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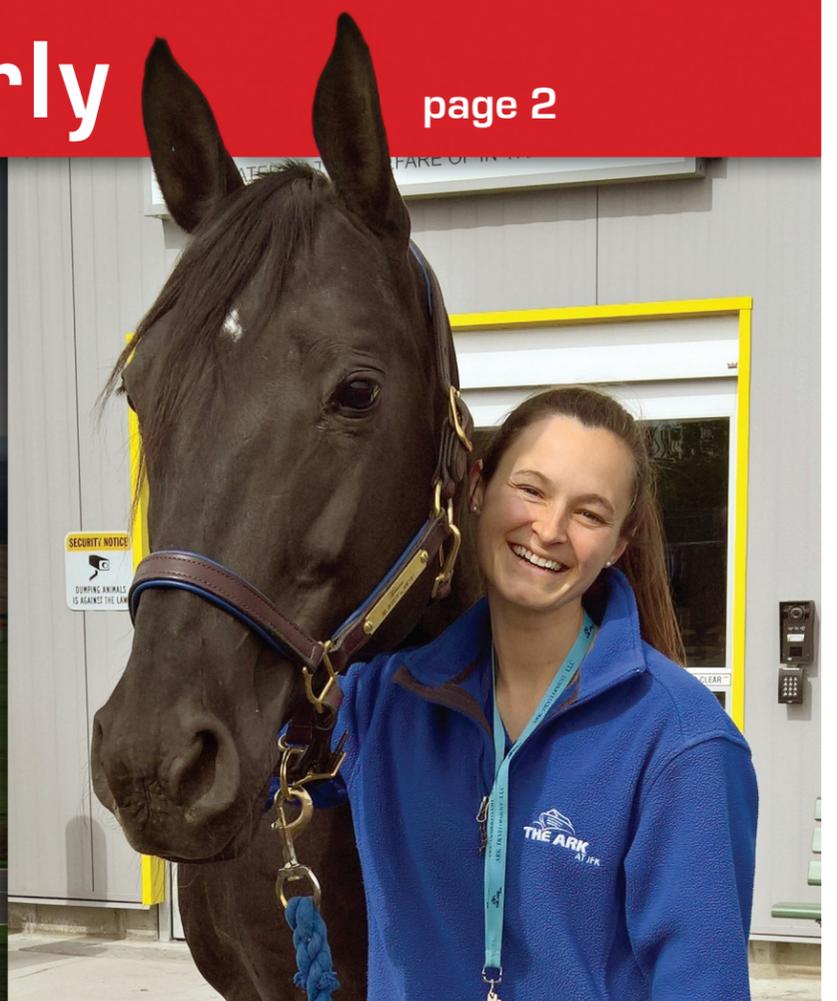
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AIR CARGO QUARTERLY



Precious cargo weighs in at the ARK at JFK Equine Import-Export Center at New York's John F. Kennedy International Airport.

The ARK at JFK makes horse sense for stress-free equine air transport

By Paul Scott Albotti, AJOT

With its typical “cargo” item weighing a half a ton or more and calmed by the resonant tenor tones of Pavarotti, The ARK at JFK Equine Import-Export Center – just opened rampside at New York’s John F. Kennedy International Airport – is taking animal transport to new heights. Indeed, one might say the unique facility makes horse sense.



One-of-a-kind in that it is the only privately owned facility of its size and scope at any airport, according to Elizabeth A. Schuette, managing director of The ARK at JFK, the center provides a full spectrum of creature comforts.

There don’t appear to be any naysayers among prominent horse shipping companies.

Bill Nichols, president of Floral Park, New York-based Alex Nichols Agency, told the *American Journal of Transportation*, “For someone who has spent a lifetime working with horses and other animals around JFK, The ARK is a giant step forward in making JFK one of the safest, most efficient lodging and transit hubs for all animals in the country.

“My company has been an air-freight forwarder specializing in horses and livestock for over 50 years,” Nichols said, noting that his firm primarily uses The ARK as an export inspection facility, where the U.S. Department of Agriculture conducts mandatory inspections of horses prior to embarkation. “I am happy to support The ARK, as it was designed and built to exceed minimum standards for safety and cleanliness.”

In fact, Schuette doesn’t refer to the horses and other animals handled at the \$65 million, 178,000-square-foot facility as cargo, preferring to use the word “guests,” and those guests are clearly pampered.

By being located rampside, The ARK allows animals to safely be

taken directly between aircraft and the facility, thereby reducing transport time, thus saving cost and limiting exposure to elements.

Arrangements have been made for what Schuette calls “additional creature features,” such as a lounge where grooms accompanying the equine guests can watch TV, avail themselves of Wi-Fi, shower, eat and simply relax.

The guests are pampered, too, including with the playing of opera music, with Schuette noting that recordings of Luciano Pavarotti are a particular favorite.

“Studies show music calms animals, just like it does people,” she said.

Each of 48 horse stalls has individual climate control and advance filtration and cushioned flooring, and lighting is adjusted to simulate day and night, to help the guests get proper rest, while all hay is high-quality, dust-free Timothy-mixed variety. The ARK boasts around-the-clock veterinarian coverage and security monitoring. Its processes have been developed under guidance of the Cornell University College of Veterinary Medicine.

“It’s all about the best care for our guests and minimizing the stress for them,” Schuette said. “We believe it’s critical for the welfare of the animals to have these types of facilities.”

Before The ARK, a horse that may have spent 10 hours on an airplane and then another 10 or more hours standing in a stall as it was moved to the USDA’s Animal and Plant Health Inspection Services quarantine facility three hours away in Newburgh, New York. Also, additional standing around time might be required in that, unlike The ARK, the USDA facility is not open 24/7.

USDA protocols require a minimum of three days of quarantine for imported horses, and it can take as many as five days to get back test (SENSE – continued on page 4)

Air cargo experiencing surge in 2017

North America trends represent a question mark

By Peter Buxbaum, AJOT

In May, Etihad Cargo announced a second air cargo route in and out of Rickenbacker International Airport in Columbus, Ohio. The bump-up of freighter service out of Rickenbacker came to accommodate Trinity Logistics, which carries apparel from the Indian subcontinent to US retailers, and to support US export growth to Europe, the Middle East, and Asia.



Turns out, the new service was instrumental in the increase in air cargo numbers boasted recently by Rickenbacker and symbolic of the resurgence of air cargo markets globally in recent months. Cargo imports and exports at Rickenbacker rose 21 percent in the first half of 2017, and the airport credited that spike largely to the increased service from Etihad and Trinity Logistics, as well as a 2016 Emirates expansion and the June 2016 opening of Air Cargo Terminal 5.

The new Etihad service out of Rickenbacker—which began May 12—serves Colombo, Columbus, and Abu Dhabi, while the first service—which began in the summer of 2016—continued to operate on the Colombo–Columbus–East Midlands–Abu Dhabi route. Victoria’s

Secret, GAP, Nike, Tommy Hilfiger, Speedo, and Abercrombie & Fitch are some of the retailing importers taking advantage of the new services from the Indian subcontinent. Aviation components manufactured by Lockheed and Raytheon form a major part of the increased US exports being carried on the flights.

AIR FREIGHT GROWTH 2017

Air cargo globally also posted impressive results for the first half of 2017, said to be the best first half-year growth since 2010. Global air cargo markets began showing signs of life late last year after several years of stagnation.

The International Air Transport Association (IATA) said global air cargo demand grew by healthy 10.4 percent in the first-half of 2017 as compared to the same period last year. That figure represents the strongest first half-year performance since the end of the Great Recession and almost triple the industry’s average of 3.9-percent growth over the last five years.

The trend appears to be fairly strong, as June’s results showed year- (SURGE – continued on page 4)



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(SENSE – continued from page 2)

results on drawn blood that has to be sent to the National Veterinary Services Laboratories in Ames, Iowa. A horse being flown out for export must stay a minimum of two hours, per USDA mandate.

The ARK at JFK Equine Import-Export Center extends to horses services similar to those provided dogs, cats, rabbits, turtles, mice, goats and other creatures by The ARK Pet Oasis, which opened at JFK in January. Also newly added is The ARK Aviary, specializing in handling birds.

Whereas the small animals are typically pets traveling with their owners, referred to as retail customers, the horses may be studs used for breeding or may be competitors in four-star equine events, such as the Olympics, Pan American Games or the Longines Masters of New York indoor show-jumping grand finale, set for next April at the Nassau Veterans Memorial Coliseum on Long Island.

Schuetz said she has already been approached about developing similar USDA-approved on-site facilities at other U.S. airports. Currently, USDA operates a government-owned installation at Miami International Airport, while off-site contractors handle such functions at facilities outside the properties of Los Angeles International Airport and Chicago O'Hare International Airport.

Approved by the Port Authority of New York and New Jersey, which counts JFK among its airports, The ARK was built not by Noah but rather by ARK Development LLC via an affiliate of Racebrook, a New York-based real estate private equity firm and portfolio of companies founded in 2004 by John J. Cuticelli Jr. as a division of multibillion-dollar global growth investor Warburg Pincus LLC.

In early 2015, in announcing plans for The ARK under a 30-year lease agreement with the Port Authority, Cuticelli said, "We developed The ARK concept to address the unmet needs for the import and export of companion, sporting and agricultural animals. The animal terminal will set new international airport standards for comprehensive veterinary, kenneling and quarantine services."

Pat Foye, the Port Authority's executive director at that time, said the project, located at JFK's then-unoccupied Cargo Building 78, "will transform an airport structure that has been vacant for nearly 10 years into a world-class specialty cargo facility, and the agreement guarantees the Port Authority more than \$100 million in revenue without any additional capital investment."

(SURGE – continued from page 2)

on-year demand growth of 11 percent—although that was a fall-off from the 13 percent shown in May—and freight capacity grew by 5.2 percent year-on-year in June. All regions experienced positive freight growth in the first half of 2017, according to IATA, and carriers in Asia-Pacific and Europe accounted for two-thirds of the increase in demand.

"Air cargo is flying high on the back of a stronger global economy," said Alexandre de Juniac, IATA's Director General and CEO. "Demand is growing at a faster pace than at any time since the global financial crisis. That's great news after many years of stagnation."

The sustained growth of air freight demand is consistent with an improvement in global trade, de Juniac added, with new global export orders remaining close to a six-year high. But, he warned, there are signs that the cyclical growth period may have peaked.

"The global inventory-to-sales ratio has stopped falling," de Juniac said. "This indicates that the period when companies look to restock inventories quickly, which often gives air cargo a boost, may be nearing an end. Regardless of these developments, the outlook for air freight is optimistic with demand expected to grow at a robust rate of eight percent during the third quarter of this year."

North American carriers saw freight demand increase by 12.7 percent in June 2017 year-on-year and capacity increase by three percent. This contributed to strong growth in demand in the first half of 2017 of 9.3 percent in contrast to the negative growth seen during the

The US dollar, Trump, and air cargo exports

The recent IATA report on global air cargo growth (see main story on page 2) showed more robust health on the import side to the United States during the first half of 2017, thanks to the strength of the dollar. The export side remained under pressure, IATA reported, the usual state of affairs for US trade.

But since the end of June, the dollar has fallen against world currencies. Does this mean US air exports are due for a boost?

Currency values and air cargo trends are both complicated, and cause-and-effect relationships are hard to pinpoint, let alone predict. The US dollar has actually been declining since January, and recent saber rattling over North Korea hasn't helped the greenback's value.

The election of Donald Trump last November saw a surge in the dollar, with investors expecting that tax cuts, regulatory reform, and infrastructure spending would strengthen the US economy. But the recent Obamacare repeal-and-replace fiasco—not to mention the Russia investigation—have left some wondering whether any of Trump's agenda will ever see the light of day.

The ongoing war of words with North Korea has compromised the position of the US dollar as a haven currency, where traders park cash in times of instability. But with the US president himself now fomenting uncertainty, the strategy of buying extra dollars as a hedge seems dubious. At the same time, the European economy has improved and the euro has increased in value. The election of Eman-

uel Macron as president of France has also boosted confidence in Europe, as the political newcomer beat back a challenge from a far-right candidate in the presidential runoff.

What has all this to do with air cargo? The question before us is whether a weaker dollar holds the possibility of growing air-freight exports from the US. Normally, a weaker dollar helps US producers sell products overseas. But there are other economic trends that are pushing back against that possibility.

One is that air freight rates have begun to increase, thanks to the strong global market, and industry insiders believe that is just the beginning. Air cargo rates out of India have doubled since the beginning of the year and Chinese carriers are said to be contemplating a 20-percent raise in rates. If these kinds of increases can be implemented by North American carriers—and it's possible, given the strength of carriers like Delta, United, and Cargojet (see main story)—some air shippers may be looking to shift some of their freight to ocean.

Another counter-trend involves US labor. As the US economy approaches near-full employment, there will be less opportunity to expand enterprises that generate exports. Waning unemployment also means that demand for goods will grow and that militates in favor of imports. Given the imbalance of imports over exports that the US has lived with for decades, don't look for a surge in air cargo exports anytime soon.

same period in 2016. Capacity grew by 1.5 percent in the first half of 2017. International volumes surged by an annualized rate of over 30 percent in the second quarter.

DOLLAR BOOSTS INBOUND DEMAND

The strength of the US dollar boosted the inbound US air freight market in the first half of 2017, according to IATA, while keeping the export market under pressure. The fall of the dollar against world currencies in recent days raises the question over whether that trend could shift. (See sidebar above.)

The strength of air cargo markets was also confirmed by first-half financial results reported by several airlines. Delta Cargo, for example, saw second-quarter 2017 revenues up 10.9 percent year over year to \$183 million.

United Cargo revenues were up 22.1 percent, year-over-year to \$254 million in the second quarter, on increasing volumes. In addition to rising demand for air cargo services, United entered a joint venture with Lufthansa Cargo in April, covering cooperation on capacity and the alignment of booking and handling processes.

Cargojet, a Canadian air

freight carrier, reported a revenue increase of 11.2 percent in the second quarter to \$88.2 million. The carrier operates a fleet of 18 freighters and moves 1.3 million pounds of cargo every night across its North American network.

"The significant increase in revenues over the previous year was the result of the successful execution of our strategy to improve the utilization of our aircraft assets and to maximize margins," said Ajay Virmani, the company's president and chief executive officer.

(SURGE – continued on page 15)

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South Carolina prepares to sustain dynamic growth in container activity

By Paul Scott Abbott, AJOT

Recent record container volumes through the Port of Charleston aren't enough to satisfy James I. "Jim" Newsome III, president and chief executive officer of the South Carolina Ports Authority, who has loftier longer-term objectives well in 20-20 sight.

"We had a good year, and obviously I'm happy about that," Newsome said, referring to the all-time-high 2.14 million 20-foot-equivalent container units that moved through the port in the fiscal year ended June 30, 2017.

"But," Newsome continued in a conversation with the *American Journal of Transportation*, "it's a long-term business, so we need multiple good years to be successful. I think we're on a sound footing right now. I think that we've accomplished a lot, and I think we've got a good future."

Among happenings shaping a bright future for SCPA are major improvements making 35-year-old Wando Welch Terminal already able to efficiently accommodate mega-boxships; building of an all-new container terminal that is to handle its first cargo by 2020; deepening of Charleston's harbor to 52 feet, also by 2020; and economic development extending beyond Port of Charleston gates, including at inland terminals.

On the favorable statistical front, it not only bears note that the container volume in the recently completed fiscal year was up 10 percent over the TEU count for the preceding 12-month period, but also that, according to figures supplied by SCPA, the Port of Charleston experienced the highest total containerized cargo volume growth rate from 2011 to 2016 among top 10 U.S. containerports – an impressive 45 percent.

SCPA and the State of South Carolina are investing heavily to maintain this trend, with a combined \$2.15 billion in capital expenditures through 2021.

Getting the biggest share of \$268 million of SCPA capital investment in the current fiscal year is the Wando Welch Terminal enhancement, with \$86.3 million (including \$10.8 million from a federal grant) going for completion of wharf refurbishment and related undertakings.

The wharf project is slated to be done by March 2018, but, even without the fortified wharves in place, the Wando Welch Terminal handled its first 13,000-plus-TEU-capacity ship in late spring.

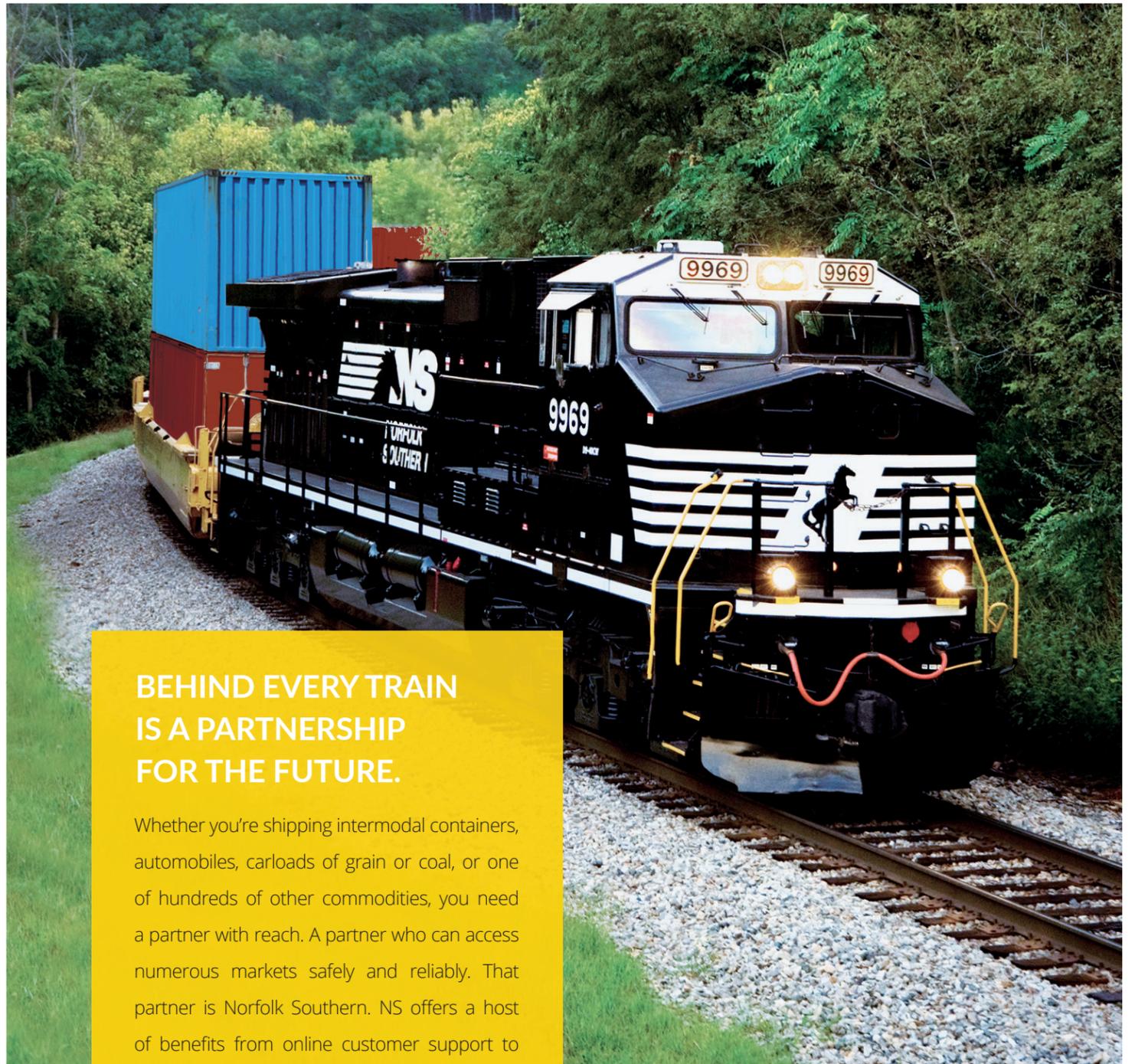
Indeed, Newsome said

it makes accommodation of mega-containerships and setting the TEU mark all the more impressive considering that the wharf work has meant one of the three Wando Welch Terminal berths has essentially been out of use at any given time.

"We certainly appreciate our customers and staff in working through this time," said Newsome, who took the SCPA helm in September 2009 after serving as an ocean carrier executive for three decades, the latest dozen years as president of *(SUSTAIN – continued on page 8)*



A Maersk vessel sails through Charleston Harbor after calling at the South Carolina Port Authority's Wando Welch Terminal. (Photo courtesy of SCPA)



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CSX and North Carolina Ports have commenced the Queen City Express, providing daily rail service between the Port of Wilmington and inland intermodal facilities in Charlotte.

North Carolina's Port of Wilmington provides congestion-free productivity

By Paul Scott Abbott, AJOT

With its recently widened turning basin, congestion-free cargo-moving productivity, new on-terminal cold storage and wood pellet facilities and a just-inaugurated intermodal rail link, the North Carolina State Ports Authority's Port of Wilmington is drawing

North Asia, carrying boxes of NYK Group, "K" Line and Mitsui O.S.K. Lines (soon to jointly operate as the Ocean Network Express, or ONE), as well as Yang Ming and Hapag-Lloyd (the latter now merged with United Arab Shipping Co.);

- TA2/NEUATL2 service from Europe of the 2M Alliance of Maersk Line and Mediterranean Shipping Co., with calls at such ports as Germany's Bremerhaven and England's Felixstowe, augmenting that group's TP10/Amberjack Asia offering in serving Wilmington; and
- Blue Stream refrigerated container service of Seatrade unit StreamLines, touching 10 ports in Europe, the Caribbean and Central America, in particular providing opportunities for sweet potato exports to Europe and imports of various grocery store produce.

Indeed, keeping up with all the new offerings of the Port of Wilmington is nearly as challenging as staying abreast of the cavalcade of global container carrier coalitions.

And an aggressive expansion program portends to keep even more big ships coming to Wilmington docks.

"Businesses desire access to the global markets where their products are sold and their resources are found," **(PROVIDES – continued on page 8)**



North Carolina Ports' Port of Wilmington gets its first call from THE Alliance's EC2 container service with the May arrival of Yang Ming's *Helsinki Bridge*.

a lot of attention, including from global carrier alliances. Over the past few months, the port has added weekly calls from:

- THE Alliance's trans-Panama Canal EC2 service from

- ZIM Integrated Shipping Services' Z7S trans-Suez Canal string from South China, Southeast Asia and India, furnishing an export conduit for Carolinas pork and poultry producers and other farmers;

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Pushing intermodal iron in North Carolina

By Marty Pilsch, AJOT

The Intermodal Equipment Exchange (IEE) located a stone's throw from the Port of Wilmington, North Carolina, offers a number of unique features, one of the most significant being longevity. This in itself says a lot for an independent, pushing solely used container handling lift equipment. The mortality rate in the trade can be quite high unless you are also representing a manufacturer and taking in used equipment while selling new.

Owner and Chief Executive Officer of Intermodal Equipment Exchange Dennis Connors has worked both



IEE specializes in forklifts over 15 tons in capacity and container handlers.

sides of the street, as a pioneer dealer of import forklifts, General Sales Manager for a major international lift truck manufacturer and in the wholesale forklift truck trade and then new and used container handlers. While working for a forklift factory as National Sales Manager, Connors gained a unique understanding of the industry, marketing newly imported forklift trucks and working with used equipment taken in trade. Through this link, Connors established valuable international contacts, especially with companies in the Far East.

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In 1985, Connors broke stride to create his own sales company, International Equipment Exchange (IEE). He realized that there was an opportunity developing for an independent used equipment resource, utilizing the experience and contacts he had gained with dealers, distributors and factory management from **(PUSHING – continued on page 12)**



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(SUSTAIN – continued from page 5)
Hapag-Lloyd (America) Inc.

For those Wando Welch berths, SCPA last year bought two new cranes with 155 feet of lift height, sufficient for reaching across nine containers stacked on megavessel decks. Two more such cranes are to be acquired next year, while the process has begun for raising five existing cranes to similar height.

Of the prospect of having a total of nine cranes able to lift across nine containers stacked on decks of two 13,000-TEU ships at the same time, Newsome commented,

“We’re pretty excited about that.”

Meanwhile, an advanced gate system has just entered its second year of operation at Wando Welch, dealing with big-ship volumes the previous manual system could not have handled.

Newsome said the terminal is now handling about 6,000 truck moves per day. That compares with the old system’s capability to handle about 4,000 daily truck moves.

A new terminal operating system from Tideworks Technology is to be implemented at the Wando Welch Terminal by mid-2018.

“Things are good on the technol-

ogy side,” Newsome said. “Technology is important, but what makes the port work is the people, and I think that’s where this port really excels. We’ve just got great people across the board.”

While the automated gate and terminal operating systems allow efficient handling of greater truck traffic, the share of boxes going to and from the Wando Welch facility by train continues to rise as well, with 25 percent of containers now moving via intermodal rail.

Recognizing that, even with the improvements, the Wando Welch Terminal won’t be sufficient to handle future Port of Charleston demand, SCPA has simultaneously been advancing development of the Hugh K. Leatherman Sr. Terminal on nearly 300 acres at the former U.S. Navy base site along the Cooper River in North Charleston.

With a total cost of more than \$1 billion, HLT, as the project is known for short, represents the only new permitted container terminal on the U.S. East and Gulf coasts. At full build-out, targeted for 2030, HLT is to increase overall container-handling capacity at the Port of Charleston by 50 percent, but its first phase is progressing (SUSTAIN – continued on page 13)



With a capacity of 13,208 TEUS, the OOCL France becomes the largest containership to call Charleston as it is worked June 5 at the Wando Welch Terminal. (Photo by SkyView Aerial Solutions)



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(PROVIDES – continued from page 6)

said Paul J. Cozza, the former Maersk Line senior vice president who came aboard in April 2014 as North Carolina Ports’ executive director.

“The Port of Wilmington provides the Carolinas that access, making North Carolina Ports a key factor in the region’s economic growth,” Cozza added. “The access our port provides continues to improve with recent services being activated.”

Cozza noted, for example, that the new ZIM service supports legacy apparel, furniture and hardware industries throughout the Carolinas.

In addition to the four new services and the 2M Alliance’s TP10/Amberjack service previously in place, Port of Wilmington’s container services include a pair of weekly SeaLand offerings connecting with ports of Mexico and Central America and Independent Container Line’s weekly trans-Atlantic link with Liverpool, England, and Antwerp, Belgium.

Tom Adams, chairman of the North Carolina Ports board of directors, put it this way: “We are truly the port of competitive advantage. The capital investments being made in our infrastructure continue to drive the decisions of these container carriers, and we are expecting even more good news in the near future.”

Following up on the \$30 million widening of the 42-foot-deep Cape Fear River turning basin to 1,400 feet from 1,200 feet, facilitating accommodation of boxships with capacity of as many as 10,000 twenty-foot-

equivalent container units, the port is making \$150 million in additional capital investments.

Headlining the undertakings are extension of the current single container berth to contiguous berthing able to simultaneously handle two post-Panamax ship berths, as well as addition of more post-Panamax ship-to-shore cranes and a container yard expansion.

Two new big cranes are slated to arrive next spring, at a total cost of \$27.4 million, while North Carolina Ports has an option to purchase two more such units from Shanghai Zhenhua Heavy Industries Co. Ltd., or ZPMC. With exercise of options, the Port of Wilmington would wind up with 10 container cranes operating over a 2,650-foot-long berth complex.

“This investment ensures that our best-in-class efficiencies will continue well into the future,” Cozza said. “Our high vessel and terminal productivity will be enhanced with this addition, thus keeping vessels on schedule and reducing inventory and logistics costs.”

Supported by a leading-edge terminal operating system, the 284-acre Port of Wilmington boasts one of the highest crane productivity rates on the U.S. East Coast, with more than 45 moves per hour at each of its post-Panamax cranes, according to Cliff Pyron, North Carolina Ports’ senior manager of external affairs. On the ground, truck turn times are approximately 18 minutes from pedestal to pedestal for a drop-off and an average of 30 minutes for drop-off and pickup. (PROVIDES – continued on page 11)



INTERMODAL & LOGISTICS NEWS



JCPenney logistics veteran Schart shaping Stein Mart's supply chain

Applying more than a third of a century of logistics experience with J.C. Penney Co., Rick Schart has, over the past nine years, helped Jacksonville, Florida-based Stein Mart Inc. realize tens of millions of dollars in annual savings while benefiting customers.

As Stein Mart's senior vice president of supply chain and e-commerce operations, Schart continues to shape the supply chain of a specialty and off-price retailer with nearly \$1.4 billion in annual sales – an increasing share of which comes online as opposed to via 290 stores in 31 states.

Indeed, the venerable company, which traces its roots to a department store opened in 1902 in Greenville, Mississippi, by Russian Jewish immigrant Sam Stein, simply did not have a modern supply chain when Schart was hired as Stein Mart's vice president of supply chain in 2008.

Schart shares with *American Journal of Transportation* readers how he developed Stein Mart's supply chain, as well as offers logistics career advice that anyone could profit from following.

How have you shaped the Stein Mart supply chain since coming aboard in 2008 following 34 years in logistics at JCPenney, and what benefits have been realized by Stein Mart and its customers?

Basically, we had no supply chain when I arrived. I was brought in after a consultant came onboard and looked across the company for opportunities to improve performance, and one of the first things they called out was, "Gee, you need a supply chain."

Everything at that point was moving direct to the stores from vendors via parcel carriers – FedEx or UPS. The stores had to manually check everything in, double-count everything. We used no EDI [electronic data interchange], no automated receiving processes. Everything was manual.

Pretty amazing. Probably the only \$1 billion retailer in the country that did not have a supply chain function at that time.

I actually knew the consultant. He and I had worked on a project at JCPenney, and he recommended me to the Stein Mart leadership team. That's how I landed here.

I hired a team of supply chain professionals, and we embarked on a project to implement a traditional inbound consolidation network and outbound store DCs [distribution centers], so we ended up with three store distribution centers across the country – in the Atlanta, Dallas and Los Angeles markets.

We implemented EDI with

our vendors, purchase orders and ASNs [advance shipping notices] and other transactions to

sure they were shipping what we wanted when we wanted it.

We were able to bring about major savings in excess of \$25 million annually, and a portion of that was in the store operations, because they no longer had to manually check everything in. All they had to do was scan cartons in and take it to the floor. And probably

more than half the savings were

(PROFILE – continued on page 11)

improve the efficiency with vendors. We implemented a vendor compliance program to make

Industry Profile

By Paul Scott Abbott, ANOT



Rick Schart, senior VP of supply chain and e-commerce operations at Stein Mart Inc., is shaping logistics for the specialty and off-price retailer.

Trump halts US effort to combat truckers' sleep disorders

The Trump administration is halting a year-old effort to seek better ways to diagnose truckers and railroad workers who have sleep apnea, a health condition linked to deadly accidents.

Two agencies in the Department of Transportation announced that they will no longer pursue a regulation to combat obstructive sleep apnea, which prevents people from getting decent rest and has led to drivers nodding off behind the wheel. The federal government was considering screening truck drivers and train engineers for the disorder.

"The agencies have determined not to issue a notice of proposed rulemaking at this time and believe that current safety programs" and other rules "addressing fatigue risk management are the appropriate avenues to address" the issue, the Federal Motor Carrier Safety Administration and the Federal Railroad Administration said in a statement.

The action is the latest case of President Donald Trump's anti-regulatory policies prompting agencies to halt proposals or (COMBAT – continued on page 14)

Tesla meets with CA and NV on autonomous truck testing

Tesla Inc. has met with California and Nevada agencies about testing an autonomous semi truck ahead of Chief Executive Officer Elon Musk's unveiling of the next addition to the electric-car maker's lineup. The California Department of Motor Vehicles is meeting with Tesla, said Jessica Gonzalez, a spokeswoman for the agency. The department is working with the California Highway Patrol on crafting regulations that would cover testing of vehicles weighing more than 10,000 pounds, which isn't allowed yet, she said.

Tesla also has met with the Nevada DMV, spokesman Alex Smith said. The company doesn't have an autonomous testing license and hasn't filed an application, he said. Tesla declined to comment.

The states are confirming

what analysts have speculated since Musk touted the progress Tesla was making on a semi in April, when he tweeted that the company's truck team was doing a "seriously next level" job. The auto industry has adopted a system for measuring the performance of autonomous vehicle systems, with higher levels being capable of more driving-related tasks.

The Tesla Model S and Model X electric vehicles already offer a suite of driver-assistance features branded as Autopilot. Musk has said he plans to show the semi truck for the first time in September.

Tesla's headquarters are in Palo Alto, California, and its only assembly plant is in Fremont. The company's battery gigafactory is located east of Reno, Nevada. Reuters reported the carmaker's meetings with the states.



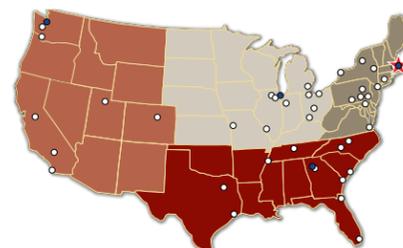
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LA Port's Seroka says proposed container staging facility will boost productivity

By Star Margaronis, AJOT

The Harbor Performance Enhancement Center (HPEC), a public private partnership between the Port of Los Angeles and a consortium organized by Los Angeles financier Jonathan Rosenthal, plans a container staging terminal facility. This will increase productivity at the Port by 10% or more.

Port of Los Angeles Executive Director Gene Seroka told *AJOT* that an 80-acre site on Terminal Island at the Port of Los Angeles "had been fallow until Rosenthal proposed its use as a staging area for 3,500 truckloads per day to be transported from nearby container terminals to the HPEC staging area."

The effect will be to reduce waiting times and congestion by

diverting trucks away from container terminals and to a staging area where pick-ups and deliveries will be much faster.

HPEC could increase container handling at the Port by 10% or more, Seroka said.

Rosenthal is projecting the HPEC development will cost \$100 million. It will also undergo an environmental impact report that could take 18-36 months, he said.

Seroka said HPEC will have a significant impact on reducing emissions at the Port of Los Angeles, because the facility will rely on solar power and battery or hydrogen trucks to transport containers: "HPEC will use solar power at the site. HPEC will use low emission trucks to

bring the containers from the terminals to the HPEC staging area. They will be looking at battery and hydrogen powered (FACILITY – continued on page 12)



Port of Los Angeles Executive Director Gene Seroka



Port of LA's Seroka projects a 9% increase in 2017

By Star Margaronis, AJOT

Port of Los Angeles Executive Director Gene Seroka told *AJOT* he expects a record number of containers to be handled by the Port in 2017: "We expect 2017 to be a strong year and we are looking at a 9% increase over Calendar Year 2016."

In 2006, Los Angeles surpassed an annual throughput of 8 million TEUs, a decade-long record that was broken with CY (Calendar Year) 2016 volumes of 8.8 million, according to a Port press release. The release went on to say: "The Port of Los Angeles closed its 12-month fiscal year with total cargo volumes of 9.2 million TEUS, a new annual record for most container throughput for a Western Hemisphere port. Volumes increased 8.1 percent in June compared to the same period last year, marking the second busiest June in the Port's 110-year history."

LABOR PEACE

The agreement between the

Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU) to extend their contract to July 2022 will also assure continuity and stability for the Port of Los Angeles, Seroka said: "The International Longshore and Warehouse Union's vote to extend their contract by three years helps sustain the momentum building in our supply chain as we continue to focus on delivering innovation, value and efficiency for the US importers and exporters. The certainty that comes with this contract extension is great news for all of Southern California, where one in nine jobs in the five-county region are connected to the San Pedro Bay port complex."

The current agreement was set to expire on July 1, 2019; the newly approved three-year pact will extend the expiration (INCREASE – continued on page 12)

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(PROVIDES – continued from page 8)

Getting Wilmington cargo swiftly and efficiently to and from inland points is getting a boost as well.

In July, North Carolina Ports and CSX began operation of the Queen City Express, offering daily rail service for double-stacked containers between the Port of Wilmington and inland intermodal facilities in Charlotte. When plans for the Queen City Express were announced a year earlier, North Carolina Gov. Pat McCrory and CSX leadership noted that it represents Wilmington's first intermodal rail service in three decades.

In addition, CSX officials plan future Port of Wilmington rail access to the Class I's CSX Carolina Connector, a state-of-the-industry regional intermodal hub targeted to become operational by the end of 2019 in Edgecombe County, just outside Rocky Mount, North Carolina, about 140 miles north of Wilmington.

North Carolina Ports officials also point to the Port of Wilmington's ready highway access to major North Carolina metropolitan areas, such as Charlotte, Greensboro and Raleigh-Durham, and observe that more than 70 percent of the U.S. industrial base is within 700 miles of the port.

"North Carolina's ports have ample capacity to support cargo volumes today and into the future," Adams, the ports board chair, said. "With an ideal location, significant investment, modern facilities and our lack of congestion, we stand ready to help our customers succeed."

Customers particularly counting on the Port of Wilmington these days include those in temperature-controlled commodity and wood pellet sectors. On-port facilities serving these respective sectors opened in late 2016 under separate public-private partnerships.

Port of Wilmington Cold Storage's \$17.5 million, 101,000 square-foot refrigerated warehouse maintains appropriate temperatures for such perishable goods as fruits, vegetable and proteins, including frozen pork and poultry products from the Carolinas, plus pharmaceuticals, flowers and furs.

"Agriculture is an \$84 billion industry for North Carolina and the No. 1 industry in the state," said Chuck McCarthy, president and chief executive officer of Port of Wilmington Cold Storage, or PWCS for short. "And the demand for U.S. meats and vegetables abroad is very high, particularly in Asia."

"We anticipate that PWCS is going to allow North Carolina producers and processors to significantly grow their export business by providing them with a more cost-effective alternative to trucking their products to out-of-state ports," McCarthy continued. "And we also hope that local growers who may have thought export was out of their reach will consider working with us to help them grow their market overseas."

A significant advantage offered by the PWCS on-port location is the ability to pack more product at less cost. A shipping container loaded at the port can hold more than 60,000 pounds of product, whereas a

container loaded inland can only hold a maximum of about 57,000 pounds, due to restrictive over-the-road truck regulations.

Meanwhile, Enviva Partners LP's dual-domed wood pellet terminal at the Port of Wilmington loaded its first export shipment in late 2016 as well, with pellets heading to Europe for use in power generation.

Each dome is designed to hold as many as 45,000 metric tons of wood pellets, which arrive via rail and truck, and annual shipments are expected to add up more than 1 million tons a year. Enviva's main production facility is in Sampson County, 75 miles north of the port.

"The Port of Wilmington is a key nexus for global commerce and an economic engine for the state of North Carolina," said John Keppler, Enviva's chief executive officer. "We are excited to be an important part of the port's ever-increasing volume of trade."

North Carolina Ports' role as an economic engine for the Tar Heel State is undeniable. The Wilmington port, the bulk-

and breakbulk-oriented Port of Morehead City (about 100 miles to the northeast of Wilmington, with 45-foot channel depth and served by Norfolk Southern) and inland facilities in Charlotte and Greensboro combine to annually contribute \$14 billion to North Carolina's economy while supporting more than 76,000 jobs and contributing \$707 million a year to state and local tax revenues.



(PROFILE – continued from page 9)

in the economies of scale of the transportation network, moving products in truckloads across the country rather than paying parcel rates.

We set up delivery schedules to stores, so they no longer had 50 cartons showing up every day from UPS and FedEx. They had scheduled deliveries and knew what was coming.

The benefits to the company were the savings, obviously, and then we feel that the customers benefited because product was

getting to the floor faster. And the savings allowed us to hold the line on customer pricing.

To that end, what have you applied from your vast experience at JCPenney, as well as your schooling, having earned a bachelor's in distribution and economics back in 1975 from The Ohio State University Fisher College of Business?

The distribution degree set the stage. Back in the early '70s, there were only a few schools offering such degrees. I learned negotiating principles, contract law and some basic inventory management skills. I learned about different modes of transportation, even though containerization was still back in its very early days.

As far as what I've applied here at Stein Mart, I would say 95 percent of that came from my experience and having lived through restructuring logistics networks at JCPenney, having done a lot of network modeling, to know where to put distribution centers, and then the technology to apply.

The education got me headed in the right direction, but the experience – and my team – is really what helped craft what we've done here at Stein Mart.

How has the Stein Mart supply chain been further honed since you added e-commerce to your title responsibilities in 2014, and what do you see for the future as – as I heard you say at a recent conference – personalization becomes an increasingly important driver?

I was asked to lead the launch of our e-commerce initiative here. I had experience from my JCPenney days. JCPenney was an early leader in online retailing. So I had kind of the back-end experience, such as order fulfillment and shipping, and hired the right people with front-end skill sets, like with websites.

From a supply chain perspective, we third-partied our arrangement initially for fulfillment and still are using that third party for e-commerce fulfillment, but we're starting to move

(PROFILE – continued on page 13)

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(PUSHING – continued from page 6)

both the Far East and the US. He began to develop a unique business plan. Eventually, IEE branched out, also working with leading European manufacturers of larger, specialized forklifts and container handlers as well. At this time, Connors also realized the potential of a newer product, the then developing container handler called a reach stacker.

Through the 1990's, the International Equipment Exchange became one of the most recognized names in the used container handling equipment market in the Americas. Specializing in forklifts over 15 tons capacity and container handlers, IEE began working with terminal operators looking for specialty lift equipment that included rubber tired gantry cranes and yard tractors.

Realizing the importance of the services he could provide his customers, Connors developed a unique approach to the used cargo handling equipment business. As his experience handling used equipment developed, he realized that success in this facet of the equipment sales business would require a great deal more than finding the equipment, showing it and closing the sale. Realizing of course that these three elements were important, Connors has focused on a "turnkey" approach delivering and installing buyer purchases. IEE aims to "make it easy" to obtain container handlers and reachstackers installed and operating in customer facilities with one order.

IEE has developed a healthy list of customers and provides consultation and technical support for new customers who know they need a machine, but are not sure what they want to purchase. Connors has also added equipment inspection and reporting services to his company's list of capabilities. IEE will also arrange to provide spare parts, disassembly and load out of the equipment, on-site assembly, worldwide door to door delivery and export logistics ser-

vices, transport of the equipment and large parts that may be available. IEE will provide relocation services if required after the fact.

REPEAT BUSINESS

With over two decades of hands-on experience in the lift-truck business, Connors and his associates are recognized for not only the company's longevity, but most importantly, their expertise and reliability. IEE has become the used container handling lift equipment specialist to go to. The firm's diversity provides a comfort level that attracts port operators and customers involved in container handling depots, roll-on/roll-off, rail intermodal operations, and general breakbulk cargo such as, steel and lumber.

A prime example of IEE's stature in the used equipment market is repeat business. This encompasses not only sales of additional equipment, which happens frequently, but requests for disassembly, load-out, transport, unloading and reassembly of equipment previously sold by IEE. Companies frequently reposition equipment to other terminals and know that IEE will do the job. Federal Marine Terminals, headquartered in Montreal, Quebec, Canada has utilized IEE frequently to move equipment purchased from them from one terminal to another. IEE will handle the complete package.

IEE will also coordinate transportation whether truck, rail, or water transport requiring an intermodal move for customers who have not necessarily purchased the equipment from them. IEE Vice President Hal Gardner has worked for the firm for a number of years. His expertise includes inspection and approval of potential purchases for IEE or for a potential customer. He is the lead for disassembly, load-out, discharge, and reassembly. Gardner has developed associations with customers, transport firms and mechanics around North America that he may call upon at any time. His range of knowledge of lift trucks, including reach stackers is respected by everyone with whom he has worked.

As an example of the details that often face IEE when working with a customer, Delaware River Stevedoring (DRS) is a case in point. DRS wanted to purchase a used Hyster reach stacker that was not your everyday heavy lift machine. This model was set up with an extension from the boom tip down to the spreader for additional lift capability at ports with a wide variation of tide. Located in Europe, the path that the machine took to destination, included ocean transport to the New Jersey side of the Delaware River, a barge shuttle from Gloucester New Jersey to DRS's Philadelphia terminal and coordination between the original owner of the machine, the ocean carrier, the barge operator, the local U.S. Hyster dealer, IEE and DRS to complete delivery, assembly and commissioning. With the cooperation of this contingent, IEE was able to deliver the machine, now working regularly at Tioga Marine Terminal in Philadelphia.

.....

(INCREASE – continued from page 10)
to July 1, 2022.

PARTNERSHIP WITH GE

Last November, GE Transportation and the Port of Los Angeles announced a partnership to develop a first-of-its-kind digital solution to keep cargo flowing efficiently through America's largest container port. Since, the partners have been working together to build a platform that digitizes maritime shipping data and makes it available to cargo owners and supply chain operators through secure, channeled access.

Seroka said: "By working together to share data in a secure and controlled environment, we have already seen the potential for tremendous benefits for importers, truckers, shipping lines, terminals, chassis providers and the entire supply chain. Greater insight leads to better planning and lower cost, all of which have a direct impact on every company that is involved in international trade."

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(FACILITY – continued from page 10)

trucks as possible truck technologies. Jonathan (Rosenthal) has already done an extensive job of reaching out to neighborhood organizations, environmental organizations as well as shippers, stevedores, truckers and longshore labor."

GROUND ZERO

Rosenthal has a long track record of taking on challenges in the transportation sector. Back in 2003, Rosenthal was hired as part of the financial team that restructured United Airlines when it went into bankruptcy. He worked with the pilots, flight attendants and maintenance staff to restructure their contracts.

Rosenthal put his oar in the water in LA in 2015. In that year, Rosenthal, Saybrook Capital's co-managing partner, joined Los Angeles Mayor Eric Garcetti and Teamsters Union leaders in a press conference announcing that Saybrook Capital had started Eco Flow Transportation, a 100% employee-based company to operate as a harbor trucking company at the Ports of Los Angeles and Long Beach. This was a ground-breaking move because many harbor

trucking companies are owner-operator companies and the target of a Teamsters Union campaign claiming the drivers should be treated as employees and should be represented by the Teamsters Union.

At the 2015 press conference, Rosenthal said this is "ground zero for change in truck drayage..."

At that time, Rosenthal told AJOT "as congestion has gotten worse, an owner/operator driver may be averaging one and a half loads per day and that's not enough to feed your family. So eventually the driver drops out and the company has high turnover and high costs replacing that driver with a new driver. You might be looking at delays to enter the Port of 2-3 hours. How can a driver getting paid by the load absorb that waiting time? When you're waiting in line your truck engine is often running, generating pollution and wasting gas."

But HPEC can be part of the solution.

Rosenthal told AJOT, "HPEC will be a major driver for improved port productivity by reducing delays in waiting times for truckers."

Seroka says HPEC will use a Pacific Maritime Association (PMA) company to operate the facility and "discussions with Rosenthal and the International Longshore and Warehouse Union (ILWU) are ongoing."

Seroka said: "We expect when HPEC is fully operational that it will increase throughput by 10% because we have 35,000 truck gate moves per day and we will be able to move 3,500 per day through the HPEC facility reducing wait time for truckers and shippers. If we can do three shifts per day we could increase throughput by 30%"

"In focus groups," Seroka told AJOT, "a lot of shippers have told us that waiting times are a major problem costing them time and money. At HPEC, we hope to reduce these waiting times by providing truckers the ability to pick up containers much faster than at existing terminals. This means lower costs and less delays for shippers and more productivity for the Port."

Six major container terminals border the HPEC facility: Yusen, APL, Evergreen and APMT while China Shipping and Yang Ming are not far away, Seroka said.

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(SUSTAIN – continued from page 8)
on schedule toward opening by mid-2020.

During the current fiscal year, SCPA is putting \$54 million into finalizing the fill phase of HLT, importing high-quality rock from Canada, and the South Carolina Department of Transportation has begun building the access road to the terminal. State-backed Palmetto Railways is building an adjacent intermodal container transfer facility.

“All of that, along with the harbor deepening, should come to pass in the middle of 2020,” Newsome said.

Like the new terminal, the harbor deepening has been in the works for quite some time but is now taking shape.

“I can’t tell you enough how proud I am of our harbor-deepening project,” Newsome said. “We finished the study in six years and four months, which is fast for such a study.” moved quickly to construction phase

In May, the harbor project was named by the U.S. Army Corps of Engineers as one of six new starts and it gained \$17.5 million in federal construction financing, to go along with \$16.1 million in federal operations and maintenance money and \$300 million in state funding that had already been set aside. The project’s largest construction contract is to be let this fall.

“We’re going to achieve the deepest harbor on the East Coast, and I think we can do it by the end of this decade, at least the portion up to the Wando Terminal. The next piece is the piece up to the Navy base terminal [HLT].”

SCPA also is building upon inland terminal successes.

About 220 miles northwest of Charleston via Interstate 26 and linked to the port by double-stacked Norfolk Southern trains, Inland Port Greer, which opened in October 2013 just off I-85, exceeded expectations by reaching 120,000 rail lifts in the last fiscal year.

“That was exceptional,” Newsome said. “I thought we would one day do that. I certainly

didn’t think we would do it within the course of three years’ time.”

In March, ground was broken for a second SCPA inland facility, this one along I-95 in Dillon County, about 150 miles north-northeast of Charleston. Inland Port Dillon, to be served by CSX rail, is scheduled to open in early 2018.

Greer, by the way, is home to BMW’s largest vehicle-making plant in the world, and officials this summer have announced plans for a major expansion of the facility, which turned out its first car in 1994.

BMW is anticipated to this year export about 270,000 Greer-made vehicles on roll-on/roll-off vessels from the Port of Charleston’s Columbus Street Terminal – one of several indicators to which Newsome pointed in explaining the essential role the port authority plays in economic development endeavors in the Palmetto State. (By today, SCPA impact on the state is certain to far exceed the \$53 billion in annual economic activity presented in a 2015 study by the University of South Carolina’s Darla Moore School of Business.)

The Volvo Group is slated to start production next year in Berkeley County, about 30 miles northwest of Charleston, which should bring an increase in container volumes as well as roll-on/roll-off exports.

And Samsung Group is to soon begin making washers and dryers at a former Caterpillar plant site in Newberry, some 150 miles northwest of Charleston.

Other major companies named by SCPA as participating in recent economic development in the Palmetto State include: Dollar Tree Inc., with its newly opened 1.5 million-square-foot distribution hub in Cowpens; Harbor Freight Tools, with its recently expanded distribution facility in Dillon; and plastics transloader Frontier Logistics LP, which is among companies looking to export resins via distribution facilities in the Charleston area, having announced in May plans for a \$30 million, 100,000-square-foot distribution center in North Charleston.

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(PROFILE – continued from page 11)

down the path of getting more sophisticated with a ship-from-store program we’re piloting this year. After that, we’ll do buy-online/pickup-in-store and other additional features and functions customers are demanding today, which really allow us to sell anything we have anywhere to any customer.

We’re behind most of the rest of the industry on this, but there’s some benefit of being a follower, in that the technologies are proven and are much easier to implement. Most of them are cloud-based today.

We’re really just starting to meld our retail bricks-and-mortar operation with our online operations, so that’s very exciting, with huge potential for us to improve sales and profitability.

As far as personalization, we do a lot of promotional activity, including emails with customers. The more personal you can make those, the higher your

conversion rates will be.

As you look back upon your career, what do you see as your greatest achievement, and do you have any regrets?

Absolutely no regrets. I love my career. It’s kind of like the UPS commercial: I love logistics. Retail logistics is just so exciting, with so much going on and so much change, seeing over more than 40 years now how technology has come to play.

I guess my biggest accomplishment is what I’ve been able to do here at Stein Mart, taking all of those years of experience and being able to start from scratch with a blank sheet of paper and put together a network and a team. It’s a great team, and that’s probably my proudest accomplishment – the team we’ve been able to build here.

What key words of advice would you give someone now entering the field of logistics?

I’ve been a mentor for UNF [University of North Florida] logistics students for seven

years now. I greatly enjoy that experience, every year having a new mentee to work with.

One piece of advice that I always give them is: “Never stop learning.” Today, I try to spend at least a half hour to an hour every morning when I get in looking at online articles about trends and new technologies. The ability to keep learning is just endless today. So that’s my No. 1 preaching.

The other one is that I always tell them, “Don’t let anybody ever outwork you.” That’s been one of my mantras throughout my career. “Going the extra mile” is one of my favorite terms.

I tell them that I’ve basically never asked for a promotion in my life. Any promotion I’ve received has been because of the results I’ve been able to produce.

What other interests beyond work do you pursue?

I’m on the board of an organization here called Communities In Schools of Jacksonville – a nonprofit that supports afterschool programs and school reading programs. Its goal is to reduce drop-out rates and improve literacy. I spend time with them from a fundraising perspective and in going to visit schools. I get a lot out of that.

When I lived in Dallas [when working at JCPenney’s corporate headquarters], I spent a lot of time working with Habitat for Humanity. I haven’t caught on yet with a chapter here, but I plan on doing that as one of my retirement activities. I always enjoy going out and hitting nails on the weekend. To see someone get in a home who otherwise couldn’t have been in one is a rewarding experience.

I have four grandkids, back in Dallas unfortunately, and we try to get out and visit them as often as we can. Three of the four just spent a week here with us, and that was great.

Also, I do quite a few speaking engagements these days. I really enjoy sharing the knowledge and helping out different organizations, like JAXPORT, and this summer speaking at a National Retail Federation symposium to promote retail supply chain careers to some 200 college professors. I enjoy paying back a little bit.

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Port of Oakland should gain as China opens rice market to US

A new U.S.-China trade pact should increase rice exports here, the Port of Oakland said. The deal opening China's market to American growers will likely strengthen Oakland's link in the global food chain.

American rice exports could enter China as soon as 2018 following approval of a trade agreement last month. The Port said it's too soon to estimate how much its business would increase. It added, however, that volumes should rise based on three factors:

California's Sacramento Valley is one of the largest rice producing regions in the U.S. The Port of Oakland is the nearest gateway to China for containerized rice exports from the valley.

Oakland is already the nation's leader, shipping two-thirds of all U.S. containerized rice exports.

There's no faster, more direct route from the U.S. to China than through Oakland.

"We're glad a rice agreement has been reached because there's strong

demand for high-quality U.S. food products in China," said Port of Oakland Maritime Director John Driscoll. "Given our location and track record with agricultural exports we would hope to play a role in this new trade breakthrough."

The China trade deal comes as the U.S. dollar is softening against foreign currencies. That makes American products more affordable overseas. As a result, U.S. exports including rice are likely to grow.

Oakland exports were already forecast to rise next year based on another American-grown product: meat. The Port expects to open a 300,000-square-foot refrigerated distribution center next summer for chilled and frozen beef, pork and poultry. That plant will prepare up to 37,000 20-foot containers of product for export annually.

In January, the Port reported a 233 percent increase in agricultural export tonnage over the past five years. It said growing rice and meat shipments would magnify Oakland's importance as an international food distribution hub.

Port of Oakland OKs new high-power line to plug in more ships

Port of Oakland officials said they've commissioned new equipment bolstering efforts to curb diesel emissions from ships. The Port OK'd a high-voltage cable system that will connect more vessels to Oakland's landside power grid. The Port said the breakthrough will accelerate the program that has helped cut emissions 76 percent in Oakland since 2009.

"We're continually working to reduce emissions," said Chris Chan, the Port's Director of Engineering. "This is a way to build on our success and extend our reach."

The Port said the 200-foot cable-on-reel system will be deployed by Oakland International Container Terminal. It will connect to ships that can't closely align with landside electrical vaults at berth. When the ships plug into the vaults, they'll switch off onboard diesel engines and rely on grid power. The result: no diesel emissions during Oakland calls.

The Port said nearly 400 vessels are equipped to plug into Oakland's landside electrical system. The problem: ships

sometimes berth beyond the reach of their onboard power cables.

That's where the terminal's new \$230,000 cable system comes in. Its 10-foot-tall reel is affixed to a trailer. The mobile platform can be deployed alongside any vessel. The cable will connect ships to one of the marine terminal's 18 shorepower electrical vaults.

The Port said its engineers have overseen two successful trials of the mobile cable system. It said it expects the technology to be deployed full-time by autumn.

Shorepower is one of a series of steps employed to reduce ship emissions in Oakland. The others include:

Converting ships to cleaner-burning low-sulfur fuel when they near the California coast;

Moving ships quickly in-and-out of Port so they're not sent to anchor in San Francisco Bay with engines running while awaiting berths; and

Consolidating cargo on fewer but larger ships to reduce the number of vessel calls.

Davies Turner strengthens North American freight services

Davies Turner has added a new ocean-freight service from the UK to the USA and appointed a new partner in Canada as part of a strengthening of its transatlantic freight and logistics operations.

The UK's leading independent freight forwarding company has launched a fast oceanfreight service from the UK direct into the port of Charleston in conjunction with one of its partners in the USA, EMO Trans Charleston.

Marketed as the 'Southern Express Service', the new operation sails every Tuesday from Southampton and offers a nine-day transit from that port to Charleston, which will enable Davies Turner to deliver consignments into the southern US states more quickly than via New York.

The new service complements Davies Turner's existing oceanfreight services between the UK and other key US markets, which are operated in association with long-standing, regionally-strong partners.

Steve Turner, head of Davies Turner's North American Services, says: "Even though the service is calling at Charleston, efficient oncarriage operations by our partner EMO-Trans means we can market

this as an express product into the southern US states.

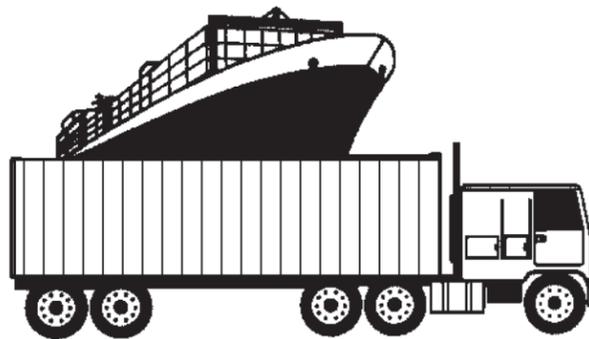
"The fastest direct service from the UK into Houston or New Orleans is approximately 16 to 18 days. We believe that via our Southern Express Service, we will be able to deliver to most of Florida, Texas and Louisiana in 13 to 14 days, to door."

In Canada, Davies Turner is teaming up with Ontario-based FCL Fisker Customs & Logistics to strengthen its ocean freight services between the UK and Canada.

Davies Turner provides a weekly service over Toronto for both LCL and FCL shipments and once the containers land, Toronto consignments are cleared and distributed across Canada using Fisker's in-house customs brokerage and comprehensive distribution network.

Steve Turner adds: "The new partnership with FCL gives us an ideal opportunity to further strengthen the two-way services that we operate between the UK and Canada, just as the Comprehensive Economic and Trade Agreement between the EU and Canada kicks in, which should initially provide a boost for business and trade between the UK and Canada."

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Crowley to begin direct, weekly service from Florida to Costa Rica and Panama

To better connect customers' U.S. and Central American supply chains, Crowley Liner Services began fixed-day, weekly sailings on, August 9th, directly between Florida and Costa Rica and Panama. The new service offers fast transits to speed cargo to market at peak times.

Crowley's vessels will sail southbound from Florida on Wednesdays from the Port of Jacksonville, and Fridays from Port Everglades, and will arrive on Tuesdays in Puerto Limon, Costa Rica, and on Wednesdays in Manzanillo, Panama.

Northbound, the ships will depart on Wednesdays from Panama and Fridays from Costa Rica, then arrive on Tuesdays in Port Everglades and on Wednesdays in Jacksonville.

"Crowley's ocean cargo service blends seamlessly with our logistics offerings to provide customers a single point of accountability, increased visibility and reduced costs while building on the confidence they already have in the company's regular, fast ocean transport service," said Steve Collar, Crowley senior VP and general

manager, international liner services.

"The new, dedicated service continues our strategy of providing importers and exporters the fastest, most dependable suite of supply chain solutions possible between the U.S. and Central American regions," said Crowley's Frank Larkin, senior vice president and general manager, logistics and commercial services. "Crowley has a unique ability to benefit U.S. and international customers by combining its longtime ocean shipping expertise with robust supply chain solutions."

The new service will complement Crowley's logistics offerings for customers to deliver cargo for import and export, include Customs clearance, pool-point distribution, inland transportation, and dry and refrigerated warehousing for both full container loads (FCL) and less-than-container loads (LCL) in Central American countries and U.S. locations.

Crowley's complete supply chain management services are designed to deliver cargo of all kinds at strategic times for a diverse customer base.

(COMBAT – continued from page 9) block rules from taking effect. The president argues that government regulations are bad for business and stifle hiring.

The US National Transportation Safety Board has been calling for better screening of truck drivers and railroad engineers since 2009. The agency is "disappointed" that the agencies withdrew the "much-needed" development of new rules, spokesman Christopher O'Neil said in an email.

It "has been in the probable cause of 10 highway and rail accidents investigated by the NTSB in the past 17 years and obstructive sleep apnea is an issue being

examined in several, ongoing, NTSB rail and highway investigations," he said.

In many accidents it has investigated, it was only afterward that operators were found to have suffered from the disorder. NTSB urged agencies to do more to identify transportation workers at risk so they could be treated.

On March 10, 2016, the trucking and rail agencies took the first step before drafting regulations on detecting apnea. They sought public comments on the prevalence of the disorder and whether transportation workers should receive mandatory screening for it.

Baltimore Finished Auto Logistics Conference & Annual Propeller Club Crabfest

The Baltimore Finished Auto Logistics Conference took place on August 9th at the Marriott Camden Yards Hotel. The conference attendees included automobile manufacturers, ocean carriers, ports, terminal operators, truckers and railroads. The conference was followed on August 10th by the Annual Baltimore Propeller Club Crabfest, attended by approximately 6,000 participants.



ContainerPort team



(L to R) back row: Ben Park – Global One Container, Charles Gildersleeve – H&M CES, Ralph Castillo – H&M CES, Felix Santana – H&M CES, front row: Steve Park – DCLI, Jennifer Gillis – Harbor Freight Transport, Linda Gillis – H&M International



(L to R) Sean Mahoney – Philaport, Patrick Foran – Hyundai - Glovis, Greg Ianorelli – Philaport



(L to R) Doug Wray – Ports America, Rick Shannon – ARRC, Mike Journeycake – Ports America



(L to R) Larry Johnson – Maryland Port Administration, Leo McFadden – Amports, Dale Goetz – Hoegh



(L to R) Brendan Dugan – AJOT, Sue Coffee – NW Seaport Alliance, Mike Vaccaro – HMM, Sundra Glennon – Barnes & Noble



(L to R) Richie Burke – Seamates, Allan Willcockson – Omnitrans, Joe O'Brien – Port of Virginia, Marsha Todras – C H Powell



(L to R) Corey Szott – Ferus Natural Gas, Nancy Collard – CN Rail



(L to R) Tom Wyville – Georgia Port Authority, Kendall Kellaway – RoadOne, Rob Walther – RoadOne



(L to R) Sue Coffee – NW Seaport Alliance, Paul Birnbaum – Ports America

(SURGE – continued from page 4)

Atlas Air Worldwide recently reported quarterly results showing earnings of \$29.1 million, a 44-percent increase over the same period a year ago. “Our growth reflected an increase in aircraft utilization and a rise in commercial charter yields,” said William J. Flynn, the company’s CEO. During the quarter, Atlas started flying for Cathay Pacific and Yangtze River Airlines and added

four 767-300 freighters for Amazon.

“We are experiencing good momentum in our business, and we expect that to carry through 2017, into 2018 and beyond,” said Flynn. “As a result, we are increasing our full-year 2017 outlook.” Flynn expects Atlas’ income in 2017 to grow in the mid-teens over 2016.

Atlas also recently entered into an agreement to operate three 747-400s for Hong Kong Air Cargo. “We have

a strategic focus on the fast-growing Chinese and Asian markets,” said Flynn. “We also continue to move more deeply into the faster-growing express and e-commerce markets.” Over 70 percent of Atlas’ current freighters operate for customers in those markets, and that percentage is expected to increase, as the airline ramps up from the six aircraft it flies for Amazon currently to the expected 20 by the end of next year.



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