael Chertoff to sign off on the \$1.2 billion contract for full-scale production of the new portal monitors. Oxford said 45 of the devices already have been built and are "sitting in warehouses" waiting to be installed.

It would take about three months for the first wave of the equipment to begin operation. Eventually, the plan calls for 1,400 of the new monitors to be installed at the nation's ports by 2013.

"deep sea explorer" c't'd from p.4

Those most likely mark a wreck, the remains of some ancient vessel the explorers will turn and scan again.

Unlike other oceans, the deepest parts of the Black Sea contain no dissolved oxygen, so there are no sea worms to devour the wood of ancient vessels.

Off the coast of Turkey, Ballard said he has found a sunken Byzantine vessel so complete that even the 1,000-year-old masts still rise upward. Wreck sites are littered with containers once used for wine. oil, honey and other trade goods.

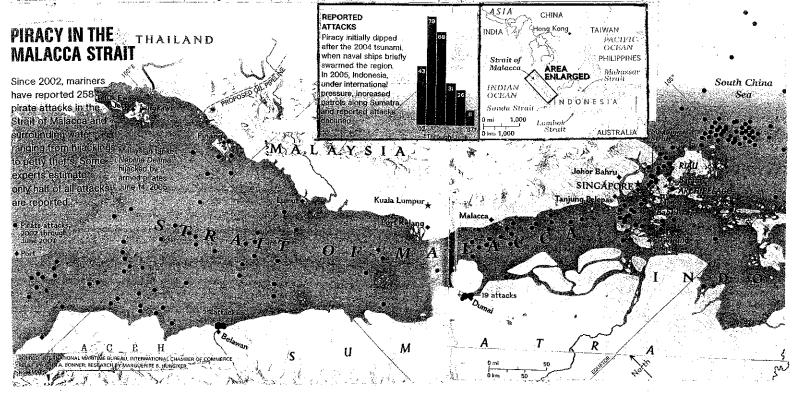
#### Dark Passage Strait of Malacca

(from the October 2007 National Geographic Magazine)

Just off Singapore lies a "funnel" 250 miles wide at its northern mouth and a narrow 10 miles wide at its southern end. According to Lloyd's of London 70,000 merchant vessels carrying a fifth of all seaborne trade and a third of the world's crude oil shipments transit this critical choke point each year. Since 2002, the International Maritime Bureau has recorded 258 pirate attacks in the Malacca

Strait and surrounding waters, more than 200 sailors have been held hostage and 8 killed—and that these numbers are probably underreported by 50% for various reasons.

This excerpt and the below chart are part of an excellent article from this issue, highly recommended to members. The \$34. annual subscription is available from: National Geographic Society. PO Box 64115 Tampa FL 33664-4115



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