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INLAND PORTS

NO. AMERICA'S TRANSPORTATION & LOGISTICS NEWSPAPER SEPTEMBER 23 – OCTOBER 6, 2013 **ISSUE #564** ajot.com

US imports for July and August indicate busier holiday shopping

Zepol Corporation reported that US imports in August are the second highest month for TEU (twenty-foot container) volume in 2013. The United States imported nearly 1.61 million TEUs in August, which is 5% less than July's 1.69 million, but a half a percentage higher than August of last year.

"The holiday import months of July and August were 1.5% higher in volume compared with the same two months in 2012," says Zepol's CEO Paul Rasmussen, "This is one of the only significant differences in TEU volume from 2012 to 2013, which hints at a more active holiday shopping season."

STATS FOR US IMPORTS IN AUGUST:

• Exporting Countries- U.S. imports from Asia are down 3.4% from July. Although, August still had the second highest monthly volume from Asia in over a year, with a total of 1.17 million TEUs imported. U.S. imports from China are down only 0.9% from July, but are up 3.2% from this time last

year. European exports to the United States are down 8.8% from July, but slightly above average, with about 202,000 TEUs exported to the United States. A quarter of Europe's decrease was due to Germany, which dropped in exports by 10.7% from last month.

- US Ports- Ports in the United States also decreased slightly in TEU imports from July. The Port of Los Angeles declined in TEU volume by 8.4%. August was still Los Angeles' second highest month in volume for 2013, with over 342,000 TEUs brought in. The Port of Savannah was the only port in the top ten to post an increase in August with a rise in TEU volume of 9%, which is over 106,000 TEUs.
- Carriers- Most carriers had a dip in volume for August. Maersk Line, the top carrier in the United States, decreased by 3.8% and Mediterranean shipping company, ranked second, dropped 2.9%. Although, Evergreen Line and Hanjin Shipping sang a different tune, both rose in TEUs by about 1.5% from July to August.

BNSF project faces challenges, but compromise could be at hand

The SCIG project has become a lightning rod for controversy. But the mega on the dock rail projects may be the real game changer. North America's intermodal future is potentially being played out in the San Pedro ports of Long Beach and Los Angeles.

By Stas Margaronis, ANOT

The Burlington Northern Santa Fe (BNSF) proposed Southern California International Gateway (SCIG) project, a \$500m truck/rail transfer plan for the Port of Los Angeles faces serious challenges. Law suits filed by the City of Long Beach and the National Resources Defense Council contend that additional trucking and rail service will create serious pollution to the West Long Beach community which adjoins the Port of Los Angeles site where the SCIG project is to be built. But the real question might be

whether mega on the dock rail projects accompanying new terminal construction in both Los Angeles and Long Beach represent an entirely new direction for intermodal operations.

The BNSF project has been a lightning rod for controversy for the San Pedro ports. Although the rhetoric has been at times harsh, compromise might be already on the table. A City of Long Beach official told the *AJOT* that the framework of a compromise

(COMPROMISE - continued on page 16) • ing increasingly interesting to

Inland ports beginning to make their marks

Customs and logistics benefits, congestion relief attract shippers, carriers, developers, governments

By Peter Buxbaum, AVOT

On October 1, in Greer, S.C., 212 miles from the Port of Charleston, an inland port will be opening for business. About 40 acres of the eventual 100-acre site will be opened initially with the ability to handle about 40,000 containers annually. The inland port has a potential capacity of 100,000 containers per year, according to the South Caro-

lina Ports Authority. Earlier this month, BMW Manufacturing Co. announced that it will move its semi-knocked down export operation to the Greer facility.

Around the same time BMW announced its move, a New York State economic development agency approved a grant to advance a proposed inland cargo port next to a CSX rail yard near the Syracuse suburb of Manlius. The grant will be used by inland port owners 3Gi CNYIP, a partnership among Mohawk Global Logistics, Synapse Partners LLC, and Brang Commercial Real Estate Cos., to purchase 90 acres of land for what is to be called the Central New York Inland Port. Once developed, the facility will comprise 115 acres and will support import, export, and distribution operations.

Inland ports are becom-

shippers, carriers, developers, government agencies, and port authorities because they can

> ease congestion at coastal ports. Demand for acreage at inland ports is expected to rise when the bigger locks now under construction open the Panama Canal to ships with nearly three times the capacity of those that currently make the passage. The

bigger ships could overwhelm the capacity of East Coast ports, so shippers and carriers alike are looking to rail their cargo directly to inland ports for further processing and distribution.

Not all inland port are startups like the ones in South Carolina and New York. The Port of Indiana - Burns Harbor, located in Portage, Ind., on the south shore of Lake Michigan, 18 miles from Chicago, is the largest of all U.S. Great Lakes ports in terms of oceangoing volume. Kansas City's Smart-Port sits at the largest rail hub in North America. What both have in common is the ability to attract ocean cargo directly inland for processing and convenient forwarding to a broad spectrum of locations across the continent's heartland.

> (MARKS – continued on page 4)



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Eastern seaboard reaps benefits from inland ports

By Karen E. Thuermer, AJOT

Although the Great Recession had an impact on diminishing volumes through U.S. seaports, many contend that the downturn has been temporary and certain events such as a strengthening US economy and the opening of an expanded Panama Canal in 2015 will increase traffic.

Inland ports serve to essentially ease the congestion of the coastal ports and feed traffic

through designated seaports that are connected with rail service. For that reason, port authorities along the eastern seaboard are moving forward with inland port development and partnership schemes.

SOUTH CAROLINA INLAND PORT

In March, the South Carolina Port Authority (SCPA) broke ground on its South Carolina Inland Port in Greer. The \$30 million project is part of a \$1.3 billion SCPA capital plan for new and existing port facilities. The inland port, which is owned and operated by SCPA and spans 40 acres, is expected to open in mid October and play a critical role in expanding the Port of Charleston's hinterland.

The project was developed by CenterPoint Properties that built the inland port in Joliet, IL -- the largest master planned inland port in North America.

Jim Newsome, SCPA president and CEO, emphasizes that the inland port, which is to be served by Norfolk Southern (NS), is approximately 200 miles from the Port of Charleston and close to Greenville-Spartenburg, a key manufacturing region in the state. The Greenville-Spartenburg region is home to BMW, Michelin and General Electric and has the largest concentration of port users in South Carolina.



Jim Newsome – President & CEO, SC Ports Authority

The inland port will leverage NS intermodal train service between Atlanta and Charleston via Greenville-Spartenburg.

Also strategic, the inland port is located midway between Atlanta and Charlotte on the I-85 corridor, which is regarded the fastest growing region in the Southeast.

Leaders in the state contend that the inland port could be as significant to the area as the BMW manufacturing facility was in the 1990s. They expect the inland port's economic

impact to be substantial.

The inland port is expected to convert an estimated 25,000 containers currently traveling on truck via I-26 to rail in one

year. Its annual capacity is estimated at 40,000 containers initially. Newsome expects the inland port to be handling 100,000 lifts annually in five years.

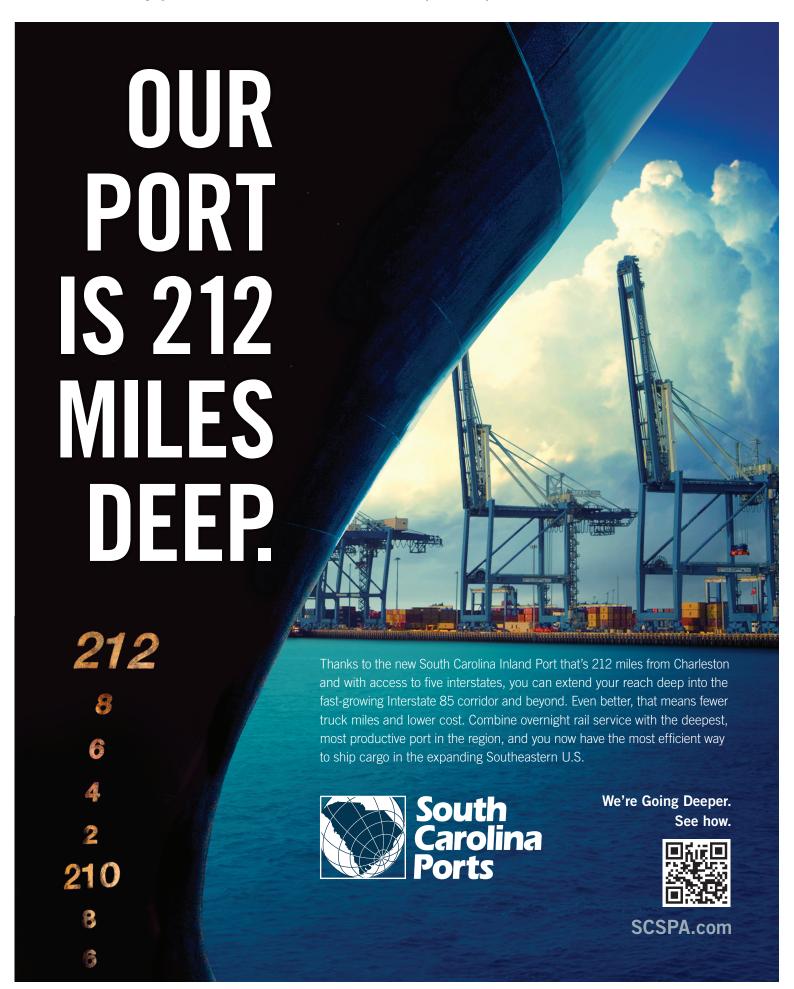
In a telephone interview with this *AJOT* reporter, New-

some described the terminal as looking like a mini container terminal in Charleston. "There are not many facilities like it in the United States," he says.

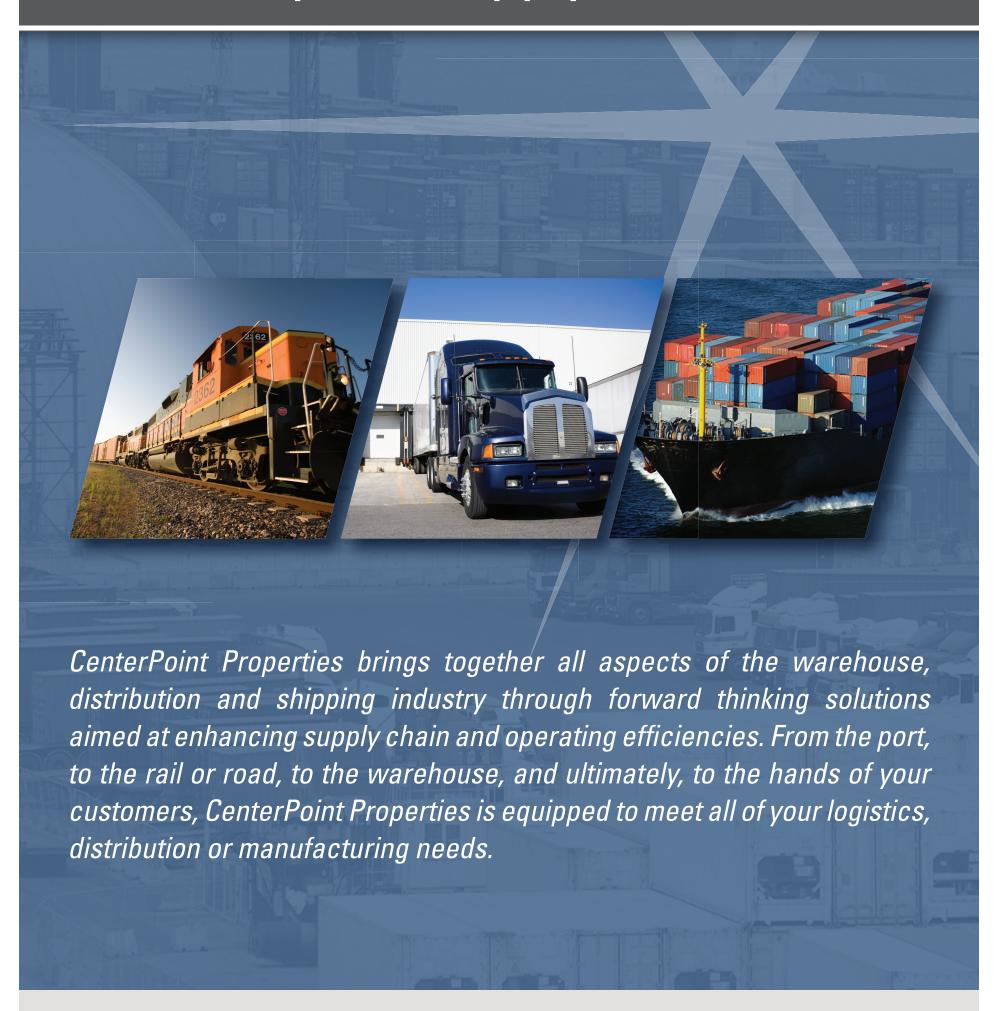
Key to the project is its efficiency and speed to market and (BENEFITS – continued on page 4)



An artist rendering of the South Carolina Inland Port in Greer, which spans 40 acres, is expected to open in mid October.



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(MARKS – continued from page 1)

The Port of Indiana - Burns Harbor handles international ships that traverse the Great Lakes and the St. Lawrence Seaway to and from the Atlantic Ocean. The port also provides connections on barges via inland river links to 38 states and the Gulf of Mexico. The Ports of Indiana, a statewide port authority, also has port facilities in Mount Vernon and Jeffersonville. Together with Burns Harbor, they handle close to \$2 billion in cargo shipments per year. The port hosts 500 ships and barges that dock each year and is a major hub for steel processing since it is near three steel mills.

The Ports of Indiana Commission recently approved contracts to upgrade Burns Harbor. One project involves reconstructing about a half-mile of rail line and replacing 1,000 cross ties. The port has a three-mile rail loop that was built in 1980 that hooks into the nearby Norfolk Southern Rail Yard. An estimated 13,000 railroad cars pass through the port every year.

Other work being done includes replacing about 1,900 feet of sewer pipe that runs under the freight and commuter rail lines. "It is important that we maintain the port infrastructure and keep it in top shape in order to provide maximum receipt and delivery flexibility for the businesses located here," said port director Rick Heimann.

The Ports of Indiana touts its environmental as well as its logistical benefits. A joint U.S.-Canadian report released earlier this year showed that the Great Lakes-Seaway fleet is seven times more fuel-efficient than trucks and 1.14 times more fuel-efficient than rail. The study also found that shifting Great Lakes-Seaway traffic to trucks would increase truck traffic by 35 to 100 percent and would lead to \$4.6 billion in additional highway maintenance costs over a 60-year period.

"The study findings present a more complete picture of shipping in the Great Lakes in terms of the benefits of this mode of transportation," said Heimann. "Data from the study will help inform future decisions on subjects ranging from investments in new technologies, budget allocations for infrastructure projects, and appropriate levels of regulation."

The Kansas City metropolitan area promotes itself as a region with the lowest truckload shipment costs and the most central location in the United States. "Kansas City boasts more freeway-lane miles per capita than any other U.S. city, and is one of only a few U.S. cities in which four interstates intersect," said Chris Gutierrez, president of Kansas City SmartPort, Inc. "Five major railroads serve the metropolitan area, making Kansas City the largest rail hub in the nation in terms of tonnage." Kansas City SmartPort is a non-profit economic development organization which promotes Kansas City as a North American logistics hub.

One of the largest projects going on in the Kansas City metro area is construction of BNSF's intermodal park on the Kansas side of the state line. The 400- to 500-acre facility will be capable of about 500,000 lifts annually. Around the facility is another 600-acre site ready for logistics development, said Gutierrez. One building is already under construction adjacent to the intermodal site.

Kansas City's central location and the availability of its transportation infrastructure is what allows Horizon Lines, a U.S. flag carrier, to provide 15-day transit times between Shanghai and Kansas City, a service it has been providing since 2011.

"Our customers are telling us they want fast and reliable service alternatives, not only port-to-port, but inland to final destinations as well," said Brian Taylor, senior vice president and chief commercial officer for Horizon Lines. "U.S. retailers are maintaining low inventory levels and our express service provides a fast and reliable transit schedule to deliver goods to their shelves in a timely manner."

Horizon Lines is able to offer a cost-effective inland service because of operational synergies with the carrier's domestic U.S. shipping network, Taylor noted. "Long-established intermodal hubs like Kansas City are expediting container freight to the West Coast in the existing Hawaii and Guam services," he said. "These lanes are now open to move export cargo to Ningbo and Shanghai."

Kansas City's status as a cargo hub is boosted by the fact that it has more foreign trade zone space, at 10,000-plus acres, than any other U.S. city. FTZs have typically been located at, or adjacent to, a U.S. port of entry. While Kansas City is near the geographic center of the U.S., it is able to receive maritime containers that move in bond from coastal ports which then enter a local FTZ.

Companies like Blount International, a manufacturer of outdoor products, industrial and power equipment, and lawnmowers, wants to shift some of its manufacturing operations to an FTZ in Kansas City, and is using an expedited process that reduces application times from a year and half to three months, according to Gutierrez. A company study found Blount could reach 82 percent of its customers within two days by regular service from Kansas City.

Using a Kansas City FTZ means that Blount International can cut inbound transit times by two or three days, according to Gutierrez. "Congestion at Los Angeles and Long Beach can hold back cargo," he said. "That includes general inspections and any additional inspections Customs and Border Protection might want to perform. Moving in bond to Kansas City, those clearance steps are performed locally."

The company also receives customs and duty benefits by operating from the FTZ. Parts for log splitters, one piece of equipment it assembles at the FTZ, are subject to 4.7 percent to 6.7 percent in import duties. Once they are assembled into the finished product, the log splitter leaves the facility for domestic distribution at a duty rate of only 2.1 percent.

Blount can defer duty payment by moving its import containers from the ports of Los Angeles and Long Beach under bond and delivering them to the company's FTZ and storing them or performing manufacturing and assembly processes on them within the FTZ. For products that are re-exported, the company avoids U.S. customs duties entirely.

Importing to the Port of Los Angeles and clearing each container adds up to 3,000 to 4,000 entries per year. Moving that same volume of containers in bond to the FTZ in Kansas City allows Blount to take advantage of weekly filings and save substantially on filing charges.

The Kansas City metro area offers a category of real estate, vertical-ready, as opposed to shovel-ready, that can get a warehouse or distribution operation up and running quicker, by as much as three months, according to Gutierrez. There is about 3 million square feet of vertical-ready space available at sites across the Kansas City metro area.

"At a vertical-ready site, the shovel portion of construction has been completed, including the foundation," Gutierrez explained. "Utilities are in place and zoning permits have been granted."

All of this occurs before a company agrees to buy or lease the land. "When a company agrees," said Gutierrez, "they can be ready to build immediately."

(BENEFITS – continued from page 2) speed to port. Import boxes can be delivered to the NS Seven Mile Yard in North Charleston by 6 PM and be available at the inland port the following morning. Export boxes delivered to the inland port by 6 PM will be available at the NS seven Mile Yard the next morning.

"The containers are ground loaded," Newsome emphasizes. "Its overnight rail transfer service mimics the efficiency of



truck transportation and is, therefore, something the trucking community can use to leverage their power."

Two 2,600 foot working tracks at the inland port tie into the NS main line. The inland port also offers an additional 5,200 feet of storage tracks, with room for future expansions.

SCPA is dismantling and relocating rubber-tired gantry cranes (RTGs) to the site for stacking containers.

The opening of the inland port comes at an opportune time for South Carolina. For Fiscal Year (FY) 2013, ending June 30, container traffic at the Port of Charleston was 1.56 million TEUs, up 9 percent from the previous year's 1.38 million TEUs. According to Newsome, that's higher than the port has seen since 2008 before the Great Recession.

FY 2013 figures indicate that exports were up 12 percent; imports up 4 percent.

Newsome expects the volumes to increase and contribute to the inland port project, and reveals that he has been impressed at the level of interest in this project from both current and prospective customers of the port.

"The level of interest in the inland port project already has exceeded my expectations," Newsome exclaims. "We fully believe a distribution and logistics hub will develop around the site, to include e-commerce with close access to GSP airport. As the Southeast continues to lead the nation in exporting and as e-commerce distribution grows, the inland port will be positioned to speed the flow of commerce and serve as a catalyst for investment in the surrounding area."

GEORGIA CONNECTIONS

The Georgia Ports Authority (GPA) is moving forward in benefiting from the inland port in Cordele, GA. In July,

Georgia Governor Nathan Deal signed a Memorandum of Understanding (MOU) between Cordele Intermodal Services (CIS), the Georgia Ports Authority (GPA) and the state of Georgia. This agreement ensures a direct 200-mile rail route between Cordele and the GPA's Garden City Terminal in Savannah.

CIS is a privately owned and operated rail ramp located in Cordele, GA. CIS provides direct rail access exclusively to GPA in Savannah. CIS provides cost savings, traffic mitigation, reductions in CO2 output, and additional operational service offerings to benefit shippers, trucking companies, and steamship lines.

Company officials describe the Cordele Inland Port as beings situated within a market that includes the Southwest quadrant of Georgia, the southern half of Alabama, and the Florida Panhandle. The CIS facility is located on 40 acres, with an option to expand up to 1,200 acres in the Crisp County Industrial Park. It is one mile from I-75, a major north-south logistics corridor that passes through Atlanta, and Georgia Highway 300 and Georgia Highway 280. This allows direct container rail service to and from the ports of Brunswick and Savannah.

Overnight rail service is provided between the Cordele Inland Port and the Port of Savannah by two short line railroads, the Heart of Georgia Railroad and Georgia Central Railroad. Once in Savannah, final rail movements are handled by CSX.

GPA Executive Director Curtis Foltz emphasizes that the new partnership will provide GPA customers direct access to 38 weekly shipping services, connecting the region to vibrant global export markets. "Additionally, the MOU helps steer a course to better serving the four million

(BENEFITS – continued on page 5)

(BENEFITS – continued from page 4)

residents in this region," he says.



GPA Executive Director Curtis Foltz

The agreement with CIS also greatly expedites the movement of cargo from this area to the coast. Instead of trucks having to make the roundtrip from Cordele to Savannah or Brunswick, drivers can now drop their cargo at the inland port, allowing shorter hauls and more frequent turns.

The Cordele Inland Port, which is 160 miles to the west of the Port of Savannah, has been operational since October 2011. Modeled after the Virginia Inland Port (VIP), containers arrive at the Cordele Inland Port by truck, are loaded onto trains and shipped to the Port of Savannah where they are loaded onto ships for export. Imported freight is transferred directly from the ship to rail at the Port of Savannah and taken to the inland port facility for distribution by truck.

Unlike VIP, the Cordele Inland Port is not owned by GPA or the state of Georgia.

The goal of the inland port to facilitate the movement of cargo from an area as far as 350 miles to the south, west and northwest of Cordele via the Port of Savannah rather than use other nearby ports along the Gulf of Mexico such as Mobile and Gulfport. The inland port is also intended to increase the capacity of the Port of Savannah and reduce the cost of transporting goods between the Port of Savannah and points west, thereby making the seaport a better option for customers in that region by lowering costs to take advantage of the port's broader menu of shipping lines, services and destinations.

PORT CANAVERAL INLAND PORT

Port Canaveral is pursuing the development of an inland port near the north end of Brevard County, FL, in conjunction with the commencement of the widening and deepening of the Florida port's three and onehalf-mile channel.

"An inland port will create a commerce hub and expand opportunities for business creation, retention and attraction in North Brevard,' says Canaveral Port Authority Commission Vice Chairman Jerry Allender. "In addition, it will help us offer a complete multi-modal transportation system with sea, land, air, and space links."

Port authority officials envision dedicated barges carrying cargo from Port Canaveral to inland transfer points and connecting to Florida East Coast Railway. The project would also

involve reactivation of a rail spur in Port St. John, located just south of the city of Titusville, FL.

The port is planning for the potential for containerized cargo moving via the domestic marine highway or international feeder service from other ports to Central Florida distribution hubs and consumer markets.

"The hub will create a direct route for the flow of goods from the port through Titusville and onto destinations in Florida and throughout the southeastern United States," says Laura Canady, Titusville's economic development director.

Port Canaveral is planning for the potential of containerized cargo via the domestic marine highway or international feeder service from other ports to Central Florida distribution hubs and consumer markets. Development of an inland port could serve these goals while furthering the Port's market reach to the Southeast and Midwest. Port Canaveral is building two new deepwater cargo berths

offering 1,872 feet of new space and has purchased two shipto-shore post-Panamax harbor cranes. Currently, 60 acres of land is available for container and cargo terminal development.

VIRGINIA INLAND PORT

VIP, owned and operated by the Virginia Ports Authority, is one of the first inland ports to be designed specifically to remove pressure from a marine port. VIP opened in 1989.

While volumes were hurt by the economic downturn that began in late 2007 (that year VIP handled its peak volume, 35,366 TEUS), volumes have been increasing. In 2011, VIP handled 34,105 TEUs; in 2012, it handled 34,306 TEUs.

Located in Front Royal just west of Washington, D.C. VIP is 220 miles inland, meaning it effectively brings the benefits of The Port of Virginia that much closer to key markets in Pennsylvania, Northern Virginia, West

(BENEFITS – continued on page 17)

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The Port of Stockton celebrates its 80th anniversary by introducing its new all-water barge container service between Stockton and Oakland: "M-580 Marine Highway"



INTERMODALISM 2018

Four new super-post-Panamax cranes make the waterborne journey to PortMiami from China.

Four new cranes to help PortMiami ready for Panama Canal expansion

By Paul Scott Albott, AJOT

While their combined \$37.8 million cost doesn't make PortMiami's four soon-to-arrive super-post-Panamax cranes the South Florida port's most pricey current infrastructure investment, the huge ship-to-shore gantries are a critical element as the containerport continues its "Countdown to the Panama Canal 2015."

The newest cranes, set to arrive in early October to join two similar super-post-Panamax gantries plus seven post-Panamax quay cranes, will be the biggest and fastest in Florida, according to port officials.

When combined with a 50-foot-deep channel, a direct tunnel link to the Interstate highway network and reintroduction of on-port rail

capability – all projects slated to be ready by 2015 completion of the Panama Canal expansion – the

newest cranes should help uniquely position PortMiami to realize quantum growth in containerized cargo activity.

Juan M. Kuryla, PortMiami's director designee, said the crane-carrying vessel bringing the new units from China encountered a stretch of rough weather coming around the southern tip of Africa, delaying its anticipated Miami arrival from September until early October – but that's still many months, if not

a couple of years, ahead of when the \$5.3 billion program to expand Panama Canal locks will be (READY – continued on page 10)

Intermodal on a roll

By Karen E. Thuermer, AJOT

Not long ago the argument against intermodal transport focused on slow and unreliable service. Today that has dramatically changed. Not only does intermodal transportation allow shippers to combine the long-haul efficiencies of rail with the flexibility of short-haul trucks to achieve cost-effective, efficient and reliable freight transport.

As a result, today nearly 25 million containers and trailers are being moved by intermodal transportation, including shipments of electronics, mail, food, paper products, clothes, appliances, textiles and auto parts. In fact, intermodal is growing faster than any other mode of transportation. The Association of American Railroads (AAR) reported intermodal setting a new record in August with traf-

fic totaling 1,031,179 containers and trailers, up 4.4 percent (43,398 units) compared with August 2012. The weekly average of 257,795 units in August 2013 was the highest weekly average for any month in history.

CSX & National Gateway

Melanie Cost, CSX spokesperson, describes CSX's investments in intermodal as investments in partnerships with trucking companies, beneficial cargo owners, third-party logistics firms and other business partners. In fact, intermodal shipments now represent 38 percent of CSX's portfolio by volume.

Over the past five years, CSX has invested more than \$500 million to expand and (ROLL – continued on page 12)



The National Gateway coalition has completed its first phase, which clears the way for double-stack intermodal rail service between CSX's existing terminal in Chambersburg, Pa. and its state-of-the-art hub facility in Northwest Ohio.





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New container examination facilities : TIGER V moves at Port of Vancouver

New container examination facilities at Port of Vancouver strive to the region "Gateway of Choice" for North American-Asian trade.

By Leo Quigley, ANOT

The Canadian Government has announced construction of two new state-of-the-art container examination facilities at Port Metro Vancouver that will be aimed at making Canada the "gateway of choice" for North America-Asia trade.

The investment of Cdn\$49.9million in the two new marine container examination facilities will be necessary to meet the anticipated growth in container volume through Vancouver the announcement said and is part of combined investments by Ottawa and the port of nearly \$106-million that is part of the Government of Canada's commitment to the 'Beyond the Border Action Plan', entered into by Prime Minister Harper and President Obama in 2011.

The new facilities will handle work that is now being carried out by a single, smaller facility located a considerable distance from the port's four container terminals.

In addition to speeding up container traffic through the terminals and reducing truck emissions, the new security facilities will provide jobs to Tsawwassen First Nations workers at the Deltaport inspection facility. The facility fits into the Tsawwassen First Nation industrial lands strategy that was developed shortly after the Tsawwassen band became a Treaty First Nation.

The land use plan designated 135-hectares for industrial development with proximity to four railroads and major highways making it a prime location for industrial and commercial activities, mostly associated with Deltaport, including goods handling, light manufacturing, warehousing and distribution. In addition to providing land for the development of the Deltaport logistics centre the band has also launched construction of a major shopping mall and housing development on nearby land and the provision of a Tsawwassen Gateway Skills Centre to provide training for native people interested in the transportation industry and careers in transportation logistics and inventory management.

In jointly announcing the plan to build the two new inspection facilities Robin Silvester, President and CEO of Port Metro Vancouver said: "These projects are a great example of what collaboration can accomplish. Together, the Government of Canada, Tsawwassen First Nation and Port Metro Vancouver are working to strengthen the security and efficiency of our gateway, while improving the environment and quality of life in our communities." "Once opera-tional, the facility will reduce travel time and related emissions by a factor of 10 and since the facility is located on TFN lands, it is anticipated that there will be both construction and full-time employment opportunities available to TFN members."

The container inspection facilities announcement did not specify what improvements

will be made to Canada Border Services container inspections. However, a security audit, com-

pleted in December 2012 made (FACILITIES – continued on *page 14)*



(L to R) Minister Fast, Robin Silvester - President & CEO of Port Metro Vancouver, Minister Findlay

25 freight projects forward

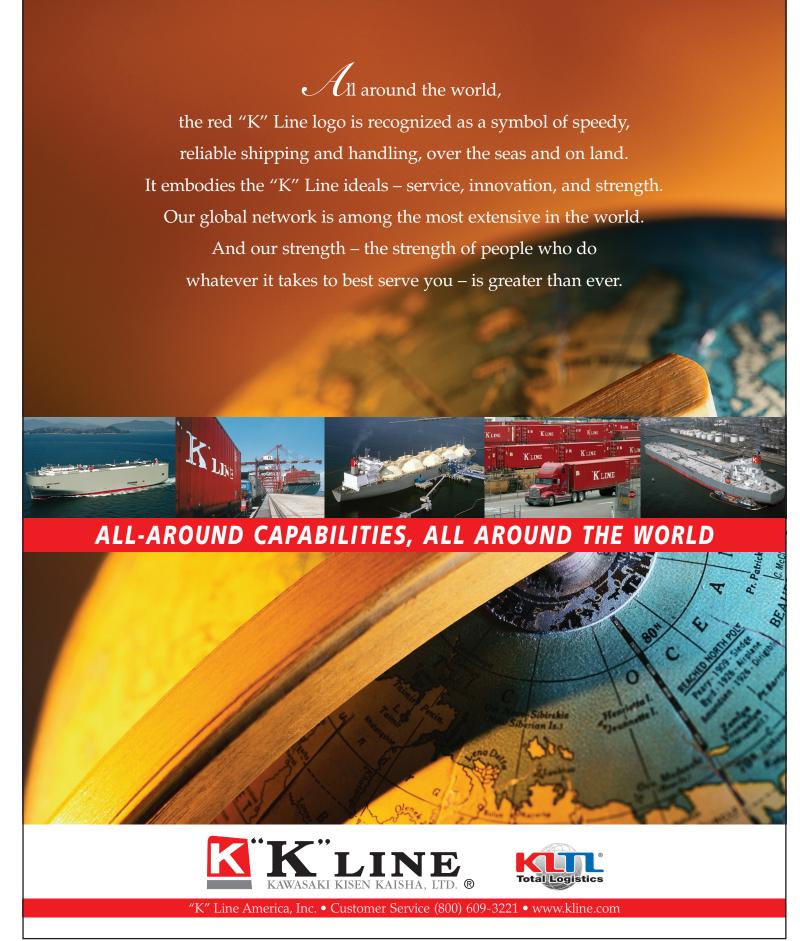
The US Department of Transportation (USDOT) has announced the 52 projects that will receive funding from the fifth round of Transportation Investment Generating Economic Recovery (TIGER) grants, dubbed TIGER V. Of those 52 projects, 25 are devoted to freight or have a strong freight component accounting for over \$205 million, or 43 percent, of the total \$474 million announced through the grant program.

"I applaud USDOT for once again selecting an impressive number of freight-related projects in this round of the TIGER grant program," said Sharon Neely, Coalition for America's Gateways and Trade Corridors (CAGTC) Chairman and Chief Deputy Executive Director of Southern California Association of Governments. "Our nation's global economic competitiveness is reliant upon the ability of U.S. businesses to move goods into, out of, and within the United States. Programs that provide money for freight projects, such as the TIGER program, are a smart investment by the Federal government and one that will benefit our country for years to come."

Several projects sponsored by CAGTC member organizations received funding through the program, including:

- Maryland Port Administration's Port of Baltimore Enhancements
- Florida Department of Transportation's (FDOT) Florida Freight & Passenger Rail Enhancement
- Mississippi Department of Transportation's Mississippi River Bridge Rehabilitation
- San Diego Association of Governments' Pacific Surfliner Coastal Railway Bridges

FDOT's Florida Freight & (PROJECTS – continued on page 19)



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The future is calling.



(READY – continued from page 6) completed.

And, while the combined \$37.8 million price tag for the four cranes may seem lofty, it is reasonable by industry standards.

"I think we negotiated a very, very good deal for the port, considering what had been sold around that time and the capacity of the cranes," Kuryla told the American Journal of Transportation in a Sept. 11 interview. "I think these are going to be the largest cranes in the state of Florida, for sure, and perhaps in the South Atlantic."



Juan M. Kuryla – PortMiami's **Director Designee**

The specs are impressive: • Capacity to reach 23 containers across;

- Ability to work nine containers above deck and 11 containers under deck;
- 65-ton lifting capacity, 100 tons under hook; and
- All-electric operation, consistent with the port's sustainability commitment.

The cranes were built in Shanghai by Shanghai Zhenhua Heavy Industries Co. Ltd., or Zhenhua Port Machinery Co., often referred to in short as ZPMC, the same company from which Miami's seaport received its first extra-large cranes two decades ago.

"These are the big boys," Kuryla said, noting that the total ship-to-shore gantry contingent at PortMiami will grow to 13, a number he doesn't find unlucky in the least.

"I think 13 is a great number," he said. "It's better than 12, which is better than 11. And, eventually, long-term, we're looking at adding more of these types of cranes as we see the business growing."

Kuryla is confident that the cranes and other big projects at PortMiami add up to a recipe for successful business growth, not just in Miami's traditional strength along north-south routes in the Americas but, moreover, on east-west itineraries.

"When you look at major ports in the world, what do they have in common?" he asked rhetorically, responding, "They have deep water, and we'll have that with the 50 feet. They have great access, and we'll have that with the tunnel. They have ondock rail capabilities, and we'll have that with the FEC [Florida East Coast Railway] on-dock rail project. And they also have the ability to load and unload vessels efficiently and timely, and these cranes will provide that."

Kuryla noted that there are containerships currently calling Miami that can only be worked most efficiently with the use of multiple super-post-Panamaxtype cranes.

An example would be the vessels in Maersk Line's Transpacific 7, or TP7, service, which transits the Suez Canal from China with vessels ranging in capacity from 5,700 twenty-footequivalent units to 8,700 TEUs.

Since Miami was added to the TP7 rotation in late May, such ships have been being worked at PortMiami with the two existing super-post-Panamax cranes plus an additional regular post-Panamax unit, but the present operation is not at the full efficiency level expected after the newest cranes are in place.

"Once these cranes are here, and once the dredge [deeper channel] is here, the limiting factors as they relate to draft and crane availability will no longer be in existence, and that's the advantage that Miami will have over the rest of the ports on the East Coast all the way up to Virginia, which does have 50 feet already," Kuryla said.

The PortMiami Tunnel proj-



The first ZPMC cranes delivered to Miami's seaport were placed into service 20 years ago.

ect, with its construction cost of \$607 million, is on budget and is on schedule for opening in May 2014, Kuryla said. The project is crucial because Miami-Dade County's port is on an island, and trucks going in and out of it historically have had to transit

via a bridge and deal with congested downtown Miami streets that separate the port from Interstate highways.

Meanwhile, the PortMiami Deep Dredge project is moving forward as well, at a cost of between \$180 million and \$220 million. Winning-bid contractor Great Lakes Dock & Dredge Co. is slated to have its first dredging unit on the water in October or November, according to Kuryla, with completion by summer or

(READY – continued on *page 19)*

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(ROLL – continued from page 6) enhance its intermodal network. This year CSX affiliate CSX Intermodal Terminals, Inc. completed expansions of the Worcester, MA and Columbus, Ohio facilities. Expansions are under way in Atlanta, GA and Louisville, KY.

CSX Intermodal Terminals also is developing new facilities, including the Valleyfield Terminal in Montreal.

"The Valleyfield facility will offer shippers unique access to key Canadian distribution and consumption markets," Cost says. Terminal development projects feature cutting-edge technologies to improve operational efficiencies and environmentally-friendly design elements that help lower emissions.

"The anticipated intermodal market opportunity in the East represents 9 million loads that could efficiently shift from truck to rail," she adds.

To capitalize on that opportunity, CSX is investing in its highway-to-rail (H2R) conversion initiative, working closely with business partners and channel partners, including trucking companies, to market the compelling value of intermodal to customers who could benefit from the switch.

"CSX offers a complimentary H2R freight analysis for customers and channel partners utilizing the company's propriety H2R Optimizer," she reports. "Of the truck freight analyzed using the H2R Optimizer, CSX has found that 14 percent is sub-optimized based on modal selection."

Significant infrastructure development is needed and underway at East Coast and Gulf ports, and efficient rail connectivity will be a key factor to meeting increased demand. Consequently, CSX is working with ports up and down the East Coast and in the Gulf as they expand and improve their infrastructure in advance of the expansion of the Panama Canal. These efforts include port dredging, investing in on-dock terminals and ensuring efficient connectivity to key points within the state and along the coast.

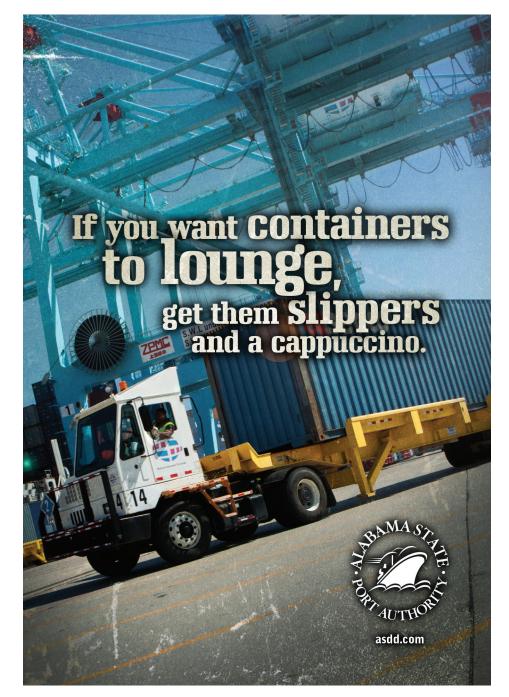
"To connect with those facilities, CSX is building the intermodal network of the future," Cost says. "CSX's network strategy enables overall intermodal growth and drives highway-to-rail conversions. CSX intermodal network is designed to provide shippers a strong, reliable service product in lanes between major markets through key corridors. Shippers can experience increased flexibility and reliability, access to mid-tier markets, and truck-like network connectivity as a result of CSX's unique huband-spoke approach."

CSX has made significant investments in serving new and expanded terminals, as well as the \$850 million National Gateway, a public-private partnership to double-stack clear several key CSX freight rail corridors between Mid-Atlantic ports and consumption centers and the Midwest.

"The National Gateway provides more than \$10 billion in public benefits in the route's first 30 years of operations," Cost says. "That's \$36 in public benefits for every \$1 of public money invested and will create more than 50,000 jobs."

The National Gateway recently announced completion of the clearances in Phase One of the project, between existing terminals in Chambersburg, PA and a state-of-the-art hub facility in Northwest Ohio. The \$175 million Northwest Ohio Terminal opened in February 2011. The facility employs nearly 300 full-time employees and spans 500 acres in southern Wood County, Ohio.

The terminal handles more than 30 trains per day and handles hundreds of thousands of containers per year containing anything that can be bought at your local retailer - from household electronic equipment to clothing and other consumer products. The terminal features state-ofthe-art ultra-efficient cranes that reduce



energy consumption, improve efficiency and significantly reduce emissions.

NS CORRIDORS

The inauguration of Norfolk Southern's Domestic Intermodal service in early 2013 represents the largest expansion of the NS Intermodal service in over a decade. This expansion includes new terminals in Birmingham, AL and Greencastle, PA, a major component of the railroad's \$2.5 billion Crescent Corridor project.

Consequently, the Crescent Corridor now offers service in over 30 new intermodal lanes between the Northeast and Southeast, as well as interline services with Union Pacific (Los Angeles) and Kansas City Southern Railway (Dallas and Mexico). The goal of the Corridor is to remove several hundreds of thousands of truckloads from the interstate highways by facilitating 28 trains daily.

Located off I-81 between Chambersburg, PA and Hagerstown, MD, Greencastle offers fast service to and from Birmingham and Rossville, plus Dallas and Mexico with KCS. The 200-acre, \$97 million Franklin County Regional Intermodal Facility in the south central portion of the Keystone State connects central Pennsylvania, western Maryland, and northern Virginia to domestic and world markets.

The Birmingham Intermodal Facility at McCalla, AL, provides additional terminal capacity, improved highway access, and more efficient train services to the Birmingham region. NS offers the only intermodal service for Domestic containers and trailers at Birmingham, with service to and from the Northeast, plus Dallas and Mexico with KCS.

"We are about to complete Phase One of the Crescent Corridor project, which consists primarily of new intermodal yards at strategic points in our intermodal network, with new facilities near Memphis, TN; Birmingham, AL; Hagerstown, MD, and Charlotte, NC," reports Robin C. Chapman, NS spokesperson. "All, but Charlotte, are now in operation, and Charlotte will come on line by the end of 2013."

According to Chapman, these facilities improve the railroad's capacity to handle larger volumes of intermodal freight in a corridor that is currently underserved by rail and thus offers significant growth potential in this market.

"While the Crescent Corridor's primary focus is domestic freight, the capacity expansion and improved flow of freight through our network benefits the ports we serve to the extent that the ocean carriers need efficient rail access to inland destinations," Chapman explains.

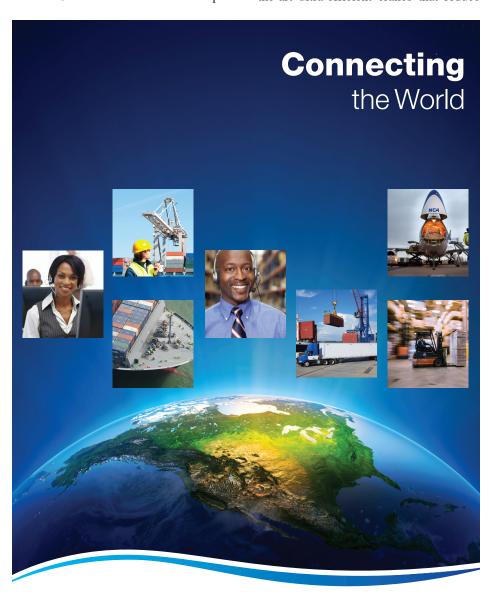
In addition to the Crescent Corridor, NS completed its Heartland Corridor project in 2010. The Heartland Corridor was a \$190 million public-private partnership among Norfolk Southern, the Federal Highway Administration, and three US states to improve railroad freight operations.

"The Heartland Corridor was specifically developed for international intermodal traffic," Chapman explains. "This involved the raising of vertical clearances in 28 tunnels and 24 overhead obstructions through Virginia, West Virginia and Ohio to allow the passage of double-stack container trains on a high-capacity route between the Port of Virginia and the Midwest, shortening previous transit times by more than 200 miles and one day, and offering ocean carriers faster, more efficient access to the American heartland."

Approximately 5.7 miles of tunnels were modified. Today the new, shorter routing reduces travel times from the Norfolk ports to Chicago by one to three days total.

An important element of the Corridor was the development of inland terminals for Norfolk Southern, such as Rickenbacker terminal in Ohio. Particularly key, the Heartland Corridor helped to demonstrate that the inland port concept is no longer seen as a retrofit strategy for overburdened corridors, but can be an integral part of the corridor planning process from the start.

(ROLL – continued on page 15)



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RoadOne places the focus on S3

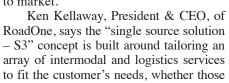
RoadOne's strategy is to be a new kind of trucking company - a full service logistics business built around the S3 concept: 'Single Source Solution.'

Ken Kellaway - President & CEO,

RoadOne

Launched January 2013 by Bostonarea industry veterans Ken Kellaway and David McLaughlin, RoadOne Inter-

modaLogistics is one of a new breed of fullservice trucking companies that is dedicated to offering customers integrated, high-value transportation and logistics services. With a suite of comprehensive services and key e-commerce connections, RoadOne offers customized solutions that deliver supply chain improvements that address today's economic challenges, such as greater efficiencies, better inventory management, and speed to market.



delivery for optimal supply chain performance." Other national RoadOne clients using their single source services include:

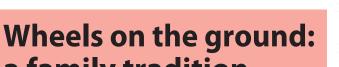
> Hapag Lloyd, Staples, BJ's Wholesale, Ikea, and Union Pacific Rail-

The Randolph, MAbased logistics provider has been built from the "road up" to be a fullservice intermodal company whose services include everything from container drayage, dedicated trucking, transloading to warehouse management for a diversified client base that includes: ocean carriers, railroads, third party logistics providers, and

BCOs (beneficial cargo owners).

RoadOne IntermodaLogistics, with over 1,000-trucks, 40-container terminal locations, and 60-million sq/ft of warehouse capacity spread across 100-warehouse locations in North America, is

positioned to offer customers flexible, scalable end-to-end freight handling solutions throughout the U.S.



logistics business. In 1935, Arthur Kellaway, his grandfather, started Kellaway Warehouse Corporation just outside of Boston. He was joined by his son, Ken Sr. who expanded the business throughout the 1960s and 70s. In 1987, Ken Kellaway, Jr. entered the business and expanded their trucking, distribution, and related intermodal service portfolio under the Kellaway Group name. This effort of linking warehousing and trucking services soon made Kellaway the

the international container transportation segment of the market. Their success soon made the Kellaway Group the

David are graduates of the highly respected Babson College.

ally became one of the founding companies of RoadLink, where Kellaway and McLaughlin served on the leadership team for over twelve years.

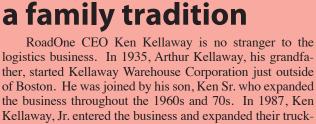
With the launch of RoadOne, Kellaway and McLaughlin Sr. are back in Boston where it all began and are adding a new generation to their ranks. They're joined by their sons, Kendall Kellaway and David McLaughlin Jr., who are also graduates of Babson.

needs are regional truckload or international and domestic intermodal services ranging throughout North America. For example, "Hannaford Supermarkets, a Northeast grocery chain with nearly 200-

stores, has signed with us to handle their warehouse operations and local delivery to all retail locations. This provides them with greater visibility to their inbound product shipments resulting in better inventory management and customer satisfaction at the store level," Kellaway remarked.

RoadOne has also inked an exclusive agreement with Disney Stores to provide import container deliveries from port and rail ramp loca-

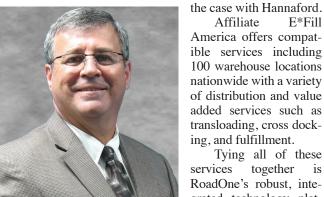
tions throughout the U.S. As Kellaway noted, "Disney signed with us due to our extensive national network and ability to provide fast cycle times and on-time



house carrier for many major companies in the Northeast. By developing strong links with steamship lines, Kellaway refined the Group's strategy and concentrated on

largest privately held intermodal provider in the Northeast. In 1993, David McLaughlin joined Kellaway as President of Kellaway Intermodal & Distribution Systems. He and Ken Kellaway are still partners today. Both Ken and

Kellaway Intermodal & Distribution Systems eventu-



David McLaughlin Sr. - COO, RoadOne IntermodaLogistics

ROADONE SUITE OF SERVICES

At the core of RoadOne's North American service portfolio is intermodal trucking. The company provides domestic and international container drayage services at all major rail ramps and interchanges, and ports. RoadOne addresses the fluctuating chassis market by offering global shippers customized chassis programs that meet their specific needs.

Secure, customs bonded container terminal services and domestic trailer pool management including the critical and often overlooked M&R (maintenance repair) is available nationwide.

RoadOne's truckload services from regional, common and contract, dedicated fleet programs, and retail delivery. These services are customized to meet the customer's unique needs, as was

> Affiliate E*Fill America offers compatible services including 100 warehouse locations nationwide with a variety of distribution and value added services such as transloading, cross dock-

> Tying all of these services together is RoadOne's robust, integrated technology platform, Tru-Vision, which provides end-to-end supply chain visibility with event and exception

management. Web-based or via EDI connection, users access the system to manage freight in transit, as well as pay invoices (FOCUS – continued on page 16)



(FACILITIES – continued from page 8) several recommendations for improvements that should be made in port security: Review and improve the effectiveness of the TITAN (the risk scoring methodology for marine container targeting) implement a cost-effective, statistically sound electronic system which receives electronic advance commercial information and scores it for risk. The audit said: "Companies wishing to import containerized marine cargo into Canada must electronically submit Advance Commercial Information (ACI) about the shipment to the Agency, as required by the Customs Act and the Reporting of Imported Goods Regulations. This information is first submitted in the Accelerated Commercial Release Operations Support System (ACROSS) and then fed into the Agency's TITAN electronic risk assessment system. ACROSS is the mainframe system used for receiving and processing data from trade chain clients. TITAN, introduced in 2004, allows targeters to view transmitted data prior to arrival in order to make decisions on whether to further examine containers destined for Canada. TITAN calculates a risk score for each container from zero to 100 and the scores are used for assisting targeting officers in making referrals".

They [the targeters] monitor to ensure examination results are accurately and consistently recorded in TITAN; clarify and communicate how the penalty regime is applied; review and improve security marine container handling and storage; strengthen controls (sensitive information not included); and confirm and monitor the timetable to demonstrate the benefits realization of the Bay Plan Initiative.

Management response to the audit was favourable saying: "The Programs Branch agrees with the recommendations provided by this audit. We recognize that there are areas for improvement, which will further enhance the safeguarding of Canadians and the movement of cargo through Canada's marine ports. To strengthen border controls at marine ports of entry, the Programs Branch will improve the risk scoring methodology for marine container targeting, and develop monitoring controls to ensure that examination results are accurately and consistently recorded in TITAN. In addition, mandatory reporting requirements under the Bay Plan Initiative TITAN will enable the Agency to verify the declaration of marine containers on a vessel against advance information submitted to the Agency. The Programs Branch will monitor compliance.

The new inspection facilities will serve two purposes: First, they will ease American concerns about security. Secondly, they will ready Canada's largest port for the continued expansion of China and other emerging Asia-Pacific countries.

Ottawa is committing \$46.6-million to provide Canada Border Services Agency personnel to staff the two facilities and will also cover the costs to equip them with detection technology, including two Large Scale Imaging (LSI) detection technology devices.

The Honorable Ed Fast, Minister of International Trade said in a statement: "These new devices will be used to more effectively mitigate and identify containers requiring full inspections (i.e. de-stuffing).

"Furthermore, other new technology such as pallet LSI and other smaller detection tools will also be purchased to help in the inspections of goods being de-stuffed."

Ottawa pledged another \$3.3-million to assist in the construction of the Roberts Bank facility with Port Metro Vancouver covering the bulk of the construction costs.

(ROLL – continued from page 12)

The most important element to making all elements of the intermodal transport component work, however, is the working relationship between all providers in the transportation chain. Today Norfolk Southern partners with truckload companies for long-distance, intercity movement of containers and trailers.

"This combines the speed and convenience of door-to-door pick-up and delivery of trucking with the economic and environmental advantages of rail," Chapman says. "The advantage to shippers is the speed and convenience of trucking for pick-up and delivery combined with the economic and environmental advantages of rail. By contracting with a motor carrier that partners with a railroad, shippers get one-stop shopping, with door-to-door shipment on one invoice."

To gain further efficiencies, in January NS began rolling out its R3 initiative (the right lane, right car and right unit) to optimize the movements of trailers, and international and domestic containers and to ensure that trains departing an intermodal terminal are headed to the correct destinations, moving freight loaded on the most optimal rail cars and transporting the proper containers or trailers to enhance capacity and increase asset utilization. The initiative establishes a standard process - tailored to a terminal's size and layout - for loading and building outbound intermodal trains.

BNSF INTERMODAL IMPROVEMENTS

BNSF Railway collaborates with its partners to find the optimal solution in supply chain needs.

"For domestic shipments that means finding the right combination of truck and rail," says Katie Farmer, BNSF group vice president, Consumer Products. "We continually work together with our trucking partners to ensure the most efficient and cost-effective solutions."

Its efforts have paid off. Last year BNSF had 110 different shippers analyze its Over the Road flows and look for conversion opportunities by using BNSF's Intermodal Advisor tool.

"We looked at five million moves and determined that one million of them fit our existing intermodal network," Farmer says. Of those one million loads, 400,000 or 40 percent of them would generate on average savings of 10-15 percent."

As a result, to date, BNSF has converted over 110,000 of those shipments to intermodal.

In addition, BNSF's Load and Ride Solutions (LARS) team works to help customers find cost-effective methods for safe loading and lading securement to ensure shipments move damage free.

"BNSF has processes in place to help our customers with their loading and shipment safety needs," she says. "We monitor all shipments during train and yard handling to promote safe and incident-free movement."

Meanwhile, BNSF has been on a roll to improve and expand its intermodal capabilities. To date, BNSF has 30 intermodal facilities nationwide with over 12 million in container/trailer lift capacity.

"We have the highest capacity intermodal routes in the world with more double and triple tracked corridors than any other railway," Farmer states. "We have over 25 million TEU combined capacity between our Southern California and Pacific Northwest ports."

By combining the major corridors of the great northern, the I-80, the Transcon and the midcontinent corridor and the right combination of interline service and truck, BNSF executives contend that the railroad can offer the flexibility of reaching the widest range of U.S. markets.

Each year BNSF has been investing significantly in capital commitments to enhance and improve its network. Since 2000, BNSF has invested more than \$42 billion in infrastruc-

ture, equipment and technology, including a record \$4.3 billion in 2013.

Going forward, BNSF's expansion and efficiency projects will be primarily focused on capacity expansion, including intermodal terminal expansion, such as the completion of BNSF's Kansas City Intermodal Facility, and other terminal improvements to enhance productivity and velocity while providing the most environmental preferred form of land transportation.

Those projects include employing fuel-efficient fleets of road locomotives, which gives BNSF trains the capability of moving one ton of freight, on average, almost 500 miles on a single gallon of diesel fuel.

"Multiply that by the equivalent of 280 trucks on a large doublestack intermodal train and (*ROLL* – continued on page 16)

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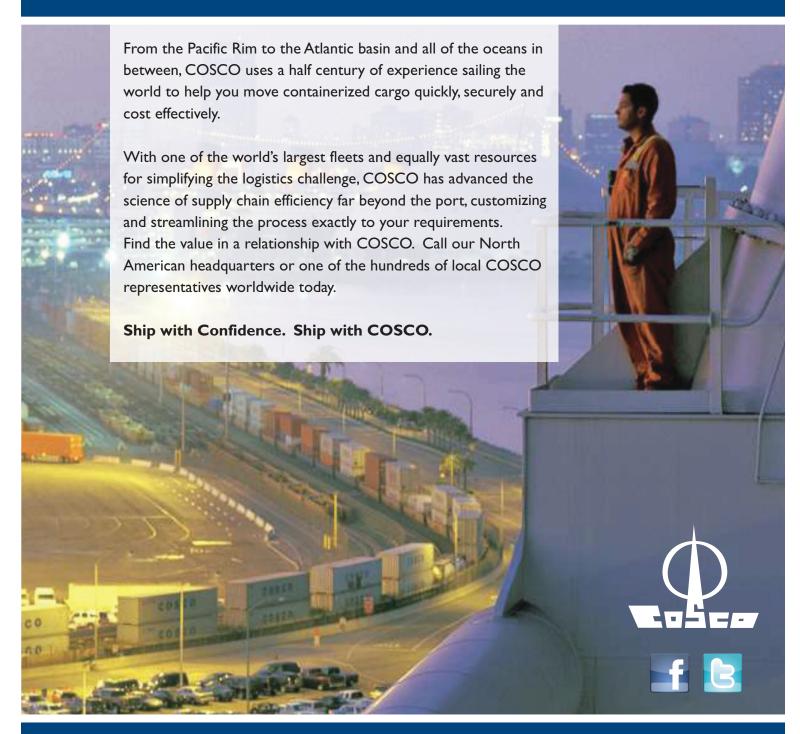
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(COMPROMISE – continued from page 1)

might be reached if all sides are willing to show "leadership" on the issue. He said that "allowing SCIG to take the law suit route could delay it for years and undermine the good things the project has to offer. In the last couple of months, the dust has had a chance to settle and this has allowed tempers to cool here so that there could be an opportunity for a resolution."

The Long Beach official, who asked not to be identified said, "This is a good project with important impacts to relieving truck congestion using intermodal rail moves, but all parties need to work together: Burlington Northern, Port of Los Angeles, City of Long Beach and Port of Long Beach as well as the residents of West Long Beach."

Lena Kent, director public affairs for BNSF, says BNSF has proposed building a sound proof wall and a barrier with intensive landscaping to separate SCIG and West Long Beach, "but neither proposal has won acceptance by the Long Beach community."

The City of Long Beach official told *AJOT* "this is fundamentally a good project that would take trucks off the road and is operationally intended to reduce emissions." He added that perceptions in Long Beach were adversely impacted by a lack of transparency by Los Angeles/BNSF:

- "There was a lack of transparency in the environmental review process that did not provide a full and detailed disclosure of the over-all environmental impact.
- The lack of community involvement with residents and the City of Long Beach created a lack of trust that this project was going to move forward regardless of the impact on Long Beach. There are several schools in the area and the added emissions are a concern to Long Beach residents."

From the Long Beach side, there are complaints that Los Angeles is implacable and attempting to force project approval over Long Beach objections. From the pro-SCIG side, concern is expressed that SCIG opponents do not wish to compromise, because environmental organizations see the dispute as a moral battle against any new port development.

A spokesman for the Port of Los Angeles told *AJOT* that the Port could not comment: "The issue is in the hands of the attorneys and we cannot comment further"

MEGA ON-DOCK RAIL

Another aspect of the controversy is the mega-on-thedock-rail projects that could be a game changer, not only for the Ports of Los Angeles and Long Beach but for every major box terminal project in the world. The new on-dock rail projects at both ports may reduce the need for an off-dock rail facility such as SCIG. The new megaon-dock rail terminals being built for the OOCL Mid-Harbor project at Long Beach, the Los Angeles Berth 200/TraPac project as well as the existing APMT terminal at Los Angeles consolidate more containerized rail moves onto container terminals.

Earlier this year, a Port of Long Beach spokesman told *AJOT* that the OOCL rail yard will have the capacity for 2,000

container lifts per day. This capacity will be supported by 8 x 4,000 foot working tracks plus 4 x 4,000 foot support tracks. The container via rail throughput is projected to be 1 million teus per year. Similar to the controversy over the impact of the rebuilt Panama Canal the question of whether the mega on-the-dock rail renders obsolete terminals like SCIG has both advocates and detractors.

The BNSF contests the notion that on-dock rail will replace off-dock rail: "The Ports have already maximized the size of planned and proposed on-dock railyards and support infrastructure, and additional capacity is needed close to the ports.

Despite the efforts by the Ports to increase on-dock capacity and by the railroads to increase utilization of on-dock rail, on-dock rail isn't an alternative to SCIG."

In a March 7th press release, the Port of Los Angeles stated that the state-of-the-art intermodal rail facility is designed to help meet current and future containerized cargo volumes: "Initially, SCIG is expected to handle approximately 570,800 TEUs (twenty-foot equivalent units or 20-foot containers). By 2035, SCIG is projected to handle a maximum of 2.8 million TEUs."

In March, the Los Angeles Harbor Commission certified the Environmental Impact Report for SCIG. In the March the Port of Los Angeles stated: "The project would reduce truck traffic, freeway congestion and air pollution by eliminating approximately 1.3 million truck trips annually along a 24-mile stretch of the Long Beach (710) Freeway to BNSF's Hobart Yard near downtown Los Angeles."

BNSF noted in a May 8th release: "The \$500 million facility, located within four miles of the San Pedro Bay ports, will shorten the distance trucks loaded with cargo need to travel before transferring the containers to rail, instead of traveling 24 miles up the 710 Freeway." The 710 Freeway is the main link to

(COMPROMISE – continued

on page 20)

(FOCUS – continued from page 14)

and create customized reports.

BUILDING FOR THE FUTURE

RoadOne has ambitious plans for future growth to fill out their 'single source' concept. Along with expanding their dedicated fleet and adding more terminals, they are addressing today's trucking industry challenges by launching a Green Fleet Driver Program. This will assist RoadOne owner - operator drivers with the purchase of newer, more environmentally friendly trucks. The program features an attractive lease to buy program with competitive pricing. Innovative, ongoing programs such as Green Fleet will be used by RoadOne to advance driver recruitment.

Another new development is the establishment of a new agent-based business model with QLS Logistic Services, a RoadOne affiliate. QLS recently acquired US Intermodal, Inc., an intermodal trucking and drayage company, which will serve as the foundation of a new nationwide agent dravage and brokerage business, US IntermodaLogistics. This new agent model will effectively expand RoadOne's North American intermodal service network by broadening the company's reach into new markets, as well as supporting established markets. Currently, US IntermodaLogistics has locations in Chicago, Norfolk and New Jersey.

To support ambitious growth and prosperity, a company needs a strong foundation. At Road-One IntermodaLogistics, Kellaway believes that their strength is based on their philosophy of reliability, tenacity, safety, integrity, and loyalty, which is at the center of their single source vision.

(ROLL – continued from page 15)

it's easy to see why shipping by rail is the most fuel efficient and environmentally preferred form of land transportation," she says.

Other improvements include

.

the use of wide-span electric cranes at BNSF's Memphis Intermodal Facility, and Seattle International Gateway Intermodal Facility. These will also be employed at the Kansas City Intermodal Facility, which is scheduled to open this fall. The electric cranes produce zero emissions on-site and significantly reduce the number of trucks needed to move containers within the rail yard.

"These cranes also generate electricity while they work, which recharges internal batteries and conserves electricity," Farmer reports. "BNSF was the first U.S. railroad to use these systems."

Automated gates are used at nine of BNSF's intermodal facilities. Digital cameras record images of containers, chassis, tractors and unit numbers as they enter those facilities. In addition, drivers are identified using a biometric system. These new gates have increased facility throughput and reduced truck-idling time and air emissions by 50 percent.

BNSF's intermodal facilities factor into more efficient operations at seaports. According to Farmer, BNSF offers comprehensive single and joint services to its international customers through close collaboration with shippers, ocean carriers and its port partners.

"BNSF seamlessly connects imports and exports through its network of high speed corridors and intermodal facilities," she says. "We work with on-dock facilities that load directly to BNSF intermodal trains or dray to a nearby intermodal facility. BNSF offers on-dock or neardock services at Los Angeles, Long Beach, Oakland, Portland, Seattle and Tacoma."

With a strong presence at major West Coast ports, BNSF plays a vital role in international trade. For example, the U.S. West Coast ports handle the greatest number of vessel calls weekly from Asia and BNSF.

BNSF offers its international customers multiple levels of service, based on whether customers want faster transit times or greater cost savings. BNSF's Intermodal On-Dock Expedited

service leads the industry in international intermodal service, with transit times 1 to 2 days less than the standard intermodal service.

"It also allows ocean carriers to move 250 FEUs on a single train, thus receiving faster transit from the pier to a single inland destination," Farmer says. "For example, BNSF can transport customer's containers on the 2,065-mile journey from Ports of LA/Long Beach to Logistics Park Chicago in just 87 hours. We also offer the fastest international intermodal service, BNSF Flagship, serving major inland markets like Chicago, Memphis and the Ohio Valley."

Giving BNSF customers an advantage, the railroad provides customers with direct access to some of the country's biggest and fastest-growing inland markets, including Dallas/Fort Worth, Kansas City, Chicago, Memphis, and Atlanta.

"We are the only railway to offer direct service between the West Coast and Atlanta," she says. BNSF's Transcon route is double-tracked from Los Angeles to Chicago, and triple-tracked in key areas to increase capacity and service options to markets including Memphis, Chicago, Kansas City and Atlanta.

"BNSF works closely with ocean carriers to create innovative solutions to meet shippers' needs," Farmer adds. "Currently, import volumes to the U.S. outpace exports by a nearly 2-to-1 ratio. BNSF's innovative "Match Back" program for international shippers is designed to help our ocean carrier partners address that 2 to 1 imbalance by finding more markets to offset container repositioning costs."

The "Match Back" program loads those containers with commodities like grain, cotton and recycled paper. Recently, BNSF identified increased demand opportunities for high protein products in Southeast Asia and collaborated with an ocean carrier to match the opportunity to their surplus equipment areas and cost reduction goals. The result was five double stack trains with over 200 loads each loaded back west to the ports for export.





VP Biden says US harbors must be deepened

After touring the Port of Savannah, Vice President Joe Biden called for expediting port improvement projects on the U.S. East Coast. U.S. Secretary of Transportation Anthony Fox, Senators Saxby Chambliss and Johnny Isakson, Congressman Jack Kingston, Atlanta Mayor Kasim Reed, and Savannah Mayor Edna Jackson accompanied the vice president on the tour.

"I appreciate the opportunity to show Vice President Biden the Port of Savannah firsthand, and discuss the importance of SHEP to the state of Georgia and our nation," Chambliss said. "Deepening the harbor at the Port of Savannah is in line with the nation's priorities, including our focus on increasing American export capabilities. Georgia is a committed partner in this endeavor, and continued federal support is crucial to achieving this goal. I look forward to the vice president returning to cut the ribbon on a completed project."

Isakson noted the momentum added by the administration's backing of the project.

"I am thrilled by Vice President Biden's visit to the Port of Savannah today to demonstrate the administration's support for the Savannah Harbor Expansion Project," said Isakson. "This project is critically important to the state of Georgia, Southeast region and nation, and it would support hundreds of thousands of jobs each year while generating billions in revenue. It is my hope that today's visit will be a catalyst for completing the final steps in this process, and I will continue to work with the White House, the state of Georgia and Congress to see this project through to its completion.'

Post-Panamax vessels are too large to transit the current Panama Canal. By deepening the Savannah River to 47 feet. the project will enable the port to more efficiently serve the larger vessels expected to call in greater numbers after the canal's 2015 expansion. Lower prices per container slot on Post-Panamax ships will save U.S. companies shipping goods through Savannah 20 to 40 percent on transportation, which translates into lower costs for the export of manufactured goods such as Caterpillars made in Peoria, Ill., and Nissans built in Smyrna, Tenn.

Congressman Kingston said the nation cannot afford to delay the Savannah Harbor deepening.

"We are united in support of this vital project because we know that it is the key to keeping this economic engine humming," said Kingston. "Failure to complete the harbor expansion would spell disaster not just for Georgia but for the region. After 14 years of study, we not only know that it can be completed in an environmentallysound manner but that it will provide enormous economic benefit for our region."

Mayor Reed noted the cross-party coalition of state and federal officials supporting the harbor expansion.

"I appreciate Vice President Joe Biden's support of vital infrastructure projects that create well-paying jobs and lead to sustained job creation," said Mayor Reed. "I am pleased to join Gov. Nathan Deal, Sen. Johnny Isakson, Sen. Saxby Chambliss and Congressman Jack Kingston to continue advocating strongly for the deepening of the Port of Savannah right away, which along with Hartsfield-Jackson Atlanta International Airport, helps fuel Georgia's economic health and allows our region and state to remain globally competitive."

Georgia Governor Nathan Deal, working with the Georgia General Assembly, has allocated

(BENEFITS – continued from page 5)

Virginia, Maryland, Washington, D.C., and eastern Ohio.

Five-day-a-week rail service between the VIP and the marine terminals in Hampton Roads allows direct access to the trade routes of 50 international shipping lines. The facility. which sits on 161 acres, contains 17,820 feet of on-site rail serviced by Norfolk Southern. It is located within one mile of Interstate 66 and within 5 miles of Interstate 81.

The Inland Port terminal has a three-door cross dock facility for transferring cargo, (DEEPENED – continued on : and a maintenance building page 18) • for making roadability repairs. USDA and SGS inspections may be coordinated on-site as needed. Stuffing, stripping, and some cargo consolidation is available on-site.

Pool chassis, reefer gensets and shore power are also available. The facility is a U.S. Customs-designated port of entry, and the full range of customs functions is available to customers.

Operating hours are 8 AM to 5 PM. Twenty-four hour access is available with notification.

Major companies located near VIP include DuPont Front Royal, Family Dollar, Ferguson Enterprises, Home Depot (Import DC), Home Depot (high velocity DC), Mercury Paper, and Red Bull/Ozburn Hssey.



This Year's NECS Highlights Include These Sessions:

Special Reports on:

- Chinese Trade Policies, A Closer Look, including value added tax on Chinese exports
- The Harbor Maintenance Tax Bill introduced by Senators Murray and Cantwell
- Ocean Shipping Alliances, particularly P3 and G6, by top industry experts:
 - Bill Rooney, Vice President Trans-Pacific Seafreight, Kuehne & Nagel
 - Barry Horowitz, Principal, CMS Consulting Services, LLC
- CBP's Vision for the Future, the Trade Transformation Agenda for Importers, and CBP's increasing role in exports
 - Tom Winkowski, Acting Commissioner, U.S. Customs and Border Protection
- · Ramifications of Trucking Hours of Service how will we be affected?
- Adrian Gonzales, President, Adelante SCM, a leading industry thought leader and logistics consultant
- The Changing Landscape at DHS and CBP an insider's valuable view
 - George Weise, Of Counsel, Sandler, Travis & Rosenberg, P.A. Former CBP Commissioner
- Review from Capitol Hill of Current Trade & Transportation Issues
- Peter Friedmann, CONECT Counsel
- ACAS ("ISF for Air Freight") What the new regulations mean for the trade
 - Elizabeth Shaver, Executive Director, Airlines for America (invited)
- A practical look at CBP's agenda for importers, exporters, forwarders and brokers in FY14 by a senior CBP headquarters official (TBA)
- A focus on CBP's Centers of Excellence and Expertise, and what these new resources offer the importer, by a CEE expert (TBA)
- Post-symposium Networking Cocktail Reception with a sunset view of the Charles River

2013 Special Guest Speaker:

Greg Rushford, Editor & Publisher, The Rushford Report, a veteran Washington investigative reporter, focuses on international economic issues and explains the connections between trade, national security and foreign policy.

Registration now open at www.conect.org





The 2013 CONECT Persons of the Year **Awards Luncheon**

will honor Tom Winkowski (left), Acting Commissioner, U.S. Customs and Border Protection, and Geoff Giovanetti (right), Managing Director, Wine & Spirits Shippers Association.

Geoff Giovanetti will offer a brief retrospective of his 30+ years in international shipping.

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CONECT Young Professionals (CYPs) will run an afternoon concurrent session for CYPs with special content and rates. For more info, visit NECS event page at www.conect.org

CONECT Media Partners: THE JOURNAL







Hamburg Süd to announce change in chassis provisioning model at US Southeast ports

Hamburg Süd will implement a revised policy on chassis provision in the Charleston, Jacksonville, Savannah, and Atlanta areas effective October 1, 2013.

Hamburg Süd sources chassis from the South Atlantic Consolidated Chassis Pool for both merchant's haulage as well as carrier conducted intermodal moves. Going forward, in and around the cities of Charleston, Jacksonville, Savannah, and Atlanta, Hamburg Süd has revised its chassis provisioning policy. As of October 1, 2013 the company will no longer

serve as a provider of chassis to shippers for cargo moving under merchant's haulage through the area terminals and depots. Shippers, their agents or consignees, can procure equipment either directly from TRAC Intermodal or from various other chassis vendors. Carrier provided intermodal moves will be unaffected by this

For merchant's haulage, the contacts is as follows: TRAC Intermodal: Phone: (877) 987-2226; Email: customerservice@ TRACIntermodal.com

G6 Alliance announces Asia-Europe schedule update

As part of its vessel maintenance program and in connection with the National Holiday in China, members of the G6 Alliance have announced two voyages to be canceled in October. The void sailings will be made on the following two services:

- Loop 7 service in week 41 (intended ETD Qingdao October 9)
- EUM service in week 41

(intended ETD Pusan October 7)

The G6 Alliance continues to offer a variety of services between the Far East and Europe covering all major port pairs with weekly sailings and to make service adjustments where necessary. The G6 Alliance members are: APL, Hapag-Lloyd, Hyundai Merchant Marine, Mitsui O.S.K. Lines, Nippon Yusen Kaisha and Orient Overseas Container Line.

(DEEPENED - continued from page 17)

\$231 million toward the project, which now awaits only an update from Congress to the current construction budget of \$652 million.

"We appreciate Georgia's entire Washington delegation, which has unanimously supported the deepening in a letter to the president," Deal said. He noted federal studies showing that for every dollar invested, the nation's economy will reap \$5.50 in net benefits.

GPA Board Chairman Robert Jepson said federal investment is warranted by the Port of Savannah's broad economic impact.

"This port is a regional and national resource, supporting companies headquartered in all 50 states, and with a direct reach extending to 44 percent of the U.S. population," Jepson said.

As Savannah is the East Coast's busiest port for containerized exports, the Savannah Harbor Expansion Project is critical to meeting the goals of the National Export Initiative. Exports make up 62 percent of Savannah's containerized tonnage.

"Falling on the heels of U.S. Army Under Secretary Joseph Westphal's visit to Savannah, Vice President Biden's visit makes it clear that momentum is building for this harbor expansion," said GPA Executive Director Curtis Foltz. "We look forward to starting the project, which the U.S. Army Corps of Engineers has shown will yield some \$213 million a year in transportation savings."



Hamburg Süd NA will implement GRI for US East & Gulf Coasts to Colombia and West Coast of SA

Effective October 15, 2013, a General Rate Increase (GRI) will be implemented on all cargo moving southbound from or via United States East and Gulf Coast ports to the West Coast of South America as follows:

- USD 100.00 per 20' dry, reefer, tanks and special equipment
- USD 200.00 per 40' dry, reefer, tanks and special equipment

A General Rate Increase (GRI) will also be implemented on all cargo moving southbound from or via United States Gulf Coast ports to Colombia as follows:

- USD 100.00 per 20' dry, reefer, tanks and special equipment
- USD 200.00 per 40' dry, reefer, tanks and special equipment

Hamburg Süd North America will implement GRI for Pacific Coast to Mediterranean Service

Effective October 16, 2013, a General Rate Increase (GRI) will be applied to all cargo moving from West Coast ports of the United States and Canada to the Mediterranean.

Tariff rates and service contracts will be increased by the following amounts:

• US\$ 100/20' equipment • US\$ 150/40' equipment

Hamburg Süd North America will implement GRI for Pacific Coast to North Europe Service

Effective October 16, 2013, a General Rate Increase (GRI) will be applied to all cargo moving from West Coast ports of the United States and Canada to North Europe.

Tariff rates and service contracts will be increased by the following amounts:

• US\$100/20' equipment • US\$150/40' equipment



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Construction begins on ACL'S G4 RoRo/container ships

The official steel cutting Shanghai for Atlantic Container Line's five G4 (Generation 4) RORO/Containerships, marking the beginning of actual construction. Since signing a contract with ACL in July 2012 for the construction of these vessels, Hudong Zhonghua Shipbuilding (HZS) has been busy with the detailed design work and tank testing.

ACL's President & CEO, Andrew J. Abbott and Henrik Karle, (Vice President of Marine Operations) participated in the event together with Grimaldi Group's Paolo Satariano (Grimaldi Corporate Technical Director) and Pierluigi Marmo (Grimaldi Group New Buildings Project Manager) at Hudong Zhonghua's new ship construction facility on Chungxing Island near Shanghai.

"We are excited to celebrate this milestone for our first G4 CONRO. After five years of planning this is the first step of the construction." said Andrew J. Abbott.

ACL has appointed Regi tro Italiano Navale (RINA Services S.p.A.) and the American Bureau of Shipping (ABS) to provide statutory classification services for the G4 ship construction which provides periodic survey activities, certification, testing and inspection during the vessel's assembly. ABS will also be the site manager, overseeing construction activities and ensuring quality control on behalf of ACL.

ACL's new G4 vessels will be the first of their type ever built. They will be bigger, faster, greener and more efficient than their predecessors. They will have a container capacity of 3800 TEUs plus 28,900 square meters of RORO space, with a car capacity of 1307 vehicles. Speed will be increased by 10%, yet fuel consumption per TEU will be reduced by 50%. All five vessels will be delivered in 2015.

(**READY** – continued from page 10)

fall of 2015, again in advance of completion of the Panama Canal expansion.

"To me, the dredge is not only a Panama Canal issue, it's a Suez issue, it's a North Europe issue," Kuryla said, noting that vessels drafting as many as 50 feet are expected to be coming across the Atlantic Ocean in increasing numbers from such European container hubs as Rotterdam, Netherlands; Antwerp, Belgium; and the German port cities of Hamburg and Bremerhaven.

"So we'll be ready with the 50 feet and the big cranes, the direct shot to the highway system via the tunnel and the capability to put those boxes on on-dock rail and take them up to the hinterland," Kuryla said.

The first phase of the ondock rail facility is slated to open by late October, with the final phase to be ready by fall 2014. Partners include the FEC, Florida Department of Transportation and the U.S. Department of Transportation. A federal Transportation Investment Generating Economic Recovery, or TIGER, grant awarded in December 2010 is covering \$22.7 million of the rail project's \$49 million cost. Kurvla pointed out that, at the time of its announcement, the TIGER grant was the largest such award ever to a port.

All this progress is being celebrated with such festive formalities as the "Countdown to the Panama Canal 2015" campaign, which kicked off in July with a forum at PortMiami at which U.S. and Panamanian officials exchanged flags before a gathering of more than 150 business and government leaders. Also, in an effort to bolster trade, PortMiami representatives recently met with counterparts from Peru, a West Coast South American nation that lies due south of Miami, beyond the other side of the Panama Canal.

"We're excited," Kuryla said. "We're excited with the [Panama] Canal and these projects, which we think are going to benefit our region and specifically PortMiami, and we are going to be well-positioned to receive the larger vessels that will be transiting the canal."

Helping to finance these projects is the early September issuance of more than \$380 million in bond debt. Some of the derived coin, according to Kuryla, is to be used to refund existing debt, while much is going toward the present projects, including covering the required advancement of money for the U.S. Army Corps of Engineers to bid out the channel work. Some is also going toward additional port improvements, from bulkhead strengthening to cruise terminal enhancements.

"We need this money – we're floating this debt – to expand," Kuryla said. "We like to say that these are for revenue projects, projects that eventually will yield additional revenues to the port as a result of our enhanced capabilities to attract new vessels, both cargo and cruise."

Kuryla pointed out that this is the first time PortMiami, which operates as a department of Miami-Dade County, has gone without seaport revenue bonds since 1996.

"What does that mean?" Kuryla said. "It means that the port is in a financial position that is strong enough to pass the different tests you need to pass in order to put out your own revenue bonds, as the borrowings that we have had since 1996 were county general obligation bonds, not seaport revenue bonds. We're very proud of that."

(**PROJECTS** – continued from

page 8) Dossanga

Passenger Rail Enhancement will be used to improve the linkage of Southern Florida's two major freight rail corridors to improve freight and passenger connectivity in the region, according to USDOT.

"I am excited for the Florida Department of Transportation to receive this TIGER grant which will help complete the funding for the South Florida Freight & Passenger Rail Enhancement project," said FDOT Secretary Ananth Prasad. "I appreciate our partners at CSXT, Florida East Coast Railway (FEC) and the South Florida Regional Transportation Authority (SFRTA) stepping up to the plate to make this infrastructure enhancement a reality. The grant gives us the opportunity to leverage the dollars to complete this project that will improve connection points for South Florida's two major freight rail connectors and accommodate a significant increase in freight with the expansion of the Panama Canal."

Commenting on his enthusiasm for FDOT's TIGER V grant award, FEC CEO, Jim Hertwig, said, "this grant will allow FEC to handle more traffic from Port Miami and Port Everglades as well as provide flexibility for freight movements in South Florida."

Demonstrating the vast number of unmet infrastructure needs in the United States, demand for the program outweighed available funds, and during all five rounds, USDOT received more than 5,200 applications requesting more than \$114.2 billion for transportation projects across the country according to the Department. The TIGER program has distributed roughly \$3.6 billion to a total of 270 projects throughout its five funding rounds.

The Eno Center for Transportation released a report in April titled "Lessons Learned from the TIGER Discretionary Grant Program"which provided an in-depth analysis of the program's execution, celebrating elements such as the program's benefit-cost analysis, broad modal eligibility, cost-share requirements, wide-ranging agency eligibility, and provisions to promote geographic and rural/urban distribution. Freight has competed well in the previous rounds of TIGER in large part due to these elements, specifically broad modal eligibility and the call for benefit-cost analysis, the outcome of which often elevates freight projects among other applications.

The first round of TIGER awarded money in February 2010 to a total of 51 projects, 22 of which (or 43 percent) contained a strong freight component. Those 22 projects received 49 percent of the available funds, totaling more than \$730 million. In October of 2010, TIGER II projects with a strong freight component received \$316 million, or 53 percent of the \$600 million in available funding. In December 2011, TIGER III supplied grants for 46 projects, 18 of which were devoted to freight or had a strong freight component accounting for over \$232 million (or 45 percent) of the total \$511 distributed through the grant program. TIGER IV, awarded in July 2012, provided funding for 47 projects, 21 of which were devoted to freight or had a strong freight component accounting for over \$228 million (or 47 percent) of the total \$485 million distributed through the grant program.



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Massport names Hadden Port Director

Deborah Hadden has been appointed Port Director by Thomas P. Glynn, CEO of the Massachusetts Port Authority (Massport). In her new role, Hadden will be

responsible for directing the planning, development, marketing, operation, security, financial management, administration, and maintenance of Massport's non-aviation properties in the Port of Boston.

Hadden had been Acting Port Director since October, 2012, and was instrumental in achieving many successes in directing the Port of Boston in the last 10 months. Hadden implemented productivity gains at Conley Terminal, as part of successful negotiations

Longshoreman's Association in a local contract. She also led successful negotiations with MSC, Conley's busiest steamship line, and secured a new six-year

lenges and opportunities in the coming years, and we need to have a firm hand on the tiller," said Glynn. "I am very pleased that Deb will be a critical member of the senior leadership team as Massport completes a strategic plan in the next year that will guide the Authority well into the future.'

Under Hadden's leadership, plans to dredge Boston Harbor to 47 feet to accommodate larger ships continue to develop. The project received preliminary approval by the Army Corps of Engineers Civil Works Review Board in May, which allows planning and design to move forward.

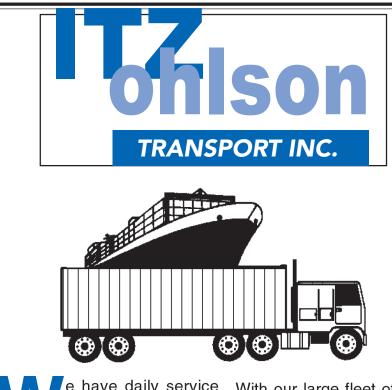
Hadden came to Massport in 1994 as the

Environmental Permitting Program Manager where she was responsible for the licensing and approval of development and construction projects at Massport. She was promoted to Manager of Maritime Environmental Affairs and Projects in 1997. Her primary responsibilities in this position included managing the Boston Harbor Navigation Improvement project, working with state and federal agencies to develop solutions to



Deborah Hadden has been





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(COMPROMISE – continued from

Los Angeles, rail yards and distribution

On May 15th, Long Beach Mayor Bob Foster was quoted by KPCC - Southern California Public Radio - stating that BNSF has been unresponsive to community concerns: "What they really said is... we're going to wait 'til you sue us before we deal with these concerns,"

The City of Long Beach filed a lawsuit on June 5th against the City of Los Angeles and BNSF Railway to stop the Southern California International Gateway project, according to the Long Beach Press Telegram.

the National Resource On June 7th Defense Council (NRDC), which has pushed for lower emissions in the Ports of LA and Long Beach, said in a release that it "filed a lawsuit today in Los Angeles Superior Court on behalf of Harbor residents living within the shadow of the largest development on Port of Los Angeles property in more than a decade. The Plaintiffs contend the proposed Southern California International Gateway rail yard project violates the California Environmental Quality Act and the state and federal Civil Rights Acts, and will increase cancer rates, chances of children developing asthma, and add to chronic air pollution plaguing the region."

The release added; "The SCIG project typifies environmental racism,' said David Pettit, senior attorney with NRDC. 'This project can be built away from where people live and children go to school, but the City of Los Angeles wants to put it in a low-income minority neighborhood because they think they can get away with it."

In a blog posting, BNSF responded by stating: "Contrary to what you may have heard, SCIG results in significant air quality and health risk improvements for residents in the area (including those in West Long Beach) as compared to continuing the existing uses at the site."

The railroad added that it "has committed more than \$100 million for green technologies, including the use of zero-emission electric cranes and ultra-low emitting hostler vehicles on-site; redesigned the entrance to the facility away from neighborhoods; committed to begin requiring LNG (liquefied natural gas) trucks to serve the facility upon its opening, with this commitment reaching 90% LNG or equivalent emission trucks by 2026; and agreed to limit truck travel to designated industrial routes, tracked with GPS."

BNSF says it "has committed to create a local jobs training program and offer priority hiring for new jobs to qualified local job applicants. BNSF has signed a Proj ect Labor Agreement worth \$255 million with the Building and Construction Trades Council that will result in approximately 1,500 jobs per year during construction. By 2036, IHS Global Insight forecasts the facility will create 22,000 new direct and indirect jobs in Southern California, including 14,000 new direct and indirect jobs in Los Angeles."

It's hard to say wheher there is a real right or wrong iin proposed rail plans. However, what might be lost in the dust up is the impact the mega on-dock-rail projects have on the design of future conttainer terminals. Answering the question of how to handle the loading and discharge of container vessels ranging from 9,000-20,000 teus in size is difficult, yet the ships are already entering service. Certainly mega ships need to be matched to mega landside infra-structure. How that supporting landside infrastructure is built and utilized is less certain and for the moment Southern California is the labratory for determining the future of intermodal traffic in North America and possibly the world.



18,000 TEU *Maersk Mc-Kinney Moller* visited Tangier at Morocco's Tanger-Med port facility, where a vessel record of 7804 TEUs was handled during the port call.

Mega vessel blazes trail of record productivity at ports

The 18,000 TEU *Maersk Mc-Kinney Moller* has blazed a trail of record productivity as the world's largest ship has visited a number of container terminals in the APM Terminals network.

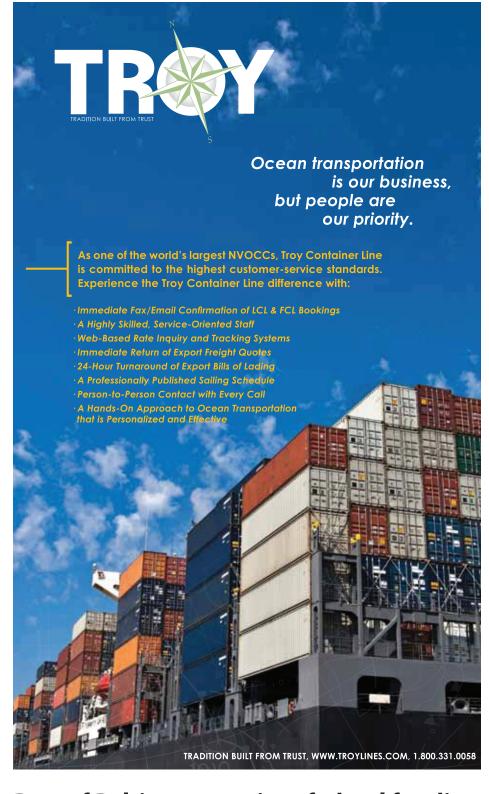
Latest example was a visit to Tangier at Morocco's Tanger-Med port facility, where a vessel record of 7804 TEUs was handled during the port call. While at Tanger-Med, a productivity level of 29 moves per hour (MPH) was recorded while working the world's largest vessel.

With 800 meters of quay, a 16-meter depth and eight super post-Panamax cranes, APM Terminals Tangier is one of the select facilities in the region able to accommodate the latest generation of ultra-large container ships of greater than 18,000 TEU capacity. Other APM Terminals facilities equipped for Triple-E and with recent visits and productivity records include Rotterdam, the Netherlands; Aarhus, Denmark; and Gothenburg, Sweden.

"The Straits of Gibraltar are one of the great maritime crossroads of the world, and so we are proud to charge forward into the next phase in the evolution of global shipping, in which we continue to serve as a key transshipment center for the African and South American trade" said APM Terminals Tangier Managing Director, Hartmut Goeritz.

More than over 200 cargo vessels pass through the Straits of Gibraltar every day carrying cargoes between Asia, Europe, Africa and the Americas. The Tanger-Med complex is located only 14 km (8.9 miles) from Europe across the straits astride the primary sea lane. Moroccan ports have doubled container throughput since 2008, and now handle more than two million TEUs annually. The Tangier-Med Phase I container terminal, which opened in July of 2007, is owned and operated by APM Terminals and the Moroccan Akwa Group. APM Terminals Tangier handled 1.23 million TEUs in 2012, an increase of 4% over 2011's volume. In January, APM Terminals Tangier was honored with Morocco's National Quality Award, and was also named "Best Employer in Morocco" in a country-wide assessment

The *Maersk Mc-Kinney Moller* will next call Singapore and Hong Kong on its return to the Far East through the Suez Canal to complete its first service loop.



Port of Baltimore receives federal funding to grow business opportunities

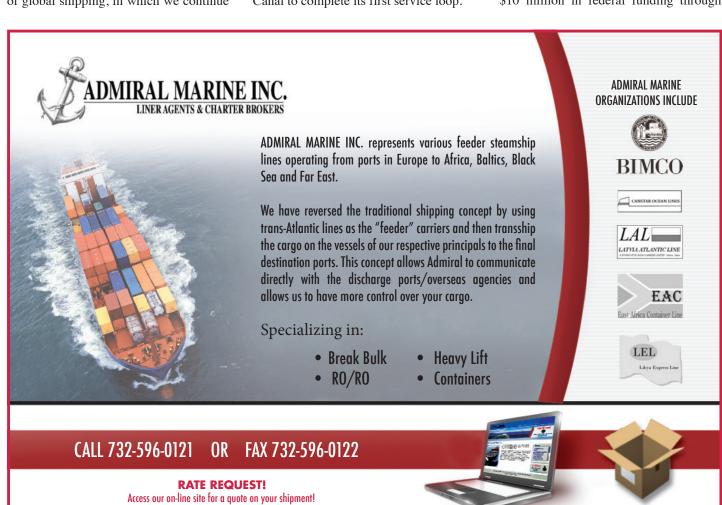
Governor Martin O'Malley has applauded the work of the Maryland congressional delegation in helping to secure \$10 million in federal funding through

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the U.S. Department of Transportation's Transportation Investment Generating Economic Recovery (TIGER) grant program for the Port of Baltimore to increase its cargo handling capacity and provide rail access at its Fairfield Marine Terminal. The project will use dredged material from the Port's main access channel to fill an obsolete and dilapidated basin and create a new 7.6-acre cargo staging area in a prime location near the vessel berth.

in a prime location near the vessel berth. The bulkheads at the Fairfield Marine Terminal's basin are antiquated and at more than 60 years old, at the end of their useful life. The dredged material that will fill the basin will come from the 50-foot deep channel leading to the Seagirt Marine Terminal. While the channel is currently deep enough to accommodate supersized container vessels, there are portions of the channel that need to be widened to allow for easier access for larger ships. That material will fill the basin, creating additional cargo lay-down land. Rail access will also be added to Fairfield, enhancing the efficiency of handling autos and roll on/ roll off equipment (farm and construction machinery) which are the primary commodities of that terminal. The Port of Baltimore currently ranks first among all U.S. ports for handling autos and roll on/roll off machinery.

The Port of Baltimore's application for TIGER funding was among 568 national applications requesting more than nine billion dollars. The total estimate for the project is \$29 million. The Maryland Department of Transportation has agreed to fund the other \$19 million.





AIR CARGO NEWS



Lufthansa Cargo launches a new era of aviation with the Boeing 777F

More modern, less noisy, more efficient: As of November 2013, Lufthansa Cargo will be flying around the world with brand new Boeing 777 freighters. The first three destinations scheduled for the so-called "Triple Seven" evoke the pioneering spirit Lufthansa displayed when developing civilian air traffic across the Atlantic. Atlanta, Chicago, New York: Lufthansa Cargo's new Boeing 777F will initially be bound - just like 41 years ago - for North America.

Flashback: On 19 April 1972 Lufthansa was the first airline world-wide to use the freighter version of the "jumbo" Boeing 747 - which was at the time also the largest civilian aircraft to go into serial production - for transporting cargo between Europe and the USA. With 73 tons of cargo and 1.8 tons of mail on board, the four-engine Boeing 747-200F took off on its first scheduled flight from Frankfurt to New York.

Four decades later, the new member of Lufthansa Cargo's fleet only needs two engines to connect Europe with the USA or Asia. The Boeing 777F is able to remain in

the air for ten and a half hours with a payload of 103 tons. During that time it can fly over 9,000 kilometres non-stop.

In addition, the aircraft meets the strictest noise protection standards in international civil aviation.

This gives it maximum access to airports with strict noise regulations, bringing significant relief to people who live near airports.

Thanks to its outstanding technical performance and reliability, the freighter is entering new dimensions. It also marks a milestone on our ambitious path to lowering specific emissions by 25 per cent until 2020", says Dr. Karl-Rudolf Rupprecht, Board Member Operations Lufthansa Cargo AG. Modernising the fleet is just one of six projects of the Lufthansa Cargo 2020 future program, by means of which Germany's largest freight airline wants to maintain and strengthen its position as the industry leader of the air cargo sector. Lufthansa Cargo has invested in five new Triple Seven aircraft. The list price of the Boeing 777F is 270 million US dollars.



Lufthansa Cargo will be flying around the world with brand new Boeing 777 freighters.

Ruslan moves giant rotor from China to Lithuania

Ruslan International has arranged the transport of a giant rotor from Chengdu, China to Šiauliai, Lithuania on board one of the 17 Antonov An-124s which it manages for its shareholders Antonov Company and Volga Dnepr Airlines.

The load – which weighed a total of 116,800 kgs with its specially-constructed cradle and the necessary loading equipment – was close to the maximum payload

for the aircraft, and was one of the heaviest loads carried on an An-124 between China and Europe. The aircraft routed via Urumqui (China) and Aktyuinsk, Kazakhstan.

At 1433 cm long, 451 cm wide and 388 cm high, the rotor was also a close fit in the aircraft's main cargo cabin. Two mobile cranes were required to position the cargo on the loading track, for winching on board the aircraft.

Volga-Dnepr fast tracks 180 tons of oil and gas equipment in Russia

Two of Volga-Dnepr Airlines' Antonov 124-100 freighters have fast tracked the delivery of 180 tonnes of oil and gas equipment from Saint Petersburg to Bratsk for the Talakan field located in the Yakutia region of Russia. Volga-Dnepr's planning specialists conducted a preliminary inspection of the cargo in Italy before the largest parts of the shipment – two 40-ton compressors and a 60-ton gas turbine - were shipped from Milan to Saint Petersburg by sea transport.

Delivery from the Russian capital of the North to the Talakan oil and gas field had to be organised within a tight timescale. Volga-Dnepr's logistics experts were able to offer the most efficient solution to the customer, STS Logistics, by supplying two An-124-100 freighter aircraft, leasing cranes with 100 and 200-ton cargo capacity at the departure and arrival airports, and using Volga-Dnepr's own patented handling equipment to reduce the time required for loading and unloading. From Bratsk, the oil and gas equipment was carried to the Talakan field by ground and sea transport. STS Logistics, the general contractor for organising deliveries from Italy to the field in Yakutia, and a long-standing partner of Volga-Dnepr, expressed their gratitude to the airline's team for their expertise and efficiency.

EFIS Air marks start of US Airways contract with double-digit growth in tonnage and revenue

French cargo general sales agency EFIS Air has reported double-digit tonnage and volume growth for its new customer US Airways, reflecting the airline's strong network in the United States.

EFIS Air, part of ECS Group, says cargo volume generated for US Airways ex France since taking over the contract at the start of this year grew 21% in the first six months of 2013, while revenue was 18% up year-on-year.

The success of the GSA/airline relationship has been recognised by US Airways' Philippe Torry, Regional Manager Europe & Middle East – Cargo Sales & Services. He said: "The figures speak for themselves and the first six months of the year has proven that EFIS Air is a valued and reliable partner. Besides a more than

respectable increase in volume, we have also seen a considerable growth in revenue. Taking into consideration that the economic situation is still weak and that we operate in a market with fierce competition, we can honestly claim to be a very happy customer."

In addition to its daily flights to Charlotte, US Airways is also generating high traffic levels in France for other cities in its network, such as Atlanta, Washington, Boston and Charleston.

Alain Boussard, Managing Director of EFIS Air, said: "We've had a great start to our contract with US Airways and we are confident we can further improve their market share. US Airways is recognised as a very reliable operator and that gives us a great advantage as their partner."

IAG Cargo announces new direct flights to Austin, TX

IAG Cargo has announced that it will be offering cargo services on a brand new route from London Heathrow to Austin, Texas, starting in March 2014 and offering an additional export route for the area's growing tech-hub.

IAG Cargo, the freight business of British Airways and Iberia, will offer five flights a week to Austin before moving to daily flights on May 3rd. IAG Cargo will be the only carrier offering a direct flight between Austin-Bergstrom International Airport and London Heathrow.

"Today's announcement underlines the fact that IAG Cargo is being more competitive than ever and really focussing on delivering the shipping options our customers require." David Shepherd, Head of Commercial at IAG Cargo commented. "This additional route into Texas builds on IAG Cargo's extensive list of destinations that connect Europe and the USA to the rest of the world."

The route will be serviced by the new Boeing 787 Dreamliner, which has been optimised for bellyhold with air conditioning in the forward hold and heating in the rear hold. The increased service will benefit the high-tech trade flows from Austin's 'Silicon Hills', supported by IAG Cargo's express product Prioritise, and its high security service, Secure.

The new route will also benefit businesses operating from Mexico, providing them with an additional means of shipping goods to their global markets.

The new route connects Austin to the 350 destinations in IAG Cargo's global network, providing customers with further flexibility.

'It's time to make history' on aviation emissions to achieve a global approach, TIACA encourages ICAO member states

The International Air Cargo Association (TIACA), representing all segments of the air cargo supply chain, reiterates its strong support for a global solution to aviation emissions, to be agreed through ICAO, and endorses the International Air Transport Association's (IATA) call for a single market-based measure (MBM) as a means of achieving this goal. With the triennial ICAO Global Assembly convening in less than a month, TIACA is calling upon ICAO members to agree on such an approach at the Assembly.

TIACA has consistently championed ICAO as the body to pursue a global agreement on aviation carbon emissions. It campaigned strongly against the controversial inclusion of aviation in the EU Emissions Trading Scheme (ETS) and welcomed the European Commission's decision to postpone the application of the ETS to aviation. TIACA asked the Commission to pursue a global agreement through ICAO, which was designated in The Kyoto Protocol as the body with authority to set international aviation's greenhouse gas policy.

The International Air Cargo Associa-(TIACA), representing all segments that it is ready to join forces with ICAO and industry partners to undertake any efforts necessary to implement an Assembly decision to develop a single MBM.

At IATA's recent Annual General Meeting in Cape Town, its members overwhelmingly endorsed a resolution calling for the implementation of an aviation carbon neutral growth strategy by 2020 ("CNG2020"). Douglas Brittin, Secretary General of TIACA, said: "This action by IATA members, which aligns with TIACA's longstanding objectives, is yet another sign of the strong commitment of the aviation industry to encourage and support a sustainable global standard for aviation emissions, which contribute only 2% of global man-made CO2 emissions. IATA has set out principles towards CNG2020 that we wholeheartedly support and TIACA, alongside IATA and other industry partners, is committed to working with ICAO on any necessary follow up from an Assembly decision.

"We have repeatedly emphasised (HISTORY – continued on page 23)

CALENDAR OF EVENTS

For more in-depth calendar & event listings go to www.ajot.com. To add to the calendar listings go to: cal@ajot.com.

09/27

The Traffic Club of Newark will hold a golf outing at the Fox Hollow Golf Club in Branchburg, NJ starting at 9:00AM. The cost is \$125.00 per golfer. For more information contact Alan Marshuetz at 862-215-9715 or email: alan@eaglewhse.com.

10/01-10/03

The Port of Miami will host the *TOC Container Supply Chain Americas* event at the Miami Airport Convention Center. Guest speakers will include: Bill Johnson of PortMiami, Thomas Eskesen of Maersk Line, Howard Finkel of Cosco, Andy Westhoff of Florida East Coast Railway, Adam Beauchamp of APM Terminals and John Carver of Ports America. For more information go to www.tocevents-americas.com.

10/03

The Port of Long Beach will hold a *Foreign Trade Zone Workshop*. For more information call Diana Lam-Brandt at (562) 283-7757 or email: diana.lam-brandt@polb.com.

10/03

CONECT will host its *Tour Boston Import/Export Cargo Facilities*, visiting Conley Container Terminal, US Customs & Border Protection Operations Center and Logan's Cargo Complex. For more information go to www.conect.org or contact Carol Turner at (508) 481-0424.

10/13 - 10/15

RW Solutions is hosting a *Freight Summit* at the Shangri-la Hotel in Bangkok, Thailand. For more information email: info@thefreightsummit.com or go to www.thefreightsummit.com.

10/17

The Foreign Commerce Club of New York will host its *99th Annual Steam-ship Night Dinner* at the Marriott Marquis Hotel in NYC. The speaker will be Bill Baroni, Deputy Executive Director of the Port Authority of NY & NJ. For more information email: kmcgee@redbern.com.

10/19 - 10/22

The American Trucking Association will host its *Management Conference and Exhibition* at the Orlando World Center Marriott. For more information call (703) 838-1755 or go to www.mcetrucking.org.

11/07

CONECT will host its 12th Annual Northeast Cargo Symposium at the Boston Marriott Newton Hotel (see the CONECT ad on page 17 for details.) For more information go to www.conect.org.

11/17- 11/19

The 2013 IANA Intermodal Expo & NITL Transcomp Exhibition will be held at the George R. Brown Convention Center in Houston, TX. For more information go to www.freightexpo.net.

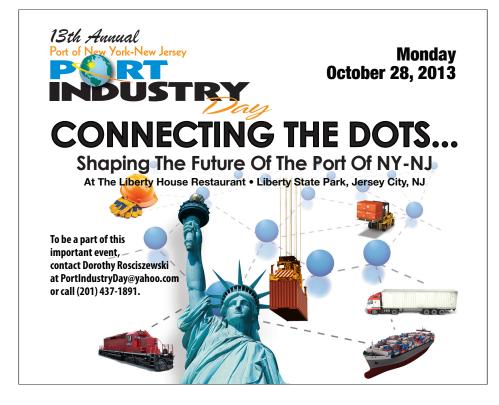
03/12 - 03/15

RW Solutions is hosting its 12th Annual Combined Logistics Networks at the Kuala Lumpur, Malaysia. For more information email: info@combinedlogisticsnetworks.com or go to www.combinedlogisticsnetworks.com.

(HISTORY – continued from page 22) that the aviation and air cargo sectors have made significant progress over many years to implement 'green' solutions partly because of the responsibility we all have to protect the environment but also because such efficiencies are vital in terms of cost efficiency. We are already delivering results and will continue to do so - and we now call upon global governments, through ICAO, to play their part by reaching a single, simple and sustainable agreement to help aviation achieve carbon neutral growth. This would be an historic

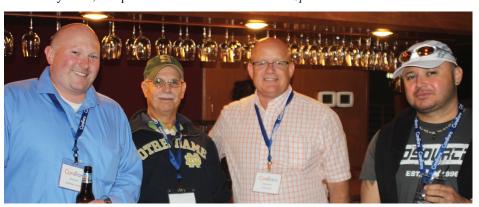
agreement. We do not under-estimate that there are many challenges to overcome, but the time has come to make history."

In April 2013, ICAO and TIACA signed a Declaration of Intent to strengthen cooperation on technical matters. Under the terms of the new agreement, ICAO and TIACA are working more closely on air cargo and mail security and facilitation, accelerating the evolution from paper-based to electronic processes, environmental stewardship, the liberalization of market access for air cargo services, and air cargo safety.



CaroTrans Customer Appreciation Night

Carotrans Boston held their 7th Annual Customer Appreciation Night on August 14, 2013. This year the theme and venue were changed from a lobster boil near the Charlestown Navy Yard, to a private dinner cruise aboard the Spirit Elite.



(L to R) Tom Swain – Carotrans, Dennis Blois – International Specialists, Greg Carter – Laufer Group, Eddie Figueroa – Laufer Group



(L to R) Debora Anemoduris – OceanAir, Melissa Silva – OceanAir, Ede Salvadore – Carotrans



(L to R) Frank Yuen – Cargo Service Center, Kevin Laffey – Massport



(L to R) Steven Bruning Jr. – Bruning International, Bryan Taylor – Carotrans



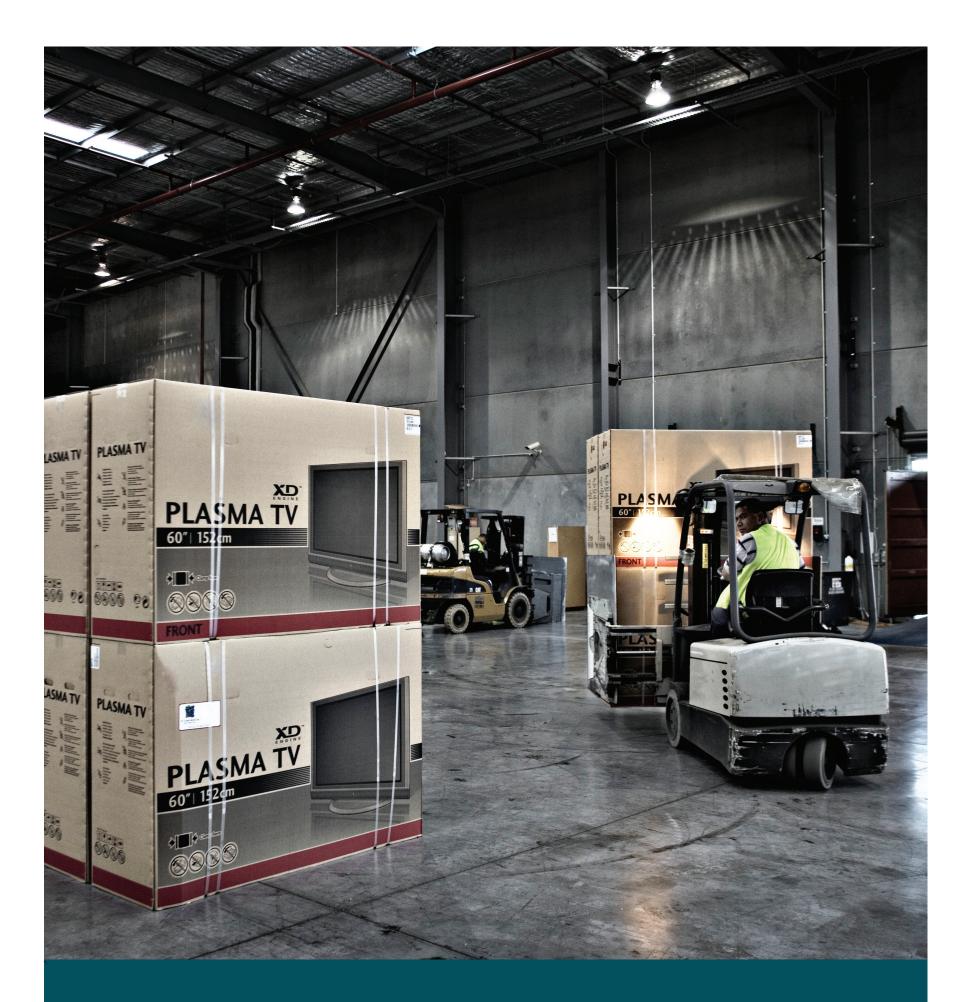
(L to R) Fran Mahoney, Carolina Meza, Melissa Mayott, Shauna Mahoney (all from Cargoways Logistics)



(L to R) Jennifer Hassel, John Coogan, Michelle Destefano (all from Dynasty International)



(L to R) Matt Chrisom – Interport Freight Services, Tom Swain – Carotrans, Greg Carter – Laufer Group



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Value through reliability

Without a doubt, Maersk Line Why wait for late shipments when your cargo can be in the right place at the right time?

When you ship with us, you'll have consistent performance that contributes to your bottom line. Drewry's ranked us #1 - 16 out of their last 19 quarterly reports, among the top 20 global carriers. With #1 ranked schedule reliability you'll improve supply chain planning, customer satisfaction and reduce unnecessary costs. It's the right choice.

