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Trump trade snub set to boost China's bid for own Asia pact

China's bid to assert its economic leadership is gaining traction in its push for an Asia-wide trade pact in the wake of Donald Trump's election victory, which dashed hopes for a U.S.-led deal that would have taken in about 40 percent of the global economy.

President Xi Jinping is expected to use last week's Asia-Pacific Economic Cooperation summit in Lima to gain momentum for the Regional Comprehensive Economic Partnership, which China has championed in recent years. Moving ahead on the pact, long designed as a counterweight to the Trans-Pacific Partnership from which China is left out, would give it greater economic prestige in a region where it is seeking to displace U.S. influence.

Japanese Prime Minister Shinzo Abe confirmed his nation is turning attention toward RCEP—which would in turn omit the U.S. That's even as he plans to stop off in New York en route to Lima to meet Trump and make a last-ditch sales pitch for the TPP.

With President-Elect Trump saying the Barack Obama-championed TPP would be "catastrophic" for the U.S. economy and Congress, and the chance of it passing in a lame duck session looking increasingly remote, its looming demise gives China an opportunity. Frustrated by a more protectionist U.S.

*(**SNUB** – continued on page 21)*

Ford CEO warns of big impact from Trump's proposed tariff

President-elect Donald J. Trump's proposal to levy a 35 percent tariff on cars made in Mexico would hurt the U.S. economy, according to the head of Ford Motor Co.—the target of the future president's tariff talk.

"A tariff like that would be imposed on the entire auto sector and that could have a huge impact on the U.S. economy," Mark Fields, Ford's chief executive officer, told reporters following a speech at the AutoMobility conference in Los Angeles. Ford favors "free and fair trade."

Trump has criticized Ford for planning to move all its North American small car production to Mexico, where wages are 80 percent lower than in the U.S. On the campaign trail, he threatened to slap Ford's Mexican-built cars with a 35 percent tariff. He also said he would terminate the North American Free Trade Agreement that allows goods to flow between Mexico, the U.S. and Canada without tariffs.

Fields said the company has been in touch with Trump's transition team and that he sent a congratulatory letter to the president-elect.

Nestle Mexico CEO considers new export plans to cope with Trump

Nestle SA's Mexico chief said the company may adjust its supply chains and export strategies if U.S. President-elect Donald Trump imposes new taxes on products made south of the border.

The Swiss food company, which gets the Nescafé Clásico coffee popular in Hispanic communities in the U.S. from the Mexican states of Veracruz and Chiapas, could buy from elsewhere in Latin America or focus its exports on nations other than the U.S. to avoid an increase in duties, Marcelo Melchior said in an interview.

Nestle is pushing forward with the rest of a $1 billion investment, already about 80 percent complete, to expand production and distribution in Mexico. While it will come up with strategies to deal with new trade rules if they become reality, the uncertainty surrounding which campaign promises Trump will actually pursue means it's too early to overhaul existing processes, Melchior said.

"If they place a tariff, and it's no longer competitive to export to the U.S., I won't export to the U.S. or I'll find another type of product that I can export to the U.S.," Melchior said on the sidelines of the Mexico Business Summit in Puebla. "I need to see once there's certainty about where things are going. For now, it's just gossip, and I'm not going to act on that."

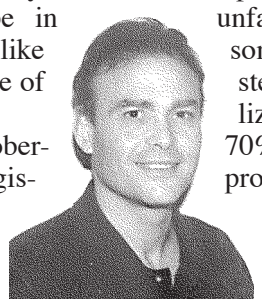
Trump has said he'll end or renegotiate the North American Free Trade Agreement, which phased out most tariffs between the U.S. and Mexico over the past two decades and has proven crucial to the nation's emergence as a manufacturing powerhouse. Mexico's economy minister, Ildefonso Guajardo, said at the business summit on Sunday that he thinks Trump will attempt to renegotiate Nafta rather than pull out of it, and that Mexico is open to "modernizing" the accord.

Global steel market coming back

Inventory drops, industry consolidation, and raw materials price hikes combine for a more positive picture

By Peter Buxbaum, AJOT

The United States steel business—and the global industry for that matter—is said to be in crisis. Industry types often like to lay the blame for that state of affairs on the Chinese.



Earlier this year, Rob Roberson, director of corporate logistics for the steel maker Nucor Corporation, told a U.S. Senate committee that "a glut of global steel production has led to the dumping of steel into the U.S. market at historic levels and in violation of international trade rules."

This has happened despite the highest level of domestic steel consumption since 2006. "Due to unfairly traded imports," Roberson continued, "the American steel industry's capacity utilization in 2015 was less than 70% and pricing for most steel products collapsed."

Brighter Future for Steel?

But at least one steel trader with operations in Hong Kong says that situation is turning around. Herrick Lau, CEO of Crownia Holdings, told the *AJOT*, in an exclusive

*(**MARKET** – continued on page 4)*

Pacific Northwest seaports prepared for wind energy shipments

By Robert L. Wallack, AJOT

The Pacific Northwest seaports are vying for new project cargo business from their specialized labor, new heavy lift equipment and seamless transport connections. Imported wind energy components are a growing opportunity for the Port of Vancouver USA and Port of Longview on the Columbia River and for Port of Olympia on the Salish Sea. The United States Congress extended the Production Tax Credit, which will propel the wind farm industry for years. Transportation and logistics companies will find new business from the construction of new wind farms and by refurbishing capacity of existing sites across the United States.

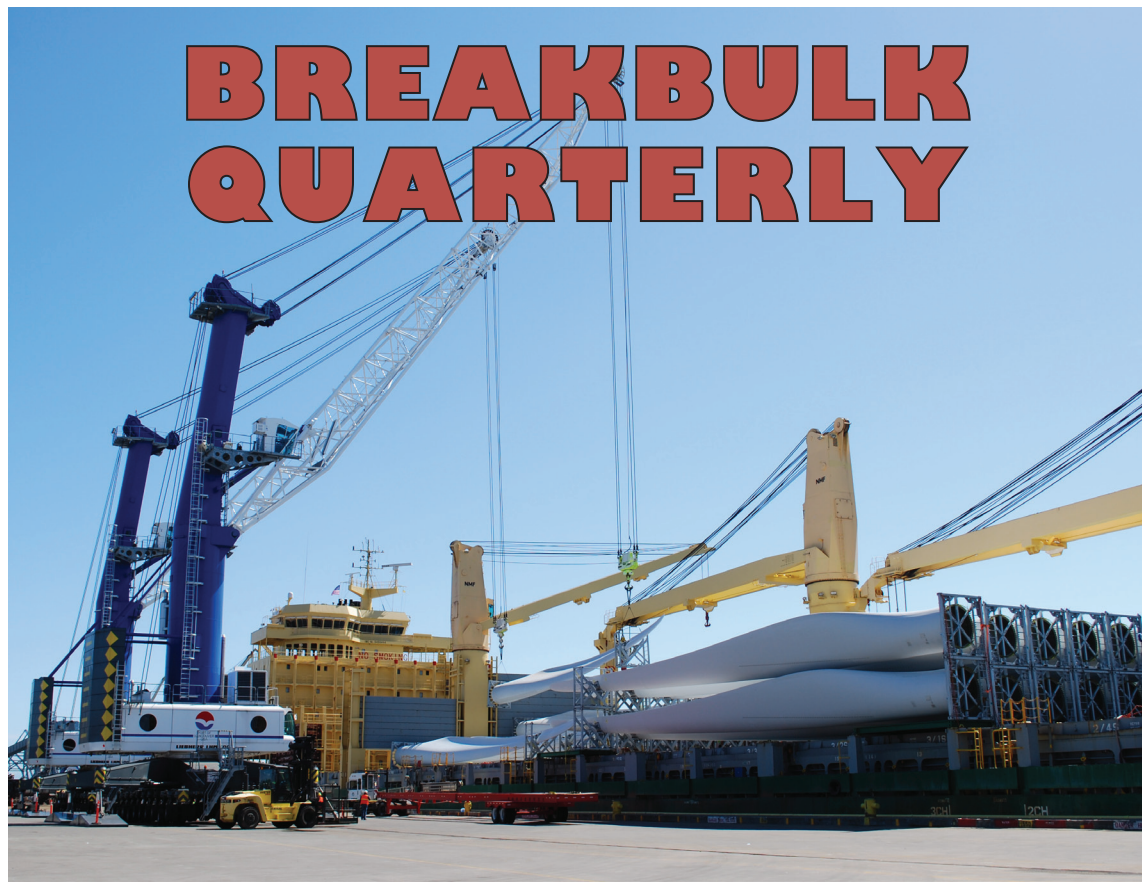
Port of Vancouver USA is located 106 river miles from the Pacific Ocean on the Columbia River and stretches across 2,100 acres of marine and industrial development. Through the first six months of this year, windmill project cargo was a top category accounting for 11 million metric tons after steel, 290 tons and automobiles, 66.5 tons according from industry reports. The port has over fifteen years experience handling wind energy project cargo and each project is unique. "The port has maintained our status as one of the highest volume and most productive deep water ports on the United States West Coast for wind energy handling," said Alistair Smith, chief marketing/sales officer, for the Port of Vancouver USA in a recent interview with the *American Journal of Transportation*.

Project volumes range from a few wind turbine generators to over one hundred. Components imported are the towers that range from 3 to 5 sections, the 213 feet (65 meters) blades and nacelles. Blades arrive from Korea, Indonesia, Vietnam and China and nacelles are manufactured in Europe.

Advanced planning is involved as the wind energy components become larger from manufacturers. Destinations and clearance issues through the terminal and inland modes are resolved before the shipment arrives. "Details are often coordinated with third party freight forwarders and sometimes directly with the original equipment manufacturers (OEM). Strong communications with the OEM, stevedores, labor and inland transportation providers is a must," said Smith.

The efficient and safe handling of wind energy project cargo is essential to meet customer destinations in the Pacific Northwest, Montana, Kansas, Illinois and western Canada. Both the port and stevedores, Jones Stevedoring and Ports America invested in equipment and specialized training to make

(*PREPARED – continued on page 16*)



Imported wind energy components are a growing opportunity for the Port of Vancouver USA

Global steel demand: a mixed bag

By Peter Buxbaum, AJOT

The World Steel Association (Worldsteel) recently released an outlook report, which presents a mixed bag for global steel demand.

Demand in China will continue to contract but at a slower rate than in 2015, when a five-percent decrease was seen. Steel demand in developed economies is projected to increase by 0.2 percent in 2016 and by 1.1 percent in 2017.

The best news comes from emerging and developing economies, excluding China, where steel demand is expected to expand by 2.0 percent in 2016 and 4.0 percent in 2017.

Put it all together and Worldsteel projects a global increase of 0.2 percent for 2016 and of 0.5 percent in 2017. It's a modest increase, but it follows a contraction of 3.0 percent globally in 2015.

Weakness in investments globally are holding back a stronger steel demand recovery, according to the Worldsteel report. The report expects the slight growth momentum now seen to remain weak for the time being due to the continued rebalancing in China and weak recovery in the developed economies.

Political factors, such as the Brexit vote earlier this year in the United Kingdom, also play into the uncertainty that clouds the investments picture. "The UK referendum outcome has further raised uncertainty on the long-awaited recovery of investment in the EU," said T.V. Narendran, Chairman of the Worldsteel Economics Committee.

Chinese GDP growth in 2016 will be at its lowest level since 1990, but the decline in the demand for steel will be less severe than reflected in the Worldsteel April 2016 forecast. The Chinese government has issued a number of small stimulus measures, boosting infrastructure spending and real estate market and auto sales. "However, the rebound in the real estate market is limited," said the report, "and the manufacturing sectors have only limited room for recovery." Worldsteel projects steel demand in China to decline by -1.0 percent in 2016 and by -2.0 percent in 2017.

Emerging economies hit by low commodity prices are showing signs of stabilization and Worldsteel foresees high growth in India and the ASEAN to continue. Steel demand in Brazil is seen to start a moderate recovery in 2017 and a rebound in oil prices will help to stabilize the decline in Russia.

In the developed world, steel demand continues to recover in the EU thanks to a mild recovery. The UK's steel demand for 2016 and 2017 is expected to go down and the future looks murky.

Steel demand in the United States is struggling to grow due to the strong dollar, which hurts manufacturing exports, and the collapse in investments related to the shale oil industry. Japan's steel demand growth is subdued due to structural issues and is negatively affected by the appreciation of the yen over the last few months.

*(**MARKET** – continued from page 1)*

interview, that the confluence of three circumstances could make for a brighter picture.

The negative steel scenario was outlined in a recently-released report from the global credit insurer Coface. According to the report, the global steel industry is suffering from weak growth, fed by overcapacity and Chinese exports.

This follows a long period of increasing demand driven by China in the 2000s. But the Chinese economy has slowed in the last couple of years and its appetite for steel has waned: 2015 saw a five-percent reduction in its consumption. Even as global production weakened, supply was still abundant. China took to now exporting its production surplus, and which weakened steel production structures in Europe, the United States, and emerging countries.

But Lau says that this scenario is getting played out, leading to higher global steel demand and better prices and margins for steel producers. In fact, he suggests China's drawdown of its excess inventory was a necessary precedent for improvement in the global steel picture.

"The Chinese government has been focused on trimming excess inventory for the last year to 18 months," said Lau. "That is why you are seeing Chinese manufacturers selling their products at big discounts. The whole thing was to reduce excess inventory and we are coming to the point now where inventory levels are becoming more reasonable."

Restructuring of China Steel Industry

Crownia Holdings, headquartered in Vancouver and with operations based in Hong Kong, buys specialty steel products—such as cold rolled and hot rolled steel, bearings, tubes, springs, cable, and stainless steel—from manufacturers, mainly Chinese, and sells those to customers outside of China. End users for these products include shipbuilders, automakers, and oil industry equipment manufacturers.

Besides the fire-sale discounts—some call that dumping—which are decreasing excess Chinese inventory, Lau sees a restructuring of the Chinese steel industry as another cause for optimism. As one example, the Chinese government has arranged for the merger of two of the largest steel manufacturers in the country. Wuhan Steel, from the city of the same name, 500 miles west of Shanghai, will be combined with Baoshan Iron and Steel (a.k.a. Baosteel) of Shanghai.

"This merger will create

*(**MARKET** – continued on page 12)*

Fornés stands tall over supply chain of No. 1 building materials company

Industry Profile

By Paul Scott Abbott, AJOT

At 6-foot-4, Elisabeth Fornés clearly stands above her supply chain professional peers, applying teamwork skills honed as a French professional basketball player and knowledge of four languages (and cultures) to her role with the world's largest building materials company.

That the France-born Fornés is entering her 10th year as global supply chain and compliance manager for Saint-Gobain/CertainTeed – a company with French roots dating back to the 1600s – is, as she tells it, largely coincidence, but it seems fate has put her in just the right place.

Elisabeth Fornés enjoys a towering presence as global supply chain and compliance manager for Saint-Gobain/CertainTeed.

Fornés, who is based at Saint-Gobain/CertainTeed's North American headquarters in Malvern, Pennsylvania, 25 miles west of Philadelphia, loves basketball, as well as sparking wine, cheese and chocolate, but her true passion is her work, as the licensed customs broker relates in an interview with the *American Journal of Transportation*.

How has Saint-Gobain/CertainTeed, as the world's largest building materials company, been engaged in breakbulk and containerized shipping?

Our company is very diversified in terms of products – from windshields to performance plastics on yachts to medical equipment, such as tracheotomy tubes. And we have roofing, siding, insulation and other construction products.

So, when it comes to shipping products, goods or raw materials, we definitely go on the container side. The majority of our shipments will be FCL [full containerload] or LCL [less than containerload].

However, in order to manufacture those goods, most of which are manufactured here in the US, we import machinery and big project pieces, and that's where we're involved with the breakbulk, with dedicated skilled teams helping us go from Point A to Point B.

How do you flex your supply chain to deal with the ups and downs of the construction industry?

We have teams that are experts in real estate, experts in demographics and trends in construction and development, which they study on a daily basis.

As far as the CertainTeed building products subsidiary of Saint-Gobain, people ask me how I manage working for a company where nature comes into play, with hurricanes and hailstorms.

Our company is always ready to do whatever we can for our customers. Customers always come first. Our supply chain is all studied for that.

This is the particularity of working for CertainTeed, where you're not going to have a day of routine, equally each month.

I compare it to maybe a chocolate factory. They're going to have their Valentine's Day and Christmas or Easter, when they know it's going to happen. But, for us, because the U.S. is so spread out, it could be hot in Los Angeles when it's freezing in Boston, so the market is not the same everywhere all the time.

We have 16 plants for just the roofing, not counting insulation, ceilings and siding, and we're all set up for those ups and downs, as you call them.

We sell to wholesale distributors, like [Beloit, Wisconsin-based] ABC Supply [Co. Inc.], selling to roofers, insulators and other contractors.

***(PROFILE** – continued on page 7)*

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Hanjin gets winning bid from shipper that once almost failed

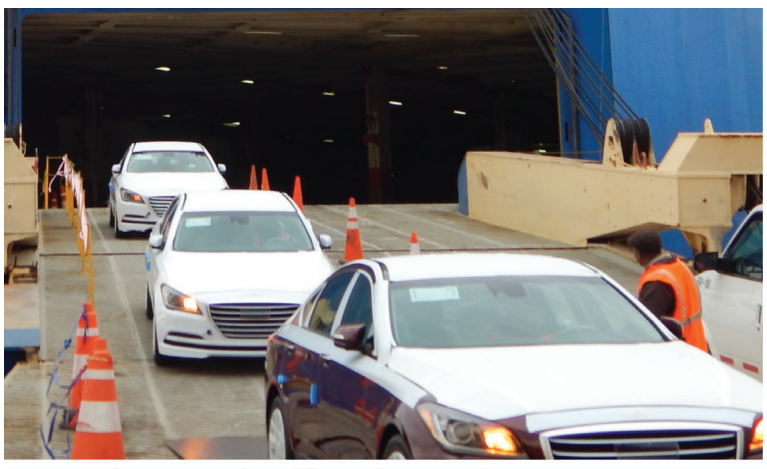
A South Korean shipping company that filed for bankruptcy protection five years ago emerged as the surprise winning bidder for some assets of the collapsed Hanjin Shipping Co., pipping a bigger rival that is undergoing a creditor-led debt revamp.

Korea Line Corp., the nation's second-largest bulk carrier, beat Hyundai Merchant Marine Co. to be the preferred bidder for Hanjin's Asia-U.S. business, a spokesman for the Seoul Central District Court said in a text message. Final sale documents will be signed Nov. 21, according to the court. Shares of Korea Line slumped the most in three years.

A successful acquisition of the assets will mark Korea Line's entry into the container-shipping business, helping it challenge the dominance of Hyundai Merchant on the busy Asia-U.S. route. The sale process caps more than two months of turmoil triggered by Hanjin's bankruptcy filing that underscored the industry's struggle with weak demand, overcapacity and depressed freight rates.

"This is unexpected," said Rahul Kapoor, a director at Drewry Financial Research Services Ltd. in Singapore. "It comes down to price. For the court, it was the price

***(BID** – continued on page 19)*



*(**PROFILE** – continued from page 6)*

What challenges are posed by the present state of the ocean carrier industry, and how are you responding?

Obviously, it's no secret that it's very volatile. We try to have enough stock at the plants. We export to 48 countries right now, be it the shingles, insulation, any of the products we make.

Let's say you have an ocean freight rate that's maybe low right now on the Chinese export into the United States. But then you look at the export for our customers, and there are rates that are pretty stagnant at the moment, but we've been seeing things that are really up and down. So customers paying for the freight are impacted first.

The demand stays the same, so it's not impacting the company as a whole, but it may be impacting our logistics. For example, if the rates are going to be going up or if there's lack of availability, maybe a customer who wants 10 containers should order 15 right now.

Shipping to all those countries, you see a trend in seasons. When it's winter here, it's summer in Australia. So somewhere in the world, they will always be in season for installing some kind of product on their housing.

You forecast as much as you can, but you can't forecast nature.

The [ocean carrier] industry isn't helping. Everybody's talking about Hanjin going bankrupt. You realize, wow, we really depend on those containers and vessels delivering the goods or shipping to our customers. At that point, you have no control.

Is there any pride – or pressure – associated with being with a company with more than 350 years of history, having begun as a maker of mirrors in Paris in 1665 and with global headquarters still on the outskirts of Paris?

Pride with a definite capital P. I started working for Saint-Gobain nine years ago, and I have to say I am passionate about my job. There's always a story about Saint-Gobain. I mean, 350 years, so many things happening.

When you think about the King of Versailles getting the mirrors done by a small factory in Saint-Gobain, where there's still actually a village outside Paris. It's amazing when you think about how they blew glass at the time, with all that manual labor.

Last year, we had a worldwide 350th anniversary celebration. We had 25 containers going from China to Brazil to Philadelphia and on to France. Each place had a week-plus of celebration, where we built these pavilions and explained to people what Saint-Gobain is about – about innovation, safety, being green.

It's a hard name to pronounce, but it is amazing.

How did you wind up with Saint-Gobain, after it appears international sales, export and contract positions with Philips Healthcare and a maker of dental burs?

It was a total coincidence. I was working in New Jersey [for dental manufacturer SS White] and one day opened the internet looking to do something a little bigger.

When I looked at the job here, I said, "Hmm, CertainTeed, I don't know what they are." Then I got the paperwork for the interview with a few questions and saw "Saint-Gobain," and said, "Oh my God, really? This is awesome."

Quelle coïncidence! So how has your own global experience, being born and schooled in France and with an arsenal of four languages – English, French, Spanish and Japanese – helped you in your work in international supply chain management?

It has helped me and it still does, though not necessarily the language itself, and I started learning a second language at 7 in France, where I was born and raised. When learning a language, you have the advantages of learning a culture at the same time.

You learn the people, you learn the traditions. You have to understand the way people live and think. It really has helped.

What is your involvement with the French-American Chamber of Commerce in Philadelphia, and what other outside interests do you pursue?

I've been on the board of directors of the French-American Chamber for about five years. It allows me to meet people from not only French companies but all kinds of companies doing import-export business with France. Our business is to motivate those companies. It's a very good way not only to network but to get Saint-Gobain known.

I'm also involved with the World Trade Association in Philadelphia. It's more transportation-oriented. We promote the Port of Philly.

I am an Eagles fan, a French girl passionate about [American] football.

I'm a U.S. citizen now, but the first foot I set in this country was on July 4, 1990, in Boise, Idaho, with an exchange program for three or four weeks, and went back a few times and wound up in Laramie, Wyoming, also with an exchange program, so the far west part of this country is something I discovered. It's gorgeous.

I used to play basketball professionally. I'm 6-4. I used it for something.

When I was 13, I got to a new town [in France] with my family, and my mother was trying to have me make some friends and said I was going to have to start some other sports besides swimming by yourself in the water, where you can't really talk to anyone.

So I quickly started basketball, and, when the coach saw I was growing half an inch every two months, he quickly got me into practicing every night. It was a great experience.

By the time I was 17 or 18, I got into the high level of semipro, where you play with a team that is not linked to a university. You play against other teams in France, and, once you become French champions, which we did, we

*(**PROFILE** – continued on page 15)*

A hydropower project flows through Port of Vancouver USA

The 11,341-mile project cargo transit is part of the $370 million modernization of BPAs Celilo Converter Station - a move that flows through the Port of Vancouver USA

By Robert L. Wallack, AJOT

The Port of Vancouver, Washington was a pivotal transport node for a heavy haul project from Sweden to The Dalles, Oregon. It was needed to upgrade a regional hydroelectric system dating to 1961. TransProject, LLC orchestrated the logistics services with Scan Global Logistics of Copenhagen, Denmark to move seven transformers from factory-rail to ocean vessel to Columbia River barge, then conveyed on top of a new 105 feet long self-propelled modular transporter (SPMT) to the Celilo Generating Station. The hydroelectricity generated by the 31 dams of the Federal Columbus River Power System flows from the north to the south in Los Angeles and is carbon-free electricity affordable to customers in the Pacific Northwest and along the West Coast.

The route study and planning to move the seven transformers took one year until the first shipment in January 2015 and then took one year to deliver until January 2016. Each of the transformers weighs 862,000 pounds, or more than a 747 airliner.

The project was much more than these seven units. Each ship came with about 35

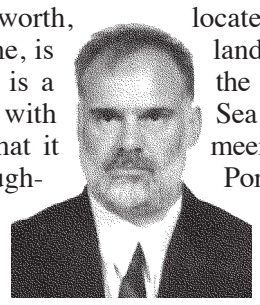
*(**FLOWS** – continued on page 14)*

Hydroelectric transformers being transported via river barge along the Columbia River

Port of Amsterdam looks to bulk up its bottom line

Bulk and breakbulk cargos are paramount to the Port of Amsterdam maintaining its position as one of Europe's leading hubs. With the new locks due to open in 2019, and an innovative approach, the port looks to be on course.

By George Lauriat, AJOT



In some respects the Port of Amsterdam is a hidden gem. A diamond, almost an heirloom, whose worth, while known to some, is a secret to most. It is a European port-city with inland connection that it has leveraged throughout the port's long history. But despite Amsterdam's inherent logistic and economic advantages, the port is understandably overshadowed by the neighboring mega-hub, the Port of Rotterdam with an annual container throughput in excess of 12 million TEUs. Nevertheless, Amsterdam is a port on the rise. A new lock complex, regional logistic initiatives, demand multi-purpose handling services and a favorable location, all necessitate attention from international players looking to either import or export to hinterland Europe and beyond.

The Port of Amsterdam, located in the Netherlands, northwest along the banks of the North Sea Canal and the IJsselmeer, and by virtue of the Port's lock complex is non-tidal. As a result the port's very close to the North Sea, a mere 12-miles, which makes the sailing time from the lead station by the North Sea Canal to the harbor basin only three hours.

The Port of Amsterdam region encompasses nearly 45,000 hectares (174 sq/miles) and in 2015 handled 96.5 million tonnes. Being a major urban center, Amsterdam is also a major consumer of the freight being handled by the port. Of the 96.5 million tons

*(**BULK** – continued on page 9)*

*(**BULK** – continued from page 8)*
of cargo handled in 2015, 78.5 million tonnes were tallied by Amsterdam itself.

Besides the North Sea, the Port of Amsterdam also has access to the Rhine River and vast European system of waterways. For example, the German inland hub of Duisburg is 16-hours away and Cologne, 24-hours. This is no small matter as 44% of all cargo transport occurs via inland shipping. Barge calls in 2015 were nearly 38,800 for the NSCA (North Sea Canal Area). Oranje locks and Amsterdam Rhine canal provide the access to inland waterways.

The Port of Amsterdam, which is a local government run port authority, has organized its aims around five clusters: Energy, Agribulk, Minerals & Recycling [AMR], General Cargo & Logistics (including Food), Cruise and Maritime Services & Real Estate.

And the short sea services connect the entire pan-European port system from the Baltic to the Mediterranean. Add in the extensive highway network, proximity to Schiphol Airport, Royal Floral-Holland (world's largest floral auction and biggest building by footprint) and the City itself, the economic importance of the Port should be obvious to all.

Untangling the Locks

Trying to explain the Port of Amsterdam without talking about locks is like trying to talk about the fairy tale Rapunzel without talking about… well yes, the locks.

The Port of Amsterdam really began with the construction of the North Sea Canal in 1876, which enabled ships to reach the port. The first part of the West port was built in early 1930s for a Ford car factory and the first part of the Asiahaven harbor was built at the end of the 1970s followed by the Afrikahaven harbor in 2000. In 1998 the unique Waterland was opened as an all weather terminal (more below). The Passenger Terminal Amsterdam was opened in 1999 and Amsterdam Container Terminal became operational in 2001.

However, the key to all current and future port activity is the lock complex at IJmuiden. This is the entrance to the North Sea Canal and all the facilities thereafter. Nearly 95% of all freight moving to and from the Port of Amsterdam transits the locks complex.

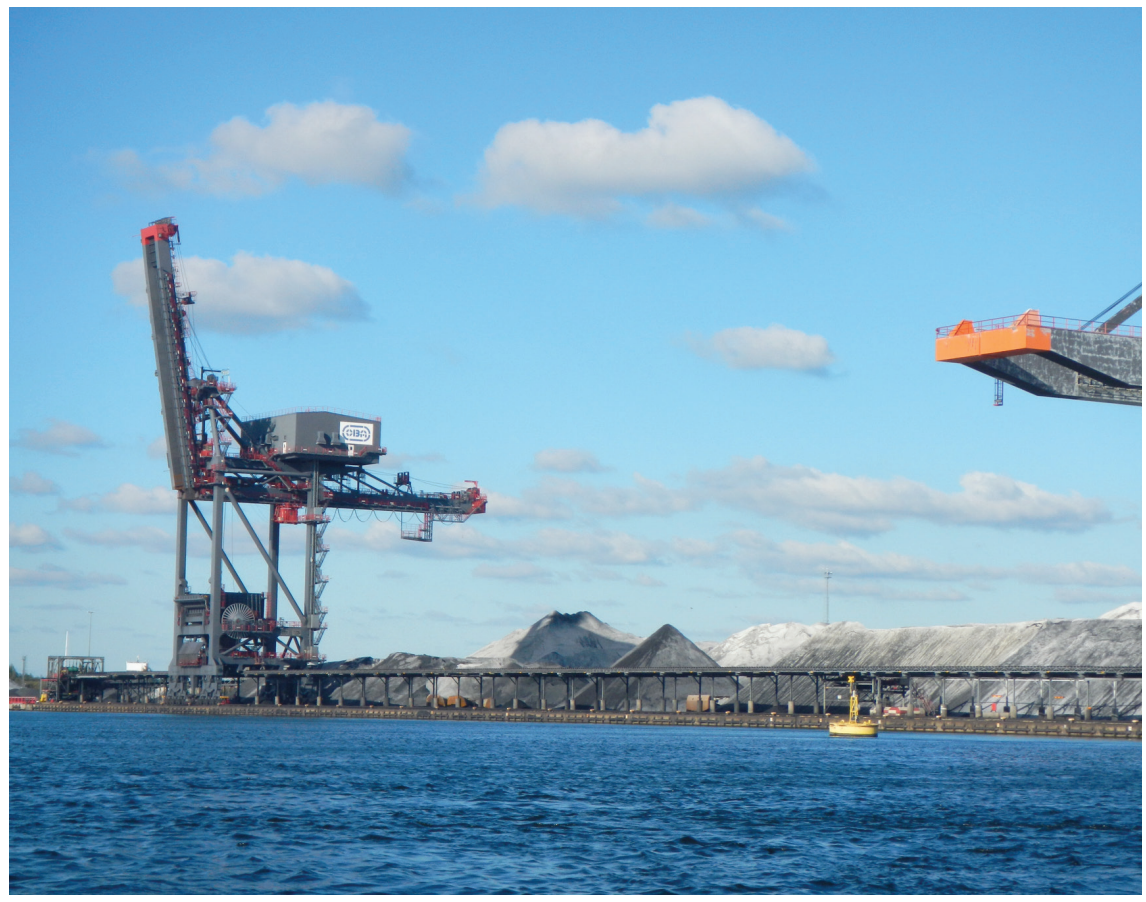
When the construction of the Northern Lock was finished in 1929, it was the largest in the world. The system currently in operation at IJMuiden is composed of four locks of different sizes. The North lock, or Noordersluis, is the largest of the four at 400m (1,312 feet) in length, 50m (164 feet) in width with a depth of 15m (49 feet), meaning that only ships with a maximum 13.72m (45 feet) draft can navigate the entrance.

In January of 2016, construction began on a new lock at the entrance to the North Sea Canal at IJmuiden to provide sufficient access to the Port of Amsterdam. The new lock will be 500m (1,640 ft) long, 70m (229 feet) wide and 18m (59 feet) deep, making it the world's largest sea lock. The accelerated construction program is scheduled to have the new, large sea lock completed in 2019.

Innovative Breakbulk Terminal

Containers aren't the principal cargo of Amsterdam,

*(**BULK** – continued on page 10)*



The Port of Amsterdam is the second largest coal port in Europe.

Backloading forest products opens up new possibilities for lumber logistics

Green Cargo AB, Sweden's freight rail company has a new idea. It has been backloading a few trail cars that carry new vehicles to car dealers in the north of the country with sawn lumber headed south to the Port of Malmö. While the volume is still small, the backhaul transport opens up a wealth of possibilities for lumber logistics around the world.

By Matt Miller, AJOT

For the past year, Green Cargo AB, Sweden's freight rail company, has been backloading a few wagons that carry new vehicles to car dealers in the north of the country with sawn lumber headed south. From the port of Malmö, the lumber is loaded onto trucks and then exported to other countries in Europe, notably Germany, the Netherlands and Hungary.

The new business hasn't exactly transformed forest products logistics in Sweden. Only about two to five wagons are being filled this way on any given week. However, this seemingly simple backloading venture points to a new logistics calculus, one that combines economics with environmental considerations.

The concept appears straightforward and makes perfect sense, since the alternative in the past has been to move empty wagons and transport the wood products by truck or separate rail. But the story behind the move shows just how difficult and time-consuming a switch like this can be. Not only did Green Cargo have to demonstrate this method was cost-effective as well as environmentally beneficial, but must break through resistance to change, not to mention overcome existing contracts.

"There have been a lot of things that we needed to sort out…different hurdles we ran into," explained Richard Kirchner, Green

*(**POSSIBILITIES** – continued on page 17)*

Green Cargo uses multipurpose wagons with floors that can be raised to create a double-deck.

The Waterland Terminal contains three all-weather berths in which vessels can pull into a "roofed" terminal with a gantry-like crane arrangement in the ceiling to provide loading and unloading.

*(**BULK** – continued from page 9)*

bulk and breakbulk freight put the port on the map. The Port of Amsterdam is notable for many other seaborne cargo measures: It is the largest petroleum port in the world (39.4 million tonnes), the second largest cocoa port, the second largest coal port in Europe (17.4 million tonnes), and the fourth largest in Europe by tonnage. This gives Amsterdam about an eight percent market share in the Hamburg-Le Havre range (compared to the 38% market share for the mega-hub Port of Rotterdam).

Amsterdam is a key center for agribusiness and the port provides the market access. Besides cocoa, the port handles soybean and rapeseed. In September Cargill sold its rapeseed crush and soybean oil refining facility in the Port of Amsterdam to Bunge Ltd, a White Plains, NY-based agribusiness. Bunge said at the time of the sale, the assets were highly complementary to Bunge's existing soy processing operations in Europe, and would allow Bunge to further expand its global oilseed processing footprint into key Northern European destinations.

Perhaps the most innovative facility in the Port of Amsterdam is VCK Logistics' Waterland Terminal. In many ways, the terminal represents the future of break bulk shipping.

*(**BULK** – continued on page 15)*

The many facets of the Breakbulk Americas show

By Marty Pilsch, AJOT

Between the early 1980's and into 1990, two transportation exhibitions held their first shows in the United States. Since that time a host of must attend, annual events, targeting members of the cargo handling industries, including bulk, intermodal and terminal operating, have developed throughout the World.

The first of these events in the U.S., the Intermodal Exhibition, started in Atlanta, Georgia and quickly developed as the place to be if you were involved in intermodal transportation. Today the show continues with the venue alternating between Long Beach, California and Fort Lauderdale, Florida. One of the highlights of the earliest Intermodal Show was the magnitude of equipment brought in by railroads and container handling equipment manufacturers. These companies introduced new tools such as doublestack well cars and brought in heavy container handling lift trucks and even rubber tired gantry cranes, erected on site. Factors, especially cost, eventually brought this practice to an end, however, manufacturers of lift trucks, container chassis, yard tractors and containers continue to exhibit.

Not to be denied, the handlers of breakbulk cargo eventually received their place in the world of exhibitions and conferences with the first conference in 1990 also in Atlanta. 100 people attended this event and there were no exhibits. An early event was also held at the Royal Sonesta Hotel in the heart of the French Quarter and consisted of a conference and small exhibit area that was limited to the hotel hallway outside of the conference room. Few companies exhibited with brochures as their only handout. Today, the Breakbulk Show and Exhibition has grown in both attendance and exhibitions, moving to the Earnest B. Morrell Exhibition and Conference Center in New Orleans. Eventually the show alternated with Houston where it has settled over the last few years.

For the thousands of people that work the show for their companies, as well as those that wander the aisles, the present day Breakbulk Show offers just about everything that a breakbulk cargo handler or shipper could ask for. In fact, there is so much to see that attendees must pick and choose their area of concentration. Companies that exhibit have grown in numbers, 316 in 2016, but also many exhibits have increased in size and in many instances, sophistication. As an example, Wiggins Lift Company brought a heavy capacity forklift truck to the floor in the early 2000's, quickly followed by competitors. Today, at least five other forklift companies bring in their heavy lift product.

This year, we moved from aisle to aisle with only the better part of three days to cover as much territory as possible, our attention was often diverted by the newer big truck exhibits including Taylor, Hyster and Konecranes. Our mission was to make contact with manufacturers of some of the more diverse implements used by breakbulk cargo handlers.

Liebherr's booth is a good starting point and is always crowded with potential clients vying for a position to try their skill at the virtual reality crane operator's console. Potential customers can try their hand at operating a mobile harbor crane. Liebherr's success with its present line of mobile harbor cranes has catapulted the company to a leading position in North and South American sales. As reported in an earlier *AJOT*, Liebherr recently commissioned their LMH 800, the largest capacity mobile harbor crane to date. This crane is capable of handling heavy breakbulk, bulk and containers on vessels with higher and wider container stacks.

Moving through the aisles, we sought out some of the heavy equipment companies that have a somewhat

*(**FACETS** – continued on page 13)*

Port Manatee handles export of massive Air Products LNG heat exchanger

Demonstrating its exceptional capabilities for moving oversized and heavy project cargo, Port Manatee has handled export shipment of a nearly 500-ton liquefied natural gas heat exchanger manufactured at the Air Products production facility across U.S. 41 from the port.

The massive unit, measuring about 15 feet in diameter and 180 feet in length, was transported in late October from the Air Products Port Manatee facility across the highway and directly onto the port's Berth 12, where it was loaded onto a vessel by Logistec USA stevedores for shipment.

"Expert shipment of special project cargos of such dimensions proves the outstanding ability of Port Manatee and its partners to handle such large and heavy pieces," said Betsy Benac, chairwoman of the Manatee County Port Authority. "Air Products has a dynamic, positive impact on Manatee County."

Air Products, the world's leader in LNG technology and equipment, chose the Manatee County location due to its immediate proximity to Port Manatee and easy access to the berth, as well as because it removed constraints on the size of LNG heat exchangers to be shipped. The 32-acre Air Products Port Manatee facility started production in January 2014 and rolled out the first completed LNG heat exchanger in September 2016.

Martin Bencher uses low profile skidding system for power plant project

Project cargo freight forwarder Martin Bencher USA LLC used an LP400 low profile skidding system from Canadian manufacturer Hydra-Slide Ltd to complete installation of 24 hulking loads at a power plant in Texas recently.

With twelve 325 ton engines and the same number of 80 ton generators loaded over a three-week period through two doors at the facility, time and space were key considerations for Martin Bencher, making the LP400 stand out over alternative solutions.

Its patented low-profile, hand-portable design permits its use in most situations where a high capacity skid system is required, but where space or access is limited. A total height of less than 2 in. (51mm) reduces jacking time and is ideal for the power plant environment, where space was restricted as the units were loaded through openings in the east and west halls before final installation.

David Branco, US marketing manager, Martin Bencher, said: "We did our research following a recommendation from a heavy haul and rigging company and were confident in the capability of the Hydra-Slide unit, owing in part to an impressive demonstration video they provided for us. However, the LP400 still performed above our expectations."

He continued: "An indoor gantry crane and conventional slide system would have been the alternative method in this case, which our riggers are familiar with, but the method requires a much thicker beam and a large crew. The LP400, by contrast, is lightweight and easy to assemble. Once we had two, then three, then four engines in the halls, space became restricted and the smaller track system made progression of the project that much smoother. Efficiency is a premium commodity in a power plant environment where shut-downs are often required to allow installation work to take place. The faster

*(**SYSTEM** – continued on page 19)*

A dozen 325 ton engines and twelve 80 ton generators were skidded over a three-week period.

*(**MARKET** – continued from page 4)*

a situation where they're going to lay off up to 25% of the labor force of the combined company," said Lau, "and reduce the production capacity in the coming 12 to 18 months by around 20%."

Both of these developments, the trimming of excess inventory and the consolidation of capacity, will lead to a greater balance of supply and demand within the next year and a half, according to Lau. That assessment jibes with the Coface report, which concluded that a supply-and-demand rebalancing could be possible beginning in 2018, when capacity reductions in China will begin to be felt.

Raw Material Prices Increasing

And there is yet a third circumstance Lau cites for his cautiously rosy description of the future of global steel. "Prices for raw material for steel are all coming up," he said. Commodity prices for cobalt, tin, zinc, nickel, manganese, and iron ore have all trended upward over the last year.

Raw materials price increases often leads to increased demand for recycled steel, but not in the markets in which Crownia Holdings operates. "We don't trade recycled steel or scrap," he said. "Our customers in the Middle East oil industry don't use recycled steel. The car manufacturing industry and the medical sector also don't prefer to use recycled steel." That said, the demand for recycled steel is also on its way up, Lau noted.

On the demand side, increases in oil prices are expected to attract more oil exploration activity and, with that, increased demand for steel. South Asian economies such as India and Bangladesh are growing their shipbuilding industries with the help of their respective governments. There are also signs of increased domestic demand in China.

"Put all of these things together and it all points to one thing," Lau said. "The steel market is improving."

A recent report from *Worldsteel* appears to corroborate Lau's contentions. *Worldsteel's* projections show a slowing in the contraction of demand in China and modest growth in steel demand globally through 2017. *(See box on page 4)*

Given all of these economic factors, one wonders how the issue of Chinese steel has migrated into western political discourse. Besides some of the sharp rhetoric seen in the recent U.S. presidential campaign, the European Union has also been active on this front. The EU recently established an EU-China discussion platform on steel overcapacity as part of its bilaterial relations with China.

Lau's take is that these are mainly public relations efforts that will have little impact on Chinese steel policy. His evidence: In 2015, Chinese steel exports to the EU account for seven percent of total steel exports from China. Exports to the U.S. amounted to 2.2 percent of the total. Compare those figures to China's larger customers: 30% of exports went to Southeast Asia, 10% to the Middle East, and 12% to Korea.

"My gut feeling is that the Chinese government will continue on its current course," said Lau. "All of this political talk won't have an impact on the Chinese steel market."

*(**FACETS** – continued from page 11)*
lower profile for dockside cargo handling than Gottwald and Liebherr. Exhibitors Mantsinen and Sennebogen offer a wide variety of materials handling cranes for dockside as well as open storage use. There are a number of major similarities with these companies, both offer cranes using either track, rubber tired or rail mobility, a variety of boom configurations with hydraulic raise and extend capabilities and cab configurations that can be manipulated up or down or extended for optimum operator vantage points.

Their main headquarters is in Straubing, Germany with their USA base in Stanley, North Carolina. Sennebogen was founded in 1952 and has been manufacturing lifting and materials handling equipment for over sixty years. Their products have been utilized in lifting and handling of cargo and excavation either mounted on vessels, barges or working dockside and at inland handling sites. The evolution of the Sennebogen crane line has been primarily for material handling at ports and harbors, and backland support.

Sennebogen offers a variety of grabs and buckets to fit the customer's requirements. Their hybrid technology provides up to 30% energy savings with electric-hydraulic drives. Sennebogen can offer a variety of boom and cab configurations, providing the operator with the greatest vantage point. The customer can opt for wheeled, crawler or rail gantry mobility.

Sennebogen cranes have been utilized to handle containers but specialize in commodities requiring clamshell grabs, buckets, grapples and multiple sling bag handling. A great deal of their work is with logging activities, multiple bags, bulk grains and scrap. They have a growing number of sales and service organization throughout the Americas.

Mantsinen is a Finnish company located in Ylamylly, Finland. They offer four "HybriLift" models for ports and inland cargo handling that are customized for each user. The cranes are capable of handling both heavy and light bulk commodities, as well as bagged cargo and containers, limited primarily by capacity or attachment. The largest model, the Mantsinen 200, can handle large steel coils and can be fitted with a container attachment.

In 2006, Mantsinen began testing and developing a Hybrid system. Beginning in 2008, they placed the 200 HybriLift into major production and operation. This model was followed by models 120, 160, 70 and 90. The program was completed in 2012. As reported by Mantsinen, "The unique system improves energy efficiency by up to 35%, and during each working cycle, energy is stored in a hydraulic accumulator system and again recovered to lift the main boom." Materials handling systems are designed for bulk and general cargo handling. The system is said to allow for downsizing of engines and motors, providing lower emissions.

Mantsinen also manufactures its own attachments including clam buckets, orange peel grabs, tip to tip (round wood) grapples, lumber spreaders, big bag spreaders, pulp bale spreaders, coil clamps, pallet forks. In addition, Mantsinen offers customized attachments.

There are also a number of companies exhibiting that while not offering the dramatic effect of the larger equipment manufacturers have an impact on the many operating companies that attend the breakbulk show. Companies such as Anvil Attachments, Buffers USA, Greenfield Engineering, Novatech and Triton International Limited are but a few.

Novatech, a Danish company, has been designing and manufacturing specialty trailers for the cargo handling industry. Their most popular products in the USA are their roll trailers and goosenecks; however, they offer a number of other, specialty built trailers. One of their products that caught our eye was their Liquid Waste Trailer designed to transport leaking ISO tank and standard trailers, containing what could become an environmental problem and a costly cleanup. This trailer can be designed to handle up to 45' containers with a maximum capacity of 60 tons.

Buffers USA was established in 1989, designing and manufacturing products for the cargo handling industry. With headquarters in Jacksonville, Florida, Buffers has warehouses on the West, Gulf, Great Lakes and East Coasts of the USA. Their products include ship-lashing gear, security seals, chassis twist locks, and packaging and cargo handling products for warehouse operations.

Anvil Attachments, LLC is an award-winning manufacturer of bulk handling attachments, located in Louisiana. Their bulk grabs have been named the "Best Grabs" in 2012 and 2015. They are one of the oldest manufacturers of grabs, building their product around a standard parts design, allowing them to have the fastest lead-time in the industry. Their main products include their hydraulic and diesel hydraulic clamshells, a four-ton hydraulic scrap grapple, a radio controlled single line clamshell bucket and a four-rope cantilever bucket that can be sized to each customer's special needs.

Greenfield Products, LLC, located in Hazel Crest, Illinois is a leader in custom fork truck attachments. Their products include masts and carriages for steel, concrete and pipe handling, strong backs, pallet platforms and windmill handling attachments. Greenfield also manufactures custom intermodal attachments such as container handling spreaders, chassis rotators, powered super sack spreaders and bombcarts. Greenfield's newest product is the Deckhand, which is designed to handle barge covers remotely. Their container tilter allows containers to be tilted at 90 degrees for 100% fill of products such as coffee, scrap metal, coal and sugar.

(*FLOWS – continued from page 8*)
pieces per transformer of accessories. "The Port of Vancouver worked tirelessly with us to provide a storage plan for the large volume of accessories of which some required inside storage," said Sue St. Germain, Executive Director of Projects, TransProject LLC, a division of Trans Group World Logistics based in Seattle, Washington in an interview with the *American Journal of Transportation*.

St. Germain explained that the Port dock was not used for the heavy lifts, since the vessel cranes lifted the units directly onto the barge for the 14 hours Columbia River voyage to The Dalles, Oregon dockage. However, "we visited the Port three times performing surveys of optimal solutions or a 'plan b' where dock strength was suitable which was not needed." The Port was important to the planning by bringing all clients from Sweden, the U.S.A and the Bonneville Power Administration together as part of a kick-off meeting and during execution to make available the preferred berths and to process the accessories immediately for smooth deliveries.

ABB Sweden manufactured the seven massive high voltage direct current (HVDC) transformers in their Ludvika factory, and then was transported by rail in four days to the Port of Norrkoping on the Baltic Sea 80.7 miles (130 kilometers) south of Stockholm. Ocean vessel crane gear used at both ends lifted the units into the covered vessel stowage for a 45-day voyage through the Panama Canal to

Contractors Cargo Co. purchased and operated a 105 foot long, 16 foot wide, 270,000 pound SPMT for the transformers final 8 hour journey to the Celilo Generating Station.

the Port of Vancouver. Jones Stevedoring provided the labor. "The crane drivers and crew delivered all seven units to the barge (2 per barge) with no damages or injuries," commented St. Germain.

Marvel of Transport Engineering

A marvel in transport engineering occurred at The Dalles, Oregon on the Columbia River for the final 8 hours journey to the Celilo Generating Station. TransProject built a dockage for the self-propelled modular transporter (SPMT) vehicle. Contractors Cargo Company, super loads specialist in Compton, California purchased and operated under sub-contract "a brand spanking new" 105 feet long, 1.5 file wide (16 feet), 270,000 pounds SPMT explained St. Germain. The manufacturer was Germany's Scheuerle-Kamag Transporttechnik Gmbh & Company, heavy duty transport experts since 1855 of the TII Group which combines Scheuerle, Nicolas, Kamag and Tratec companies.

TransProject's *Heavy Haul Method Statement* depicts the SPMT in graphic details in order to win approvals by the Oregon State and local departments of transportation. The transporter has 12 tires on each of the 20 axles (4 drive axles) for a total of 240 tires on the ground needed to road transport individually the seven HVDC transformers alongside the Columbia River up to the Bonneville Power Adminstration's Celilo hydroelectric power generating station.

11,341-Mile Project Cargo Move

The 11,341-mile project cargo move is part of the 2016 western transmission grid upgrade of hydroelectric power from the Columbia River's Bonneville Dam by the Bonneville Power Administration (BPA). This $370 million modernization of BPAs Celilo Converter Station also involves upgrades on the 265-mile portion of the inertie that BPA owns from the Columbia River to the Nevada-Oregon border and will raise the inertie's capacity to 3,220 megawatts of electric power for 2.4 million homes, according to BPA reports. In 1961, President John F. Kennedy authorized the project using HVDC technology from ASEA Sweden and by General Electric collaboration to send Columbia River's hydroelectric power to southern California.

Pacific Direct Current Inertie (PDCI) is a HVDC system energized in 1970 with 1,440 megawatts and upgraded six times. The 846 mile electron super highway is the longest commercial transmission line in the United States connecting the northwest at Dalles, Oregon with Pacific southwest at Sylmar, California for the Los Angeles Department of Water and Power. At

(*FLOWS – continued on page 15*)

*(**FLOWS** – continued from page 14)*
each end, a converter station changes alternating current (AC) to direct current (DC) and back. The Celilo Converting Station owned by Bonneville Power Administration is a non-federal lease-purchase program in cooperation with Port Morrow, Oregon.

In addition to the dockage built in The Dalles, TransProject's year of planning was critical in overcoming numerous obstacles of a bridge, a round-about and a 9.2 percent incline to reach the Celilo Converter Station. The first challenge was the HVDC 862,000 pound payload on the transporter crossing the Chenowith Bridge after two days working time per transformer at the dockage in The Dalles. Prior to crossing the bridge, the crew removed two stand beams and assembled 4 wing axles (2 in front and 2 in back) to the SPMT to carry 8 wing dollies. Each dolly held 8 tires adding 64 tires to allow the weight of the transporter and transformer to spread laterally for safe passage over the bridge, according to the *Heavy Haul Method Statement*. One day was needed to remove the wing dollies, then one night for delivery per transformer to the site.

Careful planning and engineering were not always enough for this massive cargo logistics project. "During the first move, the city raised concerns about the retaining wall on the outside of the traffic circle. So, we were required to go around the traffic circle rather than straight through. Sort of like threading a needle with a 110 foot long 16 foot wide string," said St. Germain.

Finally, a 9.2% grade just prior to the Celilo site presented another obstacle. Some of the ground crew of 45 persons assembled a tractor at the front to pull and a tractor-truck at the rear to push the SPMT and transformer. These push and pull prime movers of 46,000 pounds each provided tractive force for the approach to the Celilo Station and in fact lifted five of the axles at three miles per hour by 1,122 horsepower of a gross weight of 1,202,200 pounds. After reaching the site in the nighttime work, the crew rested for a day, then embarked on the procedure to jack and slide the transformer onto the foundation, which took one and a half days for each unit.

St. Germain had high praise for the Port of Vancouver making a person available to TransProject and for all stakeholders at any hour of the day every day of the week. The year of planning and engineering and the whole year of making deliveries of these seven transformers involved Oregon and Washington authorities of transportation, police, bridge engineers, traffic departments and Union Pacific rail crossover officials. In January, electricians prepared the transformers, tested them and commissioning was by March of 2016 to provide millions with clean energy.

*(**PROFILE** – continued from page 7)*
played other teams in Europe, like in the European Olympics in '93. I traveled all around. I was the center, the post, for the team.

It's been part of my life. I miss it. I don't have much time for it now, although I do go and shoot around when I can, not too far from my house. And I've got kids in the neighborhood who ring the bell and ask, "Can Elisabeth come out and play?"

The team spirit is in me. When people say we've got to think as a team, I don't need to think about it; it just comes naturally.

I can't live without sports.

Can I assume you enjoy fine wine and chocolate?

Chocolate, yes, that's my little treat. And the wine, definitely.

I was born in a beautiful town called Tours. I actually just visited my parents last week. All my family and friends are in France, so I'm just basically by myself here.

This town of Tours is on the Loire River. The region – the Loire Valley – is full of wines, including fizzy wines, sparkling wines, champagnes. I had the chance to have a dad, who is still alive, who had a cave under the house – something not unusual in France – and would teach me the names, the smells, the tastes.

We started when I was 6 or 7 years old, just having a spoon with a square of sugar and a couple drops of wines to get the taste of it.

I did find one or two wines that are close to my hometown, probably 15 minutes from there, that are here imported in the U.S., that are a pleasure to go buy. And now, probably this weekend, now that you've given me this taste in my mouth, I'm going to go get a bottle of Vouvray.

It's probably trop cher here?

No, you know what, it's bon marché. Not as cheap as it would be in my hometown, probably double the price, but, once in awhile, when you really deserve it and have had a good work week, you say, I'm going to put that in the fridge and have some good cheese..."

I just brought one cheese from France that they put in a vacuum-seal bag that Customs allows you to bring back, so it could be a good Friday night treat.

Bon appétit! À la vôtre!

*(**BULK** – continued from page 10)*
The state-of the-art Waterland Terminal contains three all-weather berths and two open docks (Ro/Ro). Essentially the vessels pull into a "roofed" terminal with a gantry like crane arrangement in the ceiling to provide loading and unloading for the ships in any weather. With the "one roof all weather" concept, weather conditions have no impact on operations. And the shelter provides additional protection for the cargo being handled, such as paper and forest products. Additionally the covered berths lead into the warehouse complex, which offers storage or access to other transportation, such as rail or road. Equally the warehouse space can act as a transshipment hub for barge or short sea movements. The warehouse itself is equipped with dehumidifiers for storage of steel goods or materials like aluminum, zinc, steel, paper, wood and pulp.

(**PREPARED** – *continued from page 2*)
smooth shipments possible. The port has two Liebherr mobile harbor cranes with 140-metric ton lifting capacity or 210-metric tons in tandem. Other specialized equipment for wind projects includes: onsite expandable trailers and yard equipment along with 100 acres of laydown space for shippers to perform inspections. Both stevedore companies invested in extended yard trailers, reach-stackers, Schnabel trucks and other project specific equipment to efficiently move project cargo off the docks to waiting trucks or railcars.

The massive equipment and wind farm cargo require specialized training in tandem and engineered lifts by the port, Jones Stevedoring and the local longshore union. "We formed a partnership among these three on a new crane operator training program to certify every Port of Vancouver crane operator and ensure they were fully certified. Today, we have a pool of qualified operators," said Smith.

Port of Longview and Industrial Rail Corridor

The Port of Longview has almost a century as a premiere West Coast breakbulk cargo handling port. The port is 66 Columbia River miles from the Pacific Ocean in southwest Washington State and across 856 acres of waterfront industrial property. The port makes strategic investments in both infrastructure and equipment. Fifteen years ago, the port invested $21 million to construct its Industrial Rail Corridor (IRC) for direct access to the port's marine terminals of the Burlington Northern Santa Fe (BNSF) mainline and for Union Pacific. "At present, the port is planning a phased expansion of the IRC over several years to increase unit train capacity and railcar storage," according to Laurie Nelson-Cooley, Business Development Manager, Port of Longview.

The port's breakbulk expertise was evident in a recent import from China by OEM, Vestas of 270 wind energy blades destined for wind farms in both Illinois and North Dakota. The International Longshore and Warehouse Union (ILWU) secured the blades to the railcars. The port's on-dock double tracked rail spanning 1,200 feet and the two Liebherr mobile harbor cranes for lifting 140 tons made this project possible.

Each blade was 49 meters (160 feet) long to reach the port by Saga and Chipolbrok ocean liners. "Most of the blades were discharged from vessel directly to rail. These blades were secured to the on-dock rail cars using specialized platforms engineered by Transportation Technology Services (TTS) that allow the blade to 'float' across two flat deck rail cars. Blades were secured by twist locks on the roof and tip frames," said Nelson-Cooley.

Directly north of these two river ports is Port of Olympia on the Salish Sea which is one of Washington State's eleven deep draft ports capable of handling ocean going vessels. A newly acquired 140 metric ton Gottwald mobile harbor crane, on-dock and dual rail access to Union Pacific and BNSF and an "impeccable reputation of our longshore labor at local 47" enable the port to satisfy customers across many trades, explained Len Faucher, the Marine Terminal Director, Port of Olympia in a recent interview with the *AJOT*.

The new crane is pivotal in moving various wind cargo, organic grains and for the export of livestock. The port and the United States Department of Agriculture (USDA) quarantine facility shipped 1,400 head of dairy heifers to Vietnam to fill their policy needs in feeding their children. "This operation moved entirely by truck to the vessel. We did use the Gottwald to transfer feed and hay for the operation based on USDA detailed process in humane livestock treatment…," said Faucher.

Production Tax Credit

All three Pacific Northwest ports are prepared to benefit from the Production Tax Credit renewed by U.S. Congress last December. This green energy tax credit allows qualified wind farms to reap tax benefits based on their output for a 10-year period to reduce federal tax bills, according to the *Wall Street Journal* article of October 8, 2016. Most of the business through these three ports is for new wind projects, but they expect retrofit or repower wind turbine projects from the aging and reduced performance on the older wind turbines.

The American Wind Energy Association (AWEA) informs that more focus is towards safety and for road infrastructure to desolate rural wind farms for moving domestically produced wind energy components since imports are becoming onerous for the transportation and logistics sector. OEMs have 500 plants in the United States to serve the over 20,000 megawatts (MW) of new wind capacity under construction. However, imports are still important to new construction and refurbishing and for offshore wind farms. The first is on Block Island in Rhode Island.

Wind Energy Construction

More wind energy construction is expected to continue in the double digits for decades. The Department of Energy's 'Wind Vision' report forecasts that U.S. wind power supplies 10% of electrical demand by 2020 from 5-7% in 2016, 20% in 2030 and 35% in 2050. "Recognizing that transport and logistics are a key part of wind industry's future growth, we're engaged in proactive efforts including the AWEA Safety Awareness Campaign for 2016, 'Arrive Alive: Driving a Vehicle Safely' and our AWEA Safety Data Collection Report to get ahead of the curve," said Michele Myers-Mihelic, Director of Health, Safety and Standards, American Wind Energy Association in a recent talk with the *AJOT*. AWEA has a networking group for transportation and logistics at events to discuss major issues. The next event is in San Diego, February 28-March 1, AWEA Wind Project O & M and Safety Conference 2017.

The Ports of Vancouver and Port of Longview on the Columbia River and the Port of Olympia on the Salish Sea in Washington State are all poised to benefit from the tax credits for wind farm construction and upgrades and from decades of wind energy growth in the U.S.A.

*(**POSSIBILITIES** – continued from page 10)*

Cargo's director of sales. "Changing a logistical flow means investing in time and energy."

"It depends on many different" variables, added Bjorn Larsson, the terminal manager in the southern Swedish port of Malmö, where the car shipments originate and sawn lumber is received. "The market is now ready to see the possibility of backloading on rail."

Sweden isn't alone in attempting to tackle the twin issues of boosting forestry products and backloading. For example, a recent study by the British freight rail concern, Colas Rail, focused on unmet potential in hauling forestry products in Scotland, while positing ways to backload wagons as a means to drive down costs.

Ports Look for Backhauls

Likewise, ports have been investigating how to better balance vessels carrying forestry products with backloading other cargo. In Britain's Hull, for example, weekly ships from Sweden and Finland that are loaded with paper and pulp are being returned with machinery and containers.

A government corporation owned by the Ministry of Enterprise and Innovation Green Cargo is helping to lead the way. According to Kirchner, the idea for backloading new vehicles with lumber started in 2014, but took a year to get moving.

For years, new cars have arrived on vessels from Asia and elsewhere in Europe to Malmö's car terminal. From there, the vehicles are loaded onto rail wagons and transported to northern Sweden. Destinations include, most notably, the terminal of Umeå, some 1,250 kilometers north and a bit east of Malmö, on the Baltic Sea. The cars are distributed to various retailers throughout the region.

On the flip side, forest products are hugely important to Sweden and its economy; it remains the country's third largest export. What's more, according to Skogs Industrierna, the country's forest products industry association, forest products are the single largest purchaser of transport services.

Northern Sweden is laden with lumber mills. Most forest products are transported by truck, although some rail is being used.

The forest products industry is under pressure to reduce its carbon footprint and must meet increasingly stringent environmental goals the Scandinavian countries have established. Transportation is one element of the process that it can improve on. Rail itself is more environmentally sound than road and the degree trains can take trucks off the road will impact greenhouse gasses. In Sweden, rail is completely electrified and based on renewable generation sources.

However, all that isn't nearly enough to prod supply chain specialists and logistics handlers to switch. Green Cargo had to make a convincing economic argument, as well as demonstrate that the goods could be delivered quickly and efficiently. What's more, the freight rail carrier had to keep the car distributors onboard. Green Cargo couldn't sacrifice its steady service northbound to add a sometimes-southbound component.

"You have to coordinate with customers using the wagons to make sure one solution doesn't interfere with another."

"You have to coordinate with customers using the wagons to make sure one solution doesn't interfere with another," said Kirchner.

According to Kirchner, Green Cargo has experience backloading wagons that carry cars to the north and this is one key. Umeå is the site of a Volvo truck cab manufacturing plant and Green Cargo hauls these cabs south using the wagons that deliver the cars headed north.

Multipurpose Rail Cars the Key

Green Cargo doesn't use dedicated car carriers to move vehicles to the north. Instead, it uses multipurpose wagons with floors that can be raised to create a double-deck necessary to haul the new cars economically. The floors can be lowered to carry breakbulk items and palleted goods.

So, the carrier can use existing wagons to handle the new forest products-related cargo. "They don't have to be modified," said Larsson. "That's the best thing about it."

Because these wagons are so easily adaptable to different freight, Green Cargo can turn around its wagons with minimal delay, an important selling point.

"One challenge in this case was not prolonging the staging time in the terminals once the cars were offloaded," Kirchner explained. "Our target was not to disturb the existing system."

According to Kirchner, to accommodate the offloading of the lumber, there's maybe a one- or two-hour delay on the Malmö side, when compared to the wagons returning empty. However, it remains possible for the trains to make the round trip journey to Umeå in 24 hours if necessary.

The Need for Flexibility

But it does require flexibility on the part of those transporting the lumber. For starters, truckers have to get the cargo from the mills to Umeå and a few other rail terminals and coordinate rail schedules.

Then there are existing logistics contracts, which usually last for one or two years. The mills and their logistics specialists can't just terminate these contracts. "There are limited windows of opportunity," said Kirchner. "We have to be lucky."

And, customers are reluctant to overturn their current logistics arrangements unless they can see that the solution works, is reliable and cost

*(**POSSIBILITIES** – continued on page 19)*

HANSA delivers five large cranes to Bulgaria and Egypt

HANSA HEAVY LIFT has transported five Gottwald mobile harbour cranes, weighing a total of 1,400 metric tonnes, loading them in Denmark and Belgium and delivering them to Bulgaria and Egypt.

All five cranes were lifted and stowed fully erected on deck, which limited the line of sight for the crew aboard *HHL Rio de Janeiro*.

Extra risk assessments were also carried out prior to commencing the voyage, in order to fully comply with all local and flag regulations.

"Thanks to our in-house team of naval architects and engineers, we were able to develop a quick, on-the-spot solution for this very challenging project," said Ian Broad, Director Marine Operations, HANSA HEAVY LIFT.

"Our crews had to adjust the stowage and lashing plans for each crane in order to ensure we could accommodate all five of them on deck."

In addition to the five cranes carried on deck, the voyage included the transportation of four grabs, two bromma container spreaders and a dismantled Demag mobile crane, which were shipped under deck.

"We were able to overcome very tight stowage, which at places only had 20 to 30 cm clearance, by using heavy lift platforms to increase available deck space," said Captain Johan Buysse, Cargo Superintendent, HANSA HEAVY LIFT.

The cranes were loaded at the ports of Nyborg, Frederikshavn and Aalborg in Denmark, as well as the Port of Antwerp in Belgium.

They were then delivered to Bourgas and Varna in Bulgaria, as well as El Dekheila and Damietta in Egypt.

Five cranes were lifted and stowed fully erected on deck, which limited the line of sight for the crew aboard HHL Rio de Janeiro

Shipping lines riled by Pakistan's move to raise port tariffs

Shipping companies are threatening to scrap their Pakistan services after the South Asian country increased tariffs at its largest port in a blow to an industry that is already grappling with global overcapacity and low freight rates.

Hyundai Merchant Marine Co. is "seriously considering" dropping deployment of larger vessels in Pakistan, the South Korean company wrote in a letter to the Karachi Port Trust, a copy of which was obtained by Bloomberg and confirmed by the firm. Local agents, representing global sea carriers including Maersk Line and American President Lines Ltd. say the tariff increase has caused distress among members.

Charges at Karachi have more than doubled for many types of vessels, according to Pakistan Ship's Agents Association, after the operator on Aug. 29 removed a cap on tariffs for vessels heavier than 45,000 gross registered tonnage. In an operating environment that saw South Korea's largest box carrier Hanjin Shipping Co. file for bankruptcy about two months ago, the industry is finding little room to absorb cost increases.

"This revision causes a significant cost increase to all the carriers," Kyounguk Lee, Hyundai's then chief operating officer, wrote in the letter. "Port cost increase as well as extremely low ocean freight forces us to seriously consider" to drop services calling at Karachi port "in order to minimize our loss," he wrote.

A Hyundai Merchant ship of 94,511 GRT for a two-day stay at Karachi will have to pay $82,905, which is 77 percent higher than India's Nhava Sheva port and 51 percent more than Sri Lanka's Colombo port, Lee wrote.

The higher tariff comes weeks before billionaire Li Ka-shing's Hutchison Port Holdings is due to start commercial operations of the nation's deepest port called South Asia Pakistan Terminals Ltd. Hutchinson's new $1.4 billion port in Karachi, to be inaugurated by Pakistan's Prime Minister Nawaz Sharif next month, will also have the higher tariffs.

The order "has caused anguish and distress to our members," Amir Ali Jamal, secretary general of Pakistan Ship's Agents Association, wrote in a separate letter to the Karachi Port Trust on Oct. 31.

The agents estimate that the new tariff would increase local port dues by 15.5 percent to 118.2 percent for vessels having GRT of 45,000 and 65,000, respectively. The port faces an annual loss of as much as $5 million per vessel if any major shipping line decides to skip Pakistan, said Muhammad A. Rajpar, who is a former chairman of Pakistan Ship's Agents Association.

A spokesman for Karachi Port Trust said the authorities withdrew a cap that

*(**RILED** – continued on page 19)*

*(**BID** – continued from page 6)*
because they need to repay debt."

Korea Line, which trails Pan Ocean Co. among South Korean bulk-shipping companies, is expanding after exiting from bankruptcy protection, which it filed for in 2011. Bought by the Samra Midas Group in 2013, it operates 29 vessels hauling goods such as iron ore, crude oil and cars. Container shipping companies carry a wide range of goods such as clothes, furniture and bananas, while bulk carriers ship unpacked cargo including coal, cement and grains.

Better Terms

Korea Line offered better terms in its bid, including taking on all employees, the court spokesman said in the text message, without elaborating. Also included in the bid was Korea Line's interest to buy Hanjin's 54 percent stake in a port terminal in Long Beach, California and some of Hanjin's vessels.

"Rather than focusing on competition and reckless expansion, the company will focus on profitability and rebuilding customer confidence," Korea Line said in a statement. It will use cash generated internally to purchase Hanjin's local offices in Asia, the U.S., staff and logistics systems, it said.

*(**RILED** – continued from page 18)*
did not exist anywhere in the world, adding the port has clarified to all users that this is not an increase but restoration of old charges. He said he wasn't aware of the letter from Hyundai.

"We are going to have big ships calling at the deep-water port," he said, referring to the new Hutchison port. "If this cap remains, what dividend the calling vessels would offer us?"

The port users have asked the authorities to review the tariff. Hyundai Merchant is in talks with Karachi port officials, a spokesman for the company said Nov. 7. State-owned Pakistan National Shipping Corp. is also negotiating with port authorities, Chairman Arif Elahi said.

*(**SYSTEM** – continued from page 12)*
a plant is back up and running, the happier the customer."

Janine Smith, vice president, Hydra-Slide, said: "Martin Bencher's power plant project was a perfect application for the LP400 system. It can be mobilized quickly and set-up is relatively simple. The system is controlled by one operator working from a remotely positioned power unit. There is no need for personnel to be close to the load when moving and no winch lines, holdbacks or heavy equipment complicate the process. The maximum weight of any LP component is 130 lbs. [60kg] and the full system packs up into a storage box that fits in the back of a pickup truck. We're seeing huge demand for this type of slide system for plant and factory projects, as well as job sites where there is limited heavy moving equipment available."

Transportation of the engines and generators was more complicated. Martin Bencher employed two Goldhofer trailers simultaneously to move the loads from Port Isabel, Texas where they had arrived from Italy. Such was the size of the loads—all the engines were 20 ft.-high, Branco said—transportation had to take place overnight with police escort with a permitted top speed of 20mph. Branco explained that the transport operation of two engines alone took a week.

Wallenius Wilhelmsen Logistics and DB Cargo announce new auto hub at Mediterranean Port of Monfalcone

Wallenius Wilhelmsen Logistics (WWL) and DB Cargo (DB) have signed a contract to develop a joint venture multi-modal logistics hub, "Mediterranean Hub Monfalcone Srl", in 2017 at the Port of Monfalcone on the Italian Adriatic coast.

The business will provide logistics solutions to support and manage the total outbound supply chain of vehicle manufacturers in Europe – from the factory to key distribution points in the Mediterranean and Asia. The business will provide outbound vehicle logistics coordination and management of rail operations, terminal services and storage at the Port of Monfalcone. Wallenius Wilhelmsen Logistics will maintain a 51% stake in the business.

"With this joint venture we are meeting the demands of OEMs to introduce a solution that will reduce the transport time to Asia, and simplify the supply chain. In cooperation with WWL, DB will offer an integrated logistics solution from Europe to Asia via the Port of Monfalcone," said Andreas Busemann, Chairman of Sales at DB.

"Launching in 2017, this exciting joint venture between Wallenius Wilhelmsen Logistics and DB Cargo will offer vehicle manufacturers a new, reliable point of exit from Europe and additional transport options to Asia that can reduce overall cargo transport times by more than a week," said Konrad Kurz, Head of Land-based Operations for EMEA at Wallenius Wilhelmsen Logistics.

Executives from Wallenius Wilhelmsen Logistics and DB Cargo signed the contract recently at the Port of Monfalcone, joined by Compagnia Portuale Srl a Socio Unico.

*(**POSSIBILITIES** – continued from page 17)*
effective. That means an even bigger reluctance to be the guinea pig.

To entice customers, Green Cargo has decided to handle the entire process from the site of the lumber mills to the transshipping in Malmö. The company created cross-functional teams and initiated what Kirchner described as a "mini control tower function," that keeps track of the wagons. It uses its own rail freight forwarding agent, a subsidiary called NTR.

So far, Green Cargo hasn't been forced to acquire additional wagons for the new business and that keeps costs down as well.

Right now, Green Cargo is attempting to garner more business from sawn lumber. But Kirchner said that paper and pulp producers could provide additional business as well, as backloading gains traction.

"Usually, these kinds of developments start with creative discussions between one of our sales staff and a client, where one idea creates another," Kirchner said.

AIR CARGO NEWS

KLM Royal Dutch Airlines returns to MIA

On November 1, officials from Miami International Airport, KLM Royal Dutch Airlines and the Dutch government welcomed KLM back to MIA, when the airline began three weekly flights from Amsterdam. Through June 4, 2017, KLM will operate flights on Tuesdays, Thursdays and Sundays between MIA and its Schiphol Airport hub on Airbus A330-200 aircraft, which feature 30 seats in World Business Class and 213 seats in Economy Class.

The seasonal service is a return to MIA for KLM, which last served the global gateway in 2011. Amsterdam is the capital and most populous city of the Netherlands, as well as one of the top financial centers in Europe. KLM merged with Air France in 2004 to form the Air France-KLM Group, one of Europe's leading airline partnerships. KLM will join Arkefly as the second airline to provide service from Miami to Schiphol.

"We welcome KLM and its award-winning service back to MIA," said Miami-Dade Aviation Director Emilio T. González. "Their three weekly flights to Amsterdam will provide more options for travelers between our two busy markets, and further expand our growing network throughout Europe."

A KLM Royal Dutch Airlines Airbus A330-200 on the tarmac at MIA during the night.

AirBridgeCargo to support Norway's salmon exports, oil and gas industry

AirBridgeCargo Airlines (ABC) is to commence twice-weekly Boeing 747 freighter operations from Oslo in support of Norway's thriving seafood export market and the country's oil and gas industry.

Global demand for Norwegian seafood, and especially salmon, continues to make a significant and growing contribution to the country's economy. Norway now exports 220,000 tonnes of seafood a year, 600 tonnes a day, using air cargo services to Asia and North America. By offering over 100 tonnes of cargo capacity per flight, ABC's new Tuesday and Friday services ex Oslo will enable Norwegian exporters to seamlessly access the airline's network in both North America and Asia Pacific via its hub in Moscow.

Georges Biwer, Vice President EMEA, at AirBridgeCargo, said: "Our strategy is to always stay close to our customers and to listen to their requirements to ensure we are operating where they want us to be. Oslo is the perfect example of this level of customer support. Norwegian salmon is preferred by consumers all over the world and exporters rely on the speed and reliability of air cargo to ensure their seafood is of the highest quality when it reaches their customers. The fast connections and on-time performance ABC offers via its Moscow Sheremetyevo hub, as well as the temperature-control capabilities of our modern Boeing 747-8F fleet, means we can offer exporters the network and service options they need to continue to grow their business all over the world."

AirBridgeCargo's unique hub operation in Moscow means it is able to connect origin and destination points across its global network within 48 hours.

The new freighter services will also help to support Norway's oil&gas sector. The airline's nose-loading Boeing 747 freighters are especially well-suited to transporting long oil& gas shipments.

AirBridgeCargo started operation of its first flight ex Oslo on November 15, 2016.

A KLM Royal Dutch Airlines Airbus A330-200 on the tarmac at MIA.

IAG Cargo enhances network strength across North America

IAG Cargo has announced the launch of two new London Gatwick routes to North America. The addition of these routes will bring the total number of IAG Cargo-operated US gateways to 25 from Summer 2017. The Fort Lauderdale service is due to launch in March 2017 and will operate four times a week, while the Oakland flight will also launch in March 2017 on a three times a week basis. Both routes will be served by the wide bodied British Airways B777-200 aircraft.

David Shepherd, Commercial Director, at IAG Cargo, commented: "For many years we have offered our customers extensive access across North America. The addition of Fort Lauderdale and Oakland to our network cements this position, offering access to places that we know are important to our customers and enabling them to do business more effectively across the globe."

Major commodities likely to be shipped from Oakland include aircraft engines, electronics and fresh produce such as nuts and almonds, while key shipments from Fort Lauderdale include aircraft parts, technology products and jewellery. With aircraft parts being significant shipments from both destinations, it is likely that customers will opt to use Critical, IAG Cargo's newest product designed for emergency shipments.

IAG Cargo's expansion in to California comes at a time where the state is performing particularly well. Its economy was set to grow faster than the national economy by the end of this year and inflation is set to grow about 5.7% a drop from 7.5% last year.

These new service additions are part of a dedicated network investment and will add to IAG Cargo's existing service in to the US which currently comprises 22 gateways and over 800 flights per week to North America. This extensive network allows customers easy and convenient access to over 350 destinations worldwide.

DHL expands operations in Southern California

DHL has expanded its footprint in Southern California to accommodate a growing demand for its global shipping services. The new 66,730-square-foot service center in Santa Ana adds more than 27,000 square feet to the company's previous facility in Irvine, and reflects the significant increase in shipment volumes that DHL is handling.

The Santa Ana service center serves a swath of Southern California that reaches from San Clemente to Brea. The popularity of Orange County among Fortune 500 companies, as well as small and medium-sized businesses, has helped to fuel the need for additional warehouse space to handle both the number of routes and volume of packages that DHL handles daily.

The new location is five miles closer and approximately 20 minutes faster to and from Los Angeles World Airports (LAX) – resulting in earlier delivery times and later cut-off times for international shipping customers.

*(**EXPANDS** – continued on page 21)*

New 'Revolution Report' charts the massive growth in airfreight for e-Commerce

Global e-commerce sales continues to grow at double-digit rates, and that massive shift in consumer buying habits is fueling an equally significant change in the air cargo industry, according to a new report released today by ACMG.

The "E-Commerce Revolution Report" produced by ACMG, the leading global air cargo and freighter aircraft consultancy, features fresh and insightful analysis of marketplace platforms like Amazon and Alibaba, direct sellers such as Apple, and integrators such as FedEx and DHL.

The report discusses the tectonic shift from traditional bulk business-to-business deliveries from shipper to brick-and-mortar retailer, with the consumer providing the "last mile" from store to home, to today's individual parcel shipments, from both large and small e-tailers, delivered individually to millions of consumers in both the developed and developing world.

"Although brick and mortar retailers have been impacted

*(**REPORT**– continued on page 21)*

Intermodal & Logistics News

Intermodal volumes decline in 3rd quarter domestic containers a bright spot

Total intermodal traffic recorded another volume decline in Q3 of 2016, according to the Intermodal Association of North America's latest quarterly Intermodal Market Trends and Statistics report. Contributing to this loss were intermodal trailer volumes which dropped 26.9 percent and international shipments which fell 6.7 percent. The domestic container business experienced gains of 3.3 percent which kept the overall volume loss to 4.6 percent.

"The Q3 results were in line with the previous quarter, reflecting sluggish market conditions," said Joni Casey, president and CEO of IANA. "Projections for 2017 are more optimistic, based on continued increases in consumer spending and expectations that the international side of the equation will stabilize."

The seven highest-density trade corridors, accounting for 63.6 percent of total intermodal volume, collectively dropped 3.9 percent year over year. The Midwest-Northwest corridor saw a 3.0 percent gain in traffic, dominated by containers. All other corridors posted declines. These ranged from only 0.8 percent in the cases of both the Northeast-Midwest and Trans-Canada lanes, to 11.2 percent in the South Central-Southwest corridor. Midwest-Southwest volumes, which are the highest, shrank by 5.3 percent.

Regional losses were widespread, based largely on international traffic. At one end, the Mountain Central and Mexico regions were both in negative territory at 11.5 percent. Western and Eastern Canada came closest to breaking even with -0.2 percent and -2.9 percent respectively. The Southwest, Midwest and Southeast regions clustered around the -4.6 percent industry average. Positive international shipments supported overall growth of 0.1 percent in the Northeast and 4.4 percent in the Northwest, the two exceptions in the third quarter.

Intermodal Marketing Companies again demonstrated clear gains in the highway market sector. Thanks to excess trucking capacity, highway volumes were up 14.6 percent from the previous year. Intermodal loads fell 11.6 percent. The net result for reporting IMCs was a total volume decrease of 0.1 percent.

FedEx Trade Networks expands into Malaysia

FedEx Trade Networks, a subsidiary of FedEx Corp. and a premier international freight forwarder, announced the opening of a new office in Malaysia. Based in Penang, the additional facility highlights the continued expansion of FedEx Trade Networks to meet the growing market demand.

"With our network stretching into Malaysia, we are well positioned to proactively respond to customer needs and support them in simplifying the complexities of international shipping," said Dr. Udo Lange, executive vice president and COO, FedEx Trade Networks.

The new FedEx Trade Networks office is strategically located in Penang's central business district, with close proximity to the airport and the seaport as well as the city's key infrastructure facilities. FedEx Trade Networks offers a comprehensive portfolio of services, covering e-commerce, international air and ocean freight forwarding, surface transportation (domestic and cross-border), customs brokerage, trade and customs advisory services as well as other value-added services, including My Global Trade Data, the company's online suite of information management tools.

"The world requires a new type of freight forwarder that understands how to turn global logistics into strategic advantages," said Dr. Lange. "FedEx Trade Networks makes the complexities of global shipping simple, striving to provide customers with unparalleled supply chain visibility and logistics transparency to help move their businesses forward."

Penang is one of the most urbanized and industrialized states in Malaysia with a high concentration of key industries and sectors, including high tech, electronics and electrical products, industrial goods as well as aerospace, retail and e-commerce.

Dachser continues to grow in APAC

In order to provide quickly growing industries in Vietnam with logistics services for their exports, Dachser has now opened a branch office in Hanoi to support its location in Ho Chi Minh City.

"The expansion of Dachser Asia Pacific is vital for our customers in the USA as a substantial amount of cargo is imported from these areas," said Frank Guenzerodt, President & CEO of Dachser USA. "The local Asian expertise and the close proximity to the suppliers at origin in Asia ensure an expertly managed supply chain solution."

"Many manufacturers, particularly those in the textile, shoe, and electronics industries, have established production facilities in northern Vietnam. The location of our office in Hanoi will allow us to work in closer proximity to our customers in this area," says Michael Deisemann, Managing Director Air & Sea Logistics Vietnam. The branch office will provide air and sea freight (FCL and LCL) to Europe, Central Asia, and the US and will also offer warehousing and value-added services if needed.

Dachser is moving to a new office in Tsuen Wan in the New Territories area of Hong Kong. Air freight, sea freight, and logistics management will all have offices under one roof. The Dachser transit warehouse in Tsuen Wan will continue to be used for air freight, while the branch office in Tsing Yi will handle contract logistics.

"It is increasingly important for Dachser to house a logistics center in Asia. Hong Kong is an attractive location with regard to infrastructure and qualified staff," says Nils Holder, Managing Director Air & Sea Logistics Hong Kong.

In India, Dachser has moved to a new regional office in the thriving business area of Mumbai, to be closer to its brand named customers and enable staff from different departments to communicate more effectively. The office, designed with an open floor plan, is located in Sakinaka, a leading commercial district in the city with easy access to public transportation. In another development Dachser has incorporated its air, ocean, customs and operations staff under one roof in a new operational office in Mumbai. In total 100 employees will work in the new office which is close to the international airport.

*(**EXPANDS**– continued from page 20)*

"The need for a larger facility in Southern California points to the robustness of the economy here and the faith that customers have in DHL to manage their international shipments," said John Cornish, General Manager for DHL Express U.S. "We wanted to be responsive to the region's growth."

The new service center facility can process more than 1,400 pieces per hour and handles a variety of shipments, including international small parcels as well as palletized and container freight.

The $6.2 million investment marks the second west coast expansion that DHL has made in the last several months. The company announced a new facility at Seattle-Tacoma International Airport in September.

*(**SNUB** – continued from page 1)*

backing away from its own pact, Asian nations may fall back on Xi's plan. A China-led pact would be "a good option for those countries which rely heavily on free trade, including Australia, Singapore and Japan," according to Song Hong, a senior fellow at the Chinese Academy of Social Sciences, which advises the government on policy. "Facing Trump's protectionist stance and lukewarm global trade, the RCEP could be a new option."

The potential benefits from what the TPP or RCEP would offer countries like Japan are comparable, according to Capital Economics. While the RCEP would focus mainly on lowering tariffs, the TPP would seek to lower non-tariff barriers such as state support for government-backed companies and improving labor and environmental standards.

China is eager to get RCEP agreed to this year, but recognizes it is unlikely, according to a senior ministry official who has been involved in talks for the pact. Some countries would prefer to wait and see if TPP can somehow regain traction once Trump is in office, the official said.

A number of nations are cautious about the discussions around lowering tariffs on agricultural products, with others potentially opposed to changing negative lists on foreign investment, the official added. China will push Australia and Japan in particular to take the lead in moving forward, the person said.

'Beacon of Hope'

While the RCEP falls short of the lofty goals set for TPP, which was presented as a centerpiece of Obama's economic and military rebalancing to Asia, it may still represent a significant milestone, Hong Kong-based HSBC Holdings Plc Economist Joseph Incalcaterra wrote in a research note.

"The TPP was a beacon of hope in an environment of subdued trade activity and weak global growth," Incalcaterra said. "Despite drawbacks, the RCEP should help boost trade volumes across Asia and spur investment in new supply chains."

The RCEP, which would be the first pan-Asian trade deal ever, was launched by the Association of Southeast Asian Nations in 2012, and has gone through 15 rounds of negotiations. These have been looking to accommodate India's fears of a widening trade deficit with China, as well Japan's reluctance to open its agricultural sector.

The 16 countries involved in RCEP include all 10 members of Asean as well as China, Japan, India, South Korea, Australia and New Zealand. They represent about 30 percent of global gross domestic product and almost half the world's population. Some had already signed up for the TPP. As for the five TPP signatories in the Americas, they would be left out.

APEC Talks

"It's safe to say that we will shift focus to RCEP should the TPP not go ahead," Abe told lawmakers in Tokyo. He will convey his thoughts on free trade to Trump, having previously said it was "unfortunate" that protectionism was on the rise in the U.S. As well as RCEP, China is backing a broader Free Trade Area of the Asia Pacific, which according to Australian Trade Minister Steven Ciobo will be on the agenda at APEC.

"It looks at the existing barriers to trade and investment flows between APEC economies and sets out the next steps as we work to bring this ambitious undertaking to life," Ciobo said in an e-mailed statement. "A high-quality FTAAP would facilitate greater market access, through a more level playing field for Australia's exporters and suppliers."

China commissioned a strategic study by APEC countries into the FTAAP at the Beijing summit in 2014, which it's due to release this year. But with a Trump administration eschewing TPP, FTAAP would also appear to be a long shot. Read a BNA analysis of the Trump shadow over the APEC summit HSBC's Incalcaterra estimates RCEP could be a solid consolation plan for Vietnam, which was widely seen as most likely to get an immediate economic boost from TPP. It stands to gain from increased sourcing of production from Japan, South Korea and China. Singapore may be the country that gets the least benefit from RCEP, as it already has free-trade agreements with other member nations, according to HSBC.

*(**REPORT** – continued from page 20)*

most severely so far, we argue that all players in the B2C supply chain will have to adapt or perish, including today's giant integrators, DHL, FedEx, and UPS," said Alan Hedge, the Senior Director of ACMG, and the report's author.

Consumers expect "instant" and "free" shipping; and the powerful marketplace platforms created by Amazon and Alibaba have gained scale economies fundamentally altering the relationship between shippers and logistics providers, according to the report. Amazon is even now growing its own-network air system.

Also included is coverage of the history and evolution of business-to-consumer e-tailing, marketplace platforms, omni-channel logistics and e-commerce facilitation services (e.g., payments and customs clearance).

The E-Commerce Revolution Directory, which accompanies the report, gives users a one-stop source of important data on selected major e-commerce players and logistics providers.

CONECT hosts 15th Annual Northeast Cargo Symposium

CONECT hosted its 15th Annual Northeast Cargo Symposium on November 10th at the historic Biltmore Hotel in Providence, RI. Just 2 days after the presidential election, there were numerous discussions about how international trade will be impacted by President Elect Donald Trump's new regime. Approximately 200 CONECT members and friends met for this full day of trade and transportation panels, a keynote discussion on global economics, and political commentary direct from Capitol Hill. A lively cocktail reception capped the day off in the Biltmore's skytop lounge.

(L to R) Nicole Uchrin – Gemini Shippers Assoc., Pam Baker – A.N. Deringer, Kevin Laffey – Port of Boston, Robert Silverman – GDLSK, Sue Coffey – NW Seaport Alliance, Ken Kellaway – RoadOne IntermodaLogistics

(L to R) James Frostick – IMS, LLC, Charles Cunnion – International Forest Products, Ryan Dooley – Yang Ming (America) Corp., Andre Ristic – United Arab Shipping Co., Andrew Haines – Eimskip USA

(L to R) Heather Costa, Kathy Trimble, Darleen Elmblad (all of Acushnet Company)

(L to R) Luiz da Costa – OvaScience, Brandon Fried – Air Forwarders Association, Vince Iacopella – Janel Group

(L to R) Dan Zirlen – Naomi Rodrigues, Stella Nganga (all of TJX Companies)

(L to R) Andy Rosener – Christmas Tree Shops, Co., Lema Jakupovic-May – Talbots Imports

(L to R) Nicole Uchrin – Gemini Shippers Association, Beth Green – Destination XL Group

(L to R) Amy Magnus – A.N. Deringer, Debra Izzo – Hasbro, Inc.

(L to R) Rob Shepard – International Forest Products, John Reeve – Reeve & Associates, Trevor LaChapelle – BJs Wholesale Club, Mike Vaccaro – Hyundai America Shipping

(L to R) Trevor LaChapelle, Michelle Darling, Jarod Baronowski (all from BJs Wholesale Club)

(L to R) Mike DeVitto – L.L. Bean, Ronald Moore – GT Nexus

Dr. Walter Kemmsies – Jones Lang LaSalle

(L to R) John Painter – Port of Nansha, Brian Pearce – CVS Health

Tropical Shipping moving port operations from Saint John to Halifax

By Leo Ryan, AJOT

Significant developments are taking place these days at New Brunswick's Port of Saint John on the Bay of Fundy. The good news is the coming of DP World to operate, as of January 13, the Rodney Container Terminal that for many years was part of the Logistec network. However, the less good news is the just-announced shifting of Tropical Shipping port operations from Saint John to Halterm Container Terminal at the Port of Halifax, effective on January 9.

For several decades, Tropical Shipping was virtually the sole provider of container service at the Port of Saint John, where liquid bulk (thanks to the huge Irving refinery) has accounted for over 90% of total traffic of some 28 million tons. The arrival in 2012 of MSC has helped to boost container business to nearly 100,000 TEUs, a relatively modest volume that will no longer be fuelled in part by Tropical Shipping.

"Tropical Shipping has had a presence in Canada for over 30 years," the niche carrier said in a message to customers. "It is our belief that this strategic move will better align Tropical Shipping now and in the future with the ability to service the Canadian market with the best shipping service to Florida, the Bahamas and the Caribbean. Tropical Shipping will maintain its local office in Saint John, New Brunswick.

"This move will improve our long term commitment to our customers with improved intermodal connections and terminal capacity designed to meet market demands." Tropical Shipping's Canadian service will continue to provide a weekly sailing every Monday from the Halterm Container Terminal. The last sailing from the Port of Saint John will be December 27.

"We want to thank the Port of Saint John and Logistec for their valued partnership and excellent service over the past 15 years," Tropical Shipping said. "The Port of Saint John has been a supporter of Tropical Shipping and we appreciate the relationship."

The Port of Saint John has launched a C$205 million project over seven years to modernize the Rodney and Navy Island terminals to accommodate larger vessels and expand laydown areas for breakbulk and project cargoes. DP World Saint John recently took delivery of two container cranes.

Meanwhile, the deepsea Port of Halifax is enjoying a steady recovery in container activity thanks to the arrival of larger vessels and re-structured North Atlantic services. Container throughput in the first half of this year was up nearly 20% at 236,000 TEUs.

CaroTrans adds direct Atlanta-Gothenburg link

CaroTrans, a leading global NVOCC (non-vessel operating common carrier) and ocean freight consolidator, announces a new Northern Europe service connection with the addition of a direct Atlanta-Gothenburg LCL service. The service has a 21-day transit time. A Gothenburg to Atlanta service will follow in an upcoming month.

CaroTrans, with its dedicated partner Nordicon, a leading neutral, NVO consolidator in the Nordic region, offers complete point-to-point distribution services at origin and destination, and online shipment management including rate calculations, bookings and end-to-end track and trace visibility. Nordicon has offices in Sweden, Norway, Finland and Denmark, and its own warehouse in Gothenburg. CaroTrans offers a comprehensive network of local U.S. container freight stations and 13 offices nationwide.

The Nordic region, which includes Sweden, Denmark, Finland and Norway, is an important U.S. import/export trade area. The Nordic region with a cultured population of 30 million people and high purchasing power had a total of $11.3 billion in U.S. exports in 2015. The United States imported $26.9 billion in goods from the Nordic region in 2015, with Sweden the leading import/export trade partner.

CaroTrans and Nordicon deliver the following comprehensive U.S.-Nordic region service network:

- Gothenburg to Chicago and New York
- New York to Helsinki, Oslo and Gothenburg
- Los Angeles, Chicago and Atlanta to Gothenburg

"Our goal is to provide logistics service providers with the secure, efficient transportation options they require to keep their customers' supply chains up and running as scheduled. Direct services reduce handling and add stability so are the optimal transportation choice," said Greg Howard, CaroTrans, CEO. "It is our pleasure to work with Nordicon."

Retail imports up as holiday shoppers head to stores

With the holiday shopping season officially under way, imports at the nation's major retail container ports are expected to be up 4.4 percent this month over the same time last year and should see a slightly larger increase next month, according to the monthly Global Port Tracker report released by the National Retail Federation and Hackett Associates.

"Retailers are importing more during the holidays this year than last year and that can only mean one thing – they expect to sell more," NRF Vice President for Supply Chain and Customs Policy Jonathan Gold said. "Most of the holiday merchandise is already here, but retailers are still restocking to be sure shoppers will have a broad and deep selection as they hit the stores over the next several weeks."

Ports covered by Global Port Tracker handled 1.6 million Twenty-Foot Equivalent Units in September, the latest month for which after-the-fact numbers are available. That was down 6.6 percent from August, the busiest month of the year, and down 1.6 percent from September 2015. One TEU is one 20-foot-long cargo container or its equivalent.

Volume rebounded in October to an estimated 1.67 million TEU, up 7.5 percent from last year. November is forecast at 1.54 million TEU, up 4.4 percent from last year, and December at 1.5 million TEU, up 4.5 percent.

The numbers come as NRF is forecasting $655.8 billion in holiday sales, a 3.6 percent increase over last year. Cargo volume does not correlate directly to sales because only the number of containers is counted, not the value of the cargo inside. But it nonetheless serves as a barometer of retailers' expectations.

Cargo volume for 2016 is expected to total 18.6 million TEU, up 2.2 percent from last year. Total volume for 2015 was 18.2 million TEU, up 5.4 percent from 2014. The first half of 2016 totaled 9 million TEU, up 1.6 percent from the same period in 2015.

January 2017 is forecast at 1.54 million TEU, up 3.6 percent from January 2016; February at 1.49 million TEU, down 3.2 percent from last year, and March at 1.38 million TEU, up 4.6 percent from last year.

Hackett Associates Founder Ben Hackett said U.S. imports are growing, but not as fast as in past years.

"Despite all the good economic news recently, we are faced with imports growing only about 2 percent this year," Hackett said. "Whether that is merely part of the aftermath of the Hanjin bankruptcy or a sign of weakening demand is not yet clear. Unless there is a major disruption, however, growth should be modest but sustained during the first half of 2017."

SeaLand enhances NAE-North Atlantic Express Service

SeaLand, the Intra-Americas regional ocean carrier of the Maersk Group, has announced two new, direct, all-water NAE service connections with the addition of port calls in Turbo and Puerto Moin. The expanded NAE service features expedited service between the Caribbean, Costa Rica and Colombia and the U.S. East Coast, including Philadelphia and New York, as well as other major markets in the U.S. Southeast. The first sailing of the expanded NAE is December 11th from Philadelphia; the vessel arrives in Turbo, Colombia December 23rd

SeaLand's NAE service caters to refrigerated (reefer) shipments, such as pineapples and bananas, offering state-of-the-art reefer equipment, competitive transit times and dedicated reefer freight handling terminals that ensure maximum market value and shelf-life for fresh products. Two examples are the newly upgraded Packer Avenue Marine Terminal in Philadelphia and New York Container Terminal, Staten Island.

SeaLand moves West Coast of South America cargo on its extensive feeder network which connects to the U.S. East, Gulf and West Coast ports via transshipment at their hub in Manzanillo, Panama.

Service rotation

- Northbound: Cartagena - Manzanillo -Turbo - Puerto Moin - Philadelphia - New York - Savannah
- Southbound: Philadelphia - New York - Savannah - Port Everglades - Cartagena - Turbo - Manzanillo - Puerto Moin

"I'm excited to expand NAE with service options that drive our customers' success. Everything we do is with our customers in mind. From emerging growers and producers to large importer/exporters we connect the Americas providing supply chain solutions our customers require to grow their business," said Craig Mygatt, CEO of SeaLand.

APL gears up as part of the world's largest container shipping alliance

As part of the CMA CGM Group, APL will join the league of the world's largest container shipping lines in the OCEAN Alliance from April 2017. Navigating forward as a member of the world's third largest container shipping Group, APL is poised to serve a network coverage of 38 loops within the OCEAN Alliance; and over 70 other loops beyond the Alliance.

APL Chief Executive Officer, Nicolas Sartini said, "APL will be well-placed as a formidable container shipping carrier as we stand amongst the strongest forces behind the Alliance. While the Alliance will be characterised by unparalleled port coverage, frequent sailings and very competitive transit time, APL will continue to make a difference beyond the reliable transportation of cargoes from origin to destination. APL will persist in value creation and innovating shipping solutions that facilitate our customers' global connectivity and speed-to-market."

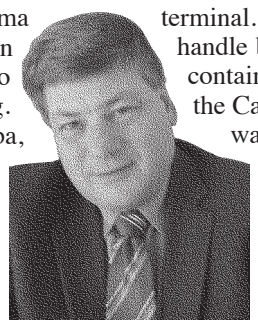
As a carrier for 38 services of the Alliance, APL will serve seven major trades in Asia–North America (West Coast), Asia-North America (East Coast), Asia-Europe, Asia-Mediterranean, Asia-Middle East, Asia-Red Sea and the Transatlantic. With access to a highly efficient fleet of some 350 vessels with 3.5 million TEUs in total capacity, APL will leverage flexible slot capacity management to optimise economics.

As a standalone brand of the Group, APL will continue to make a commercial difference through compelling propositions and customised supply chain solutions. For instance, APL is steering forward as the trusted global reefer specialist with a proven track record in fulfilling highly-complex reefer cargo shipments. Through special services such as APL's Eagle Stow that promises cargo availability within 12 hours of vessel cargo operation and ready-cargo on-chassis from the Global Gateway South Terminal in Los Angeles, APL seeks to offer the added-advantage for customers who demand quicker cargo availability and greater predictability in their supply chain.

The OCEAN Alliance is scheduled to commence operation from April 2017, following all necessary regulatory approvals.

The Gulf courts mega shipping

By Matt Guasco, AJOT



The expansion of the Panama Canal has opened the Caribbean Basin and the Gulf of Mexico to the age of mega shipping. Increased commerce with Cuba, or a remix of cargo from regional load centers could spell a reshuffling of trade lanes to accommodate larger ships. Is the U.S. Gulf prepared for this potential traffic?

Houston's Future is Here

Banking on an anticipated 15% increase in container volume through 2020, Houston authorized $68.9 million for dredging and maintenance. This revitalization will allow the port to handle vessels drawing up to 45 feet of water. The work, scheduled for completion at the end of this year, includes dredging the Bayport and Barbours Cut channels, widening and realigning them as needed to accommodate Neo Panamax traffic. Nine Super Post Panamax (SPP) cranes manufactured by Konecranes of Korea and valued at $50 million began arriving last year. Each has a lift height of 289 feet and can discharge vessels 22 containers across.

The city of Houston is encouraging growth within the petrochemical industry, which could drive expansion of exports to Cuba and Latin America. Offering lucrative back haul, Houston hopes to court carriers into first-in last-out port calls depending on how new markets and trade lanes develop. This September Houston's Mayor Turner headed a trade mission to Cuba in an effort to cement new business relationships. Houston handled over 2 million TEUs in 2015.

Mega Shipping Big Easy Style

In an ongoing project the port of New Orleans will spend $67 million on improvements to its Napoleon Avenue container terminal. New SPP cranes and facility upgrades will bring the terminal's capacity to over 1.6 million TEUs. A new reefer stacking system will accommodate 600 containers for imports of bananas and exports of poultry through the port. The new Mississippi River Intermodal Terminal located at Napoleon Avenue was dedicated this April. The yard features 1,550 feet of track with a 2,200 foot turnaround. TEU capacity at the intermodal terminal is 160,000 TEUs per year. An additional four acres of paved storage yard will accommodate 64,000 containers per year.

Currently the Mississippi can handle vessels with a 42 foot draft, both at mid-channel and alongside the wharf. The port and the Army Corps of Engineers are studying the impact of dredging the river to 50 feet to accommodate even larger vessels. If undertaken, this project would make the Port of New Orleans' ship channel the deepest in the Gulf of Mexico.

Mobile Vies for Panama Traffic

Mobile has seen 8,500 TEU ships from Europe in the past, but now the Alabama State Port Authority (ASPA) is courting the influx of larger vessels coming through the expanded panama locks. The Port Authority spent $40 million in 2011 to build a new turning basin, which would accommodate ships up to 1,200 feet L.O.A. in preparation of the canal's opening.

Acquiring land from the ASPA in 2005, APM Terminals built the Choctaw Point facility that opened in 2008. Last year APMT invested $40 million to add additional lifts and acreage with two new SPP cranes and 20 acres of back land. The expanded operation will bring the annual thru-put capacity up to 1.3 million TEUs. In order to entice additional rail traffic the ASPA spent over $50 million to build a new Intermodal Container Transfer Facility on land adjacent to the container terminal. The new facility scheduled to handle both international and domestic containers will be served directly by the Canadian National and CSX Railways with interline connections to the Norfolk Southern, BNSF and KCS via Mobile's shortline railroad. The ICTF is capable of handling 150,000 lifts annually.

Gulf Ports Bet on a Future of Uncertainty

In June COSCO and Hanjin announced a new direct service between Asia and Mobile. The GME connects U.S. Gulf shippers directly to the Ports of Shanghai, Ningbo, Xiamen and Yantian. Two months later, a critical partner is out of business. COSCO goes it alone, now bearing the entire burden of a fixed weekly service. CMA also has the standalone PEX 3 calling Houston and Mobile. Is it possible that as carrier alliances change, new partners will rationalize the number of vessels

*(**COURTS** – continued on page 27)*

NJ Senator Sweeney receives 19th Annual "Friend of Chile" Award

The Chilean and American Chamber of Commerce presented New Jersey State Senate President, Stephen F. Sweeney, with the 19th Annual "Friend of Chile" Award. The awards luncheon was held at the Union League.

(L to R) Robert W. Palaima – Delaware River Stevedores, Leo A. Holt – Holt Logistics, Stephen F. Sweeney – NJ Senate President, Thomas J. Holt, Jr. – Astro Holdings, Michael Holt – Holt Logistics

Maritime Administration awards Port of New Orleans, Port of Greater Baton Rouge $1.75 million grant

The Port of New Orleans and the Port of Greater Baton Rouge will acquire specialized container loading equipment to increase efficiencies to the current container-on-barge shuttle service operated by SEACOR AMH between Baton Rouge and New Orleans with a newly announced grant of $1.75 million from the U.S. Maritime Administration (MARAD).

"The container-on-barge service and the application for the MARAD grant have been joint projects for Baton Rouge and New Orleans, with both ports working together for more than a year," said Jay Hardman, executive director of the Port of Greater Baton Rouge.

The shuttle service, which began earlier this year with five barges per week, is a regularly scheduled container-on-barge service that supports exports moving from the Baton Rouge area to the Port of New Orleans, where the containers are loaded onto container vessels.

The new service fulfills a market need by repositioning empty containers from Memphis to Baton Rouge for the increasing volume of resin exports from the Baton Rouge area. It also provides exporters with new, more efficient transportation options and offers a waterway alternative to re-position empty equipment that would otherwise move via truck or rail.

"We are thrilled to have received this grant and to be working with the Port of Greater Baton Rouge and SEACOR AMH to offer container-on-barge service to our customers," said Gary LaGrange, President and CEO of the Port of New Orleans. "In addition to the economic and operational benefits, the service has a positive environmental impact, as well."

According to figures from a U.S. Department of Transportation study, there is a savings to the State of Louisiana of $118 per round-trip 40-foot container between New Orleans and Baton Rouge if moved by barge rather than over the road.

The grant, awarded jointly to the two Louisiana ports and administered by the Port of Greater Baton Rouge, is one of six Marine Highway projects to receive a portion of the total $4.85 million awarded by MARAD.

"These grants will help us take advantage of the economic and environmental benefits of one of America's most crucial transportation assets -- our coastal and inland waterways," said U.S. Department of Transportation Secretary Anthony Foxx.

U.S. Maritime Administrator Paul "Chip" Jaenichen added: "It is essential that we invest in integrated, multi-modal transportation systems that support the efficient movement of freight and people throughout this country. Our nation's extensive network of waterways and domestic seaports provide an opportunity to help stimulate economic growth while reducing congestion on our national freight transportation system."

SEACOR AMH, operator and developer of the shuttle service, and Ports America, the terminal operator at the Port of New Orleans and Port of Greater Baton Rouge, were also strategic partners in obtaining the grant.

NYK Line launches new service from Port Everglades

NYK Line has launched its new, monthly "Magellan Straits Express" South America RoRo service from Broward County's Port Everglades. The first vessel Rigel Leader, loaded at Port Everglades and is destined for the Port of Santos, Brazil. Horizon Terminal Services provides cargo handling at the South Florida seaport. Additional port calls include Argentina, Chile, Peru, Ecuador, Panama Costa Rica, Nicaragua, Honduras, El Salvador, Guatemala and Mexico.

FROM NEW YORK	A SERVICE Cutoff Friday LOLO	A SERVICE Cutoff Friday RORO	B SERVICE Cutoff Thursday LOLO	J SERVICE Cutoff Friday LOLO
TO	Transit Time	Transit Time	Transit Time	Transit Time
ANTWERP	12	16	10	–
BREMERHAVEN	–	–	12	–
GÖTEBORG	15	19	–	–
HAMBURG	14	18	–	23
LE HAVRE	–	–	–	19
LIVERPOOL	10	14	–	–
ROTTERDAM	–	–	14	20
SOUTHAMPTON	–	–	9	26

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Export Documentation	888-802-0401
Import Customer Service	888-802-0403
Logistics	866-821-7449
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APL expands Latin America service network with new Colombia Bridge Express service

APL has announced the launch of the Colombia Bridge Express (CBX) Service – a weekly feeder service which connects the major markets of Colombia and Kingston in Jamaica. Via APL global linehaul services at the key transshipment hubs of Cartagena and Kingston, the new CBX service will enable reliable cargo movements between Asia, the Caribbean and the US East Coast.

"As one of the most connected transshipment ports in the Caribbean, Cartagena and Kingston are central to the design of the new CBX service. Through the two transshipment hubs, the CBX service will offer our customers high levels of connectivity and added assurance of reliability via APL's dedicated connecting services to key ports of Asia and the United States. This new service will enhance APL's Latin America trade coverage and enable us to serve our customers more comprehensively," said Efrain Osorio, APL Regional Director of Latin America & Caribbean Trade

The new CBX service, which calls the ports of Kingston, Cartagena, Barranquilla and Santa Marta, started its first sailing from Cartagena on November 11, 2016.

Port of Long Beach leads way to clear backlog of empty containers due to Hanjin bankruptcy

The Port of Long Beach is helping to clear a significant backlog of empty cargo containers from Southern California and free up the chassis they sit on, as part of an agreement with terminal operator Total Terminals International (TTI) to bring in a container ship to remove up to 4,300 empty containers. The bankruptcy of Hanjin Shipping declared on Aug. 31 resulted in a significant buildup of empty containers across Southern California, tying up the chassis they rest on.

"The Port of Long Beach recognized the urgency to alleviate the shortage created by the estimated 6,000 Hanjin-leased containers sitting on chassis which are needed throughout Southern California to move goods in and out of the region," said Lori Ann Guzmán, President of the Board of Harbor Commissioners. "The Port of Long Beach has been working with TTI and other supply chain partners to find creative solutions to solve the chassis shortage."

Long Beach and TTI have worked together to secure an empty vessel to reposition the containers, a solution that will help move empty containers back to Asia and bring significant relief to the inventory of chassis, which are the truck trailers onto which containers are mounted, explained Dr. Noel Hacegaba, Managing Director of Commercial Operations and Chief Commercial Officer for the Port of Long Beach.

The empty container ship is expected to arrive in Long Beach in the coming week; however, the benefit will be felt throughout the region immediately. "TTI has already begun accepting empty Hanjin containers from container-leasing companies, freeing up every chassis that drops off a container," Hacegaba said. "We expect that as many as 3,000 containers will literally be taken off the street and shipped back to Asia, with another 1,300 being removed from the Port, putting thousands of chassis back to work."

TTI is loading the ship at cost while the Port of Long Beach will waive its fee for access to the Port's terminal. "We feel this is a fair and necessary accommodation to keep goods moving through the ports in Southern California and to ensure our customers are able to remove their containers," Hacegaba said.

"The Port of Long Beach and TTI have worked tirelessly over the past two months to find a solution to a complex and challenging situation that has impacted shippers from around the world," added Guzmán. "We are grateful for the partnership between Long Beach and TTI."

Maersk Line, Ports of Long Beach and Los Angeles partner to measure, reduce air pollution from ships

Maersk Line and the Ports of Long Beach and Los Angeles are partnering to measure the environmental benefits of a $125 million upgrade for 12 Maersk container ships. This will involve the installation of high-tech equipment to track vessel emissions and energy efficiency over the next three years, enabling more transparency and ultimately reducing the environmental impact of vessels calling at the San Pedro Bay port complex.

The two ports are contributing a combined $1 million to real-time tracking systems that represent an industry-leading application to pinpoint vessel emissions while ships are at sea and at berth. Unprecedented in its scope and scale, the three-year data collection and analysis project, called "The Connected Vessel Programme," builds on the $125 million Maersk Line has invested in its "radical retrofit" program to reduce fuel consumption and increase the capacity of the vessels that regularly call at the San Pedro Bay ports.

The project will continuously record how much fuel each engine uses in conjunction with speed, engine power, weather and other operational variables through use of mass flow meters and an interface to the on-board Integrated Control System to capture performance data. Information will be uploaded to Maersk Line servers via satellite, and each ship will be able to communicate in real-time with Maersk Line's Global Vessel Performance Centre to increase operational efficiency.

"This is the equivalent of strapping a Fitbit onto a large container ship," said Dr. Lee Kindberg, Director of Environment and Sustainability for Maersk Line. "We'll be tracking vessel performance and emissions 24/7. This advances our ability to reduce greenhouse gases and other pollutants on a global scale."

The Ports of Los Angeles and Long Beach will split the $1 million cost under their joint Technology Advancement Program (TAP). TAP is a grant program created under the ports' landmark Clean Air Action Plan to accelerate the evaluation and demonstration of new and emerging clean technologies for reducing and ultimately eliminating harmful emissions from all port-related sources. Ships generate the lion's share of air pollution associated with port activity.

Under its "radical retrofit" program, Maersk Line upgraded vessels that already plug into shore power at the San Pedro Bay ports. The additional improvements include redesigning the bulbous bow of each vessel, replacing existing propellers with more efficient models, and "derating" the main engines to make them more efficient at lower speeds.

The retrofit program also involved raising the bridge of the ships to increase each vessel's capacity from about 9,500 TEUs (twenty-foot equivalent units) to about 11,000 TEUs. This allows Maersk Line to carry more containers per vessel while decreasing their environmental impact per container moved.

The energy efficiency makeover is expected to decrease each ship's fuel consumption by more than 10 percent, saving an estimated 10,000 metric tons of fuel on an annual basis. This would reduce greenhouse gas (GHG) emissions by an estimated 31,000 tons of carbon dioxide (CO2) per year and lead to similar reductions of diesel particulate matter (DPM), nitrogen oxides (NOx) and sulfur oxides (SOx). A single ton of CO2 would fill a 1,400-square-foot house.

Since 2007, Maersk Line has reduced GHG emissions associated with its vessel operations by 42 percent on a per container, per kilometer basis. The retrofits and TAP demonstration project with the San Pedro Bay ports will help Maersk Line reach its goal of a 60 percent reduction of CO2 and other pollutants by 2020.

Both the Port of Los Angeles and the Port of Long Beach continue to pursue aggressive clean air programs with the goal of eliminating all harmful emissions from port-related sources. Over the last decade, DPM emissions have declined as much as 85 percent, NOx emissions have been cut in half, SOx emissions have plummeted 97 percent, and GHG emissions are down an average of 12 percent.

*(**COURTS** – continued from page 25)*

entering the Asia Gulf trade?

If Neo-Panamax ships are used, it could be a win for Gulf ports vying for that tonnage. It's doubtful however that the local markets in say Houston or New Orleans could absorbed the steady stream of containers discharging off 12,000 TEU ships. Ports along the Gulf are looking to the interior as their secondary avenues of distribution. South Atlantic ports however are looking at the same extended markets. Intermodal is intermodal, whether goods move to Louisville via New Orleans or Norfolk. As a matter of fact Norfolk is closer. It is uncertain who will be the biggest winner in the race for Post Panamax tonnage.

Cuba the Cay?

It all depends on how larger ships affect triangular trade between the Caribbean and the mainland. Trans-loading in ports further east could tip the balance of cargo to the South Atlantic. Cuba might be the game changer. If Gulf ports can entice carriers into dedicated trade lanes, this would create unique gateways to the U.S. interior.

Everybody's Been There!

Gov. John Bel Edwards and the Port of New Orleans visited Cuba last month to promote trade through Louisiana. Houston's Mayor Turner was there in September. In February the U.S. Government granted Alabama's Horace Clemmons permission to build a $10 million tractor factory near the port of Mariel. While production is for local consumption a steady stream of U.S. parts moving through Mobile will no doubt keep the assembly line supplied. In fact officials from the Alabama Department of Agriculture maintain a solid relationship with their counterparts in Havana.

Size Matters

If the carriers ultimately decide to transload their Neo Panamax ships in the Caribbean will they then route them into the U.S. Gulf? The point of trans-loading is to put your biggest ships into a hub then spoke midsized ships to final destination. Granted we may see 8,500s do the work that 4,500 TEU vessels once did in Gulf ports. Actually carriers have conjectured that the workhorse of Neo Canal traffic might be 8,500 TEU vessels. So, if Gulf Ports were capable of handling this size ship before their build out, was all of this necessary?

Nightmare before Christmas

By Matt Guasco, AJOT

Let's face it, Christmas is just around the corner. Yes, here in the Northeast the leaves are still turning, the nation is engaged in fall football and we just wrapped up the World Series. But, Thanksgiving is a few short weeks away and some stores are already selling Christmas ornaments. Santa is almost here!

The Ghost of Christmas Yet to Come

Hanjin's latest service advisory indicates that three vessels the Scarlet, Seattle and Chongqing are still making port calls one to two months after their scheduled arrival. The Hanjin Chongqing for example scheduled to call New York on September 23rd discharged here last week. She's only just arrived in Savannah putting an added burden on importers from Atlanta to Augusta patiently awaiting their holiday goodies. The Hanjin Seattle due in Vancouver at the end of September will not arrive until November 5th. Now, there's a scary thought! Somebody's not going to get that train set for Christmas! Actually most holiday merchandise should have been in the warehouse by the first week in September but as you can see there are still several thousand TEUs still missing from someone's stocking.

Christmas Comes but Once a Year – Unless You Can't Fnd Wheels

During the middle of the month the Ports of LA and Long Beach estimated that around 8,700 chassis were tied up with the Hanjin bankruptcy either due to extended lease or units mounted with Hanjin boxes. Chassis pool efficiency was down by 30% in a region that could ill afford the loss of so many units within the system. In the PANYNJ a recent Hanjin vessel scheduled to call at a terminal in Newark Bay had to be diverted to Global Marine Terminal, Bayonne. You see there was no export cargo going out on this ship so she rode higher in the water. In fact, too high to make it back under the Bayonne Bridge. Can you imagine what a nightmare this caused for containers scheduled to be mounted on wheels in one terminal and now diverted to another?

Coal in Their Stockings

On this last day of October ship owners and ports have been getting tricks not treats when it comes to fleet and equipment inventories. Hanjin's collapse has placed a further burden on an already swollen charter market. The carrier returned 54 vessels to the market bringing it to an all time high of 1.55 million TEUs of capacity. As carriers begin to trim their fleet for the winter it's doubtful that much of this tonnage will be reactivated. As more Hanjin vessels are released into the system, rates will continue to drop through the holidays. The Port of Oakland reported a backlog of 900 TEUs of empty Hanjin boxes with an estimate of another 300 to 400 units by early November. Terminals all over the United States have similar problems with rows of Hanjin empties with no home and nowhere to go.

Tis the Season to be Jolly – I Guess

We should be well into winter before the mess is cleaned up! Hopefully most of the cargo anticipated for early fall will actually arrive by Thanksgiving and importers can go on with their lives. Charter rates will fall making it too easy for owners to lower their expectations on freight rates, but perhaps all of the overcapacity won't be absorbed and another round of revenue wars will not ensue.

Chassis on lease to Hanjin will be repatriated to their respective owners and returned to the system easing current shortages somewhat. And the terminals will receive a final disposition on boxes choking their yards and lowering their revenue per acre.