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NO. AMERICA'S TRANSPORTATION & LOGISTICS NEWSPAPER aiot.com OCTOBER 21 – NOVEMBER 3, 2013 **ISSUE #566** 



Jay Hardman – Executive Director of the Port of Greater Baton Rouge, (right) speaks at an October 1 dedication ceremony. He is joined by (from the left) Ronnie Anderson - President, Louisiana Farm Bureau Federation; Margarita Louis-Dreyfus - Chairman, Louis Dreyfus Commodities; LA Governor Bobby Jindal

#### **Louis Dreyfus Commodities dedicates** export grain hub at Baton Rouge port

#### By Paul Scott Albott, ANOT

Billed as Louis Dreyfus Commodities LLC's flagship Mississippi River export facility, a state-of-the-industry grain and oilseed elevator has been dedicated at the Port of Greater Baton Rouge.

"The Louis Dreyfus Commodities flagship export elevator at the Port of Greater Baton Rouge will be the most modern grain elevator on the Mississippi River," Jay Hardman, executive director of the Port of Greater Baton Rouge, said at an Oct. 1 ribbon-cutting ceremony.

"This facility will provide Louisiana farmers with more access to international markets for their agricultural products, and it signals a new stage in the growth and development of the port," Hardman continued. "The additional ships, barges and trucks unloading and loading cargo at the port is economically beneficial in many ways. It will increase maritime activity, attract additional companies to the port region, and provide much-needed (**DEDICATES** – continued on page 20)



Louis Dreyfus Commodities LLC's flagship Mississippi River export facility at the Port of Greater Baton Rouge features a grain elevator capable of annually handling as many as 5 million metric tons of grains and oilseeds.

#### Captain Phillips tells AJOT, "It's not if it's when"

#### By Karen E. Thuermer, AJOT

Anyone who has seen the blockbuster film "Captain Phillips" realizes the harrowing trauma this real life sea captain endured in 2009 when his ship, the Maersk Alabama, was boarded by four Somali pirates. Certainly, without seeing the movie, it's difficult for landlubbers to fully understand what merchant marines, who oversee the world's freight daily around the world, undergo.

Speaking to this AJOT reporter and members of the media at the National Press Club in Washington, DC on October 10 -one day before the film's release, Captain Richard Phillips not only discussed his experiences during the Maersk Alabama ordeal; he emphasized the importance of maintaining a mission-ready U.S. flag fleet and critical training necessary for seamen

today. He reminded those at the press conference that "sea captains are the truck drivers of the ocean."

"We move cargo cheaply and safely from one place to another," he said.

#### **MSP PROGRAM**

Besides discussing the movie, a key topic was the Maritime Secu-

rity Program (MSP), utilized particularly heavily during the conflicts in Iraq and Afghanistan. The U.S. merchant marine fleet moved 90% of the military's cargo. "Unfortunately, we are under attack,"

panying Captain Phillips. "What the pirates could not take from Captain Phillips and his crew, the Congress could take away." Werse is secretary-treasurer of the

said Captain Steven Werse, who was accom-

International Organization of Masters, Mates & Pilots, a union that represents American bridge and deck officers.

Werse explained that MSP, which provides subsidies to support the operation of 60 privately-owned U.S. flag vessels to meet national defense and other security requirements, has a funding anomaly. After 10 years of hard service of supporting U.S. troops overseas, many

of the vessels - including the Maersk Alabama -- are laid up for repairs. Consequently, approximately \$12 million of the MSP funding was not consumed, although the ships that are part of MSP are still entitled to the \$168 million in a funding that is authorized and budgeted by the U.S. Congress.

"This means the base line of our funding going forward for 2014 is already down \$12 million," Captain Werse said. "Without batting an eye, this is an immediate elimination of four ships. The Department of Defense (DOD) says it needs a full 60 ships to complete their readiness."

Werse suggested that in a worst case scenario, 20 ships could be eliminated from the program.

Participating operators are required

to make their ships and commercial transportation resources available upon request by the Secretary of Defense during times of war or national emergency. Yet the MSP subsidy is critical since environmental and labor rules increasingly cost ships more to operate. Without the government subsidies, the ships may not be



Captain Richard Phillips

available when the military needs them, said Maersk Line Ltd. in a statement. With 19 ships in the program, the steamship line is the largest MSP participant.

Now the MSP is in danger since it currently has no funding and will have to downsize if Congress does not act within

"This endangers seamen like me," said Phillips. "We have been carrying cargo in peacetime and during war time during all of our conflicts. We are their support. We have proven ourselves as the U.S. Merchant Marine repeatedly, even as far back as World War II.

Werse emphasized that his organization has been meeting with the DOD and members of the Department of Transportation. "We regularly make the rounds,"

(PHILLIPS – continued on page 9)



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#### Partnerships in handling perishables is paramount to industry

By Karen E. Thuermer, AJOT

By sea, air, truck or rail, transporting perishables requires a collaborative effort to understand and improve all end-toend processes and deliver the highest quality product possible. The effort is challenging. Not only must producers scruti-

nize every penny to cut costs, they increasingly must depend on their transport and distribution providers to find innovative ways to manage their supply chains and

preserve product quality. This is particularly paramount as more perishables are traveling via slow steaming, meaning more produce is entering or exiting the United States via seaports. For the flower trade alone, Asocolflores, a trade group for Colombian flower exporters, claims that ocean shipping could rise from the current 3 percent of the country's flower exports to 10 percent over the next five years.

#### **PORT INNOVATIONS**

PortMiami is positioning itself for increased perishables business coming up from Central and South America.

"Exporters of perishables and other foodstuffs will benefit from using PortMiami as the port completes its Deep Dredge project that will allow the arrival of larger ships and lower shipping rates," says Bill Johnson, director of PortMiami.

PortMiami's Deep Dredge project will deepen the Port's existing channel from its current 42-foot depth to minus 50-52 feet in preparation for the Panama Canal Expansion, scheduled for completion in 2015. According to Johnson, the Deep Dredge will make PortMiami the only U.S. port south of Norfolk that can accommodate the new, mega cargo vessels that will pass through the expanded Panama Canal.

Work is also being done on a \$1 billion access tunnel that will go under Biscayne Bay and connect PortMiami directly the U.S. highway system.

"Importers will benefit as PortMiami offers direct access to rapidly growing populations in Florida and other parts of the Southeast," Johnson says.

PortMiami is also developing dedicated cold rail service and is working with its partners Florida East Coast Rail (FEC) to service over 70 percent of the U.S. population in four days or less.

"With on-dock, on-port rail, PortMiami can double stack containers, including refrigerated containers, directly to Jacksonville in less than nine hours where it can connect to CSX or Norfolk Southern rail service," Johnson emphasizes. "These can be in Cleveland, Memphis and Chicago in less time and at less cost than by shipping by truck."

Rail represents a 25 percent reduction over the traditional movement by truck.

Perishables shippers on the West Coast benefit from the Cold Train Express Refrigerated Intermodal Service, which

departs the Ports of Quincy (WA) and Portland (OR) six days a week. Doorto-door service takes approximately four to five days to the Midwest and about six to seven days to the East Coast. Rail Logistics launched the Cold

Train in partnership with Burlington Northern Santa Fe Railway (BNSF) and the Port of Quincy in 2010. Since the launch, Cold Train service has (PARTNERSHIPS - continued on page 4)



Chilean fruit being offloaded from a breakbulk vessel at the Port of Wilmington, DE



http://www.miamidade.gov/portmiami/terminal-operating-agreement.asp

an Expression of Intent for a Cargo Terminal Operating Agreement at PortMiami. This invitation is extended to entities with experience in the operation of cargo terminals, including but not limited to, terminal operators, shipping lines, stevedoring companies and/or joint ventures.

> Submittal deadline: **November 15, 2013** 5 p.m. EST.

For more information contact Richard de Villiers: 305-347-4823, EOIMiami@miamidade.gov.

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become popular with shippers in Washington State and the Midwest and East Coast.

In addition to shipping increasing volumes of Washington State and Oregon fresh produce and frozen foods eastbound, Cold Train is backhauling frozen and refrigerated foods and some dry goods westbound.

The Port of Wilmington (Delaware), which is noted as North America's premier seaport for imports of fresh fruit, bananas and juice concentrate port, retains its position by offering innovative technologies and practices. This includes real time temperature control monitoring, recording and archiving.

The port employs temperature sensors in each of its 35 cooling chambers where refrigerated product is stored. Temperatures are continuously displayed so that port officials know at any given time any variance in the prescribed temperatures of the cargo.

"While improper storage or handling can happen anywhere along the supply chain, we give our customers a sense of comfort by providing information regarding when the shipment came into the warehouse, left the warehouse, and at what temperature the perishables were stored day-by-day in the warehouse," says Thomas Keefer, deputy executive director of Diamond State Port Corporation (DSPC), the entity that owns and operates the port. "Not only does this enable us to ensure our customers that we are storing their product at the prescribed temperature, it helps if a claim is made stating that the fruit wasn't stored properly."

Key to the system is the color coded dynamic display that shows the temperature order and current temperature of each chamber. "If everything is within color, the information shows up green. If the temperature rises by 2 degrees, it turns yellow. If it goes above the 2 degree variant, it turns red," he explains.

In addition, Rapid Cool<sup>TM</sup>, a high and auto-reverse airflow system installed in the port's refrigerated warehouse complex, allows the warehouse to pre-cool faster and maintain longer shelf life by providing more uniform temperatures across the pallets.

"This makes it possible for shippers to bring in top quality fruit towards the end of their season," Keefer remarks. "By reducing the post fumigation fruit temperature from 40 degrees to 32 or 33 degrees in three hours, we can prolong the shelf life of the fruit."

Rapid cooling offers a value added service, particularly to Chilean customers, by allowing them to bring product to market when demand will warrant a premium price.

The Rapid Cool™ system can handle 80 pallets simultaneously in a 3 to 4 hour cycle. The volume can be increased if needed.

#### **LOGISTICS PARTNERS**

To stay financially nimble, many producers today lean on third party logistics providers (3PLs) for their warehousing, distribution and transportation needs. 3PLs operate like extensions of their customer service capabilities. They also manage

their logistics requirements.

Loop Cold Storage, for example, provides supply chain services for the refrigerated food trade between the United States and Mexico from its strategic location in McAllen, Texas. The company offers 450,000 square feet of refrigerated space and over 37,000 pallet positions of storage capacity. In addition to cold storage warehousing, Loop provides clients with a wide variety of other value added services including packaging, quality control inspections, and transportation services.

An example is the bagging of citrus and packaging of tomatoes in retail overwrap packages. It also blends frozen fruits and vegetables and bags them in specified sizes.

Giving importers of agricultural products from Mexico into south Texas a particular boost is a new law, effective September 2013, that permits trucks weighing up to 125,000 pounds to pass with a fee of up to \$80. The prior weight limit on trucks was

80,000 pounds.

Loop Cold Storage leverages its Mexican border location by offering a distribution program to Sysco for multiple vendors who bring in fruits and vegetables from Mexico and store them in Loop's refrigerated warehouse. Loop's facility acts as a consolidation point for Sysco, which in turn, ships the produce to their different warehouses throughout the United States. According to a company spokesman, this program makes it possible for this customer to order any number of pallets of each item.

3PL-operated warehouses in a port or nearby container yard give shippers other advantages. Shippers can save time and drayage costs since truck movements can be eliminated or minimized.

MTC Logistics in Maryland offers four distribution centers strategically positioned near Interstate 95 in Maryland and Delaware – two of which are adjacent to the Ports of Baltimore and Wilmington (Delaware). Among its services are import/export;

USDA and USDC inspection; blast freezing; -20 degree storage; and less-than-truckload (LTL) pool consolidation.

According to industry experts, shippers save 50 percent in container pickup and drop off charges by utilizing facilities in close proximity to loading yards as opposed to those an hour or so away.

#### HIGH TECH IMPLEMENTATION

Warehouse management systems (WMS) have become critical to maintaining the integrity of perishables. For one, such systems are programmed to record and process necessary information to rotate product, comply with government regulations, and provide traceability. While many 3PLS use WMS products available from companies like Accellos and Red Prairie, some develop and support their own WMS systems. One example is a proprietary 24/7 system developed by MTC Logistics called MVision®.

MTC Logistics describes the system as allowing customers to see "everything they want or need to see."

For example, MTC Logistics may receive between 80 and 90 different refrigerated items for each container to be shipped.

"We receive them, store them, get them to the labeling room for them to process, store them again and then prepare the container load," says MTC Logistics President Harry Halpert in a brochure describing MTC's Baltimore facility that receives, stores, labels and ships containers of refrigerated product to the Middle East. "Each month, we're probably dealing with 40,000 to 50,000 instances of handling these cases with an order accuracy fill rate of over 99.9 percent."

To accommodate the region's strict labeling rules (Arabic labels must appear on product inside and outside each case), MTC constructed a temperature-controlled product labeling area in its facility. (PARTNERSHIPS – continued

on page 6)



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#### South Korea suspends some US : Carrier Transicold celebrates beef imports over feed additive

South Korea has suspended some U.S. beef imports after detecting the cattle feed additive zilpaterol in meat supplied by a unit of JBS USA, raising concerns over how the controversial animal growth enhancer has entered the global supply chain.

There is a ban in much of Asia and Europe on feed additives such as zilpaterol due to concerns about the side effects of these drugs, which are used to add muscle weight to animals.

Feed additives have been under the spotlight since a video appeared in the United States in August, showing animals struggling to walk and with other signs of distress after taking a growth drug.

South Korea's food ministry said it had halted imports from a work site at Swift Beef Co, a unit of food processing firm JBS USA Holdings Inc, and asked the United States to investigate the cause of the contamination which was found in 22 tons of meat.

The ministry said it had strengthened scrutiny of U.S. beef since Taiwan had also detected zilpaterol in U.S. beef last month.

Taiwan's Food and Drug Administration said it had asked the importer of the contaminated cargo to destroy or send back the meat.

"As of now, we don't clearly know when we will complete examining U.S. beef from Swift Beef Co. We plan to inspect all of the meat from the company," said Ahn Man-ho, vice spokesman for the food ministry in Seoul.

"If we find further zilpaterol in U.S. beef or in any other meat, we will take a similar action."

A JBS spokesman and the U.S. Department of Agriculture could not immediately be reached for comment.

South Korea imported 75,426 tons of U.S. beef from January to September, with 4,697 tons coming from Swift Beef.

#### **US MEAT PRODUCERS CURB ZILMAX USE**

Zilpaterol is a beta-agonist, a kind of feed additive that can add as much as 30 pounds of saleable meat to an animal in the weeks before slaughter.

Originally developed as asthma drugs for humans, betaantagonists - in a decade of use - have helped bolster the ability to produce more beef with fewer cattle in the United States.

Ever since the video of distressed cattle appeared, the Chicago Mercantile Exchange has said it will no longer accept delivery of cattle fed Zilmax to conform with exchange guidelines for deliveries against CME live cattle futures.

Merck & Co, which makes Zilmax, suspended sales of the drug while it carried out an audit of how it was being used, from the feedyard to the packing plant. Merck said it remained confident in the safety of the product, which had sales of \$159 million last year in the United States and Canada.

#### **CONCERNS IN CHINA**

U.S. meat producers will have to shun additives to stimulate growth if they want a bigger stake in the fast-expanding market in Asia, industry officials say.

"China will not change its stance on lean-meat drugs," said Kong Pingtao, deputy secretary general of the Chinese Association of Animal Science and Vet-

"Exporters have to change their practices to follow the Chinese standard as the government treats people's health as first priority.'

erinary Medicine in Beijing.

China, which has witnessed a 10-fold jump in beef imports this year, already has a ban on U.S. beef imports because of mad cow disease.

Despite China's ban on a series of feed additives, including ractopamine and clenbuterol, the unauthorized use of the drugs continues to surface.

Last month, the Shenzhen Municipal Food Safety authority said a steak restaurant in the city was fined nearly \$200,000 after authorities found beef containing clenbuterol. (Reuters)

# 45 years of production

Carrier Transicold commemorated the 45th anniversary of the invention and production of its first "picture frame" container refrigeration system while looking ahead to its next milestone, the production of its one millionth unit. Carrier Transicold helps improve global transport and shipping temperature control with a complete line of equipment for refrigerated trucks, trailers and containers, and is a part of UTC Climate, Controls & Security, a unit of United Technologies Corp.

Carrier's original frontwall container refrigeration system was produced in 1968 and became the industry standard. With its flat, square frame, that first self-contained system fit compactly on the front wall of corrugated steel insulated shipping box, giving rise to the nickname "picture frame" unit. The design quickly defined the

shape of generations of marine refrigeration systems to come. It took Carrier 25 years to reach the 100,000-unit plateau. With steady growth in the container industry over the past 20 years, Carrier's output increased tenfold, onto the present course to producing its one-millionth unit.

David Appel, president, Carrier Transicold said, "As the marine industry's preferred brand for refrigeration, Carrier Transicold has maintained a leadership role over the years, helping move shippers toward more environmentally sustainable refrigerants and bringing further innovations in system efficiency and cargo protection along the way."

The steady growth of Carrier's container refrigeration business is virtually a mirror image of the rise in containerized refrigerated trade through the decades.

(PARTNERSHIPS - continued *from page 4)* 

MTC integrates MWS visibility into its MVision® product so that customers can look at their inventory levels and order product on an as needed basis. To allow customers real-time access to available data, electronic data interchange (EDI) is integrated into MTC's web-visibility solutions. This allows customers to integrate order fulfillment systems with the 3PL, thereby reducing labor and errors prevalent in manual processes. It also gives the customer the opportunity to decide which orders to ship and to what locations.

WMS also makes it possible for a 3PL to perform specialized picking and to guarantee shelf life -- requirements that go all the way to the consignee level.

Innovative technology, combined with collaborative efforts between logistics providers, seaports, transportation providers and shippers are leading to streamlined processes that bring more perishables to consumers.





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UASC containership docked at the Port of Valletta, Malta



# 2013 survey of Mediterranean ports & trade

#### By George Lauriat, ANOT

From the vantage of space, say the International Space Station (ISS), the Mediterranean appears as a great lake bordering the Atlantic expanse. The narrow 9-mile wide Strait of Gibraltar that separates Spain from Morocco and North Africa from Europe, all but disappear at that height.

To the West is the Atlantic Ocean and far to the east is Asia and the Middle East, to the north sits Europe and to the south the great African continent. From the beginning of civilizations, the Mediterranean Sea has acted both a barrier and conduit for culture and trade between three continents.

At twenty thousand feet the sea below is crisscrossed with countless wakes of ships plying courses millenniums old, a daily representation of just how active the Mediterranean basin is as a trading region. The Mediterranean trade routes are perhaps the oldest on earth, and many of the basic concepts enabling international commerce were created in the Mediterranean basin. But the political unrest in many places where the Mediterranean's waves wash ashore marks this as a region in transition.

#### MEDITERRANEAN ECONOMIC LANDSCAPE

The nations bordering this inland sea, understandably, have near symbiotic trading relationships that significantly contribute to the regional GDP. Yet as a group, the Mediterranean nations differ widely in their trading regimes for political and cultural reasons.

The EU (European Union) in EU-Mediterranean Partnership [EU-Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Occupied Palestinian Territory, Syria, Tunisia and Turkey] ran a balance of trade surplus of nearly

€12 billion in 2009, which ballooned to almost €30 billion in 2011. Since the Arab Spring and Syrian civil war accurate numbers have been hard to come by, but the trade gap has likely widened over the last

two years. The avowed "key objective" of the EU-Mediterranean Partnership is to remove barriers to trade and investment between both the EU and Southern Mediterranean countries with the ultimate goal of creating a Euro-Mediterranean Free Trade Zone. Currently, Euro-Mediterranean Association Agreements are in force with most of the partners (with the exception of Syria and Libya).

Historically Mediterranean trade runs North-South with most of the North African nations trading more with Europe than among themselves. In 2009 it was estimated that intra-North African trade was around Euro 15 billion compared to Euro 225 billion in trade with Europe for the same period.

The economic, cultural and political (SURVEY – continued on page 10)







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

No one opposes the program. "In fact, although MSP was passed, authorized and is in the President's budget, we find we are in a difficult position. We have had our belt tightened to the point where we could lose our pants," Werse said.

More so, without MSP ships may have to change their registration from the United States to flags of convenience such as Panama, Liberia and the Marshall Islands.

#### **TOP TRAINING**

The captains also discussed training and how having a viable merchant marine is not only critical to U.S. security and defense, it is important to U.S. commerce.

"It's not just the loss of capital assets that is critical," Werse warned. "It's the loss of qualified training personnel. Once you take away the ability for young people to advance, you are not going to have the labor pool of senior talent down the road should that need arise."

The incident on the Maersk Alabama brings home the importance of training and preparedness. Phillips, himself, is highly trained and a graduate of the Massachusetts Maritime Academy. He admitted, however: "There's no real silver bullet."

When the Maersk Alabama was attacked by pirates, Phillips had already been a merchant mariner for 30 years. He had spent 19 of those years as a captain.

"Our minimal training is four years at an academy," added Werse, who is a graduate of the State University of New York (SUNY) Maritime College. "Then we undergo continuing education for the rest of our lives to upgrade."

Training particularly escalated after 9-11. But as clearly depicted in the movie, when the Maersk Alabama was attacked by pirates, there were no armed security guards or weapons to protect the captain or crew on board the ship.

"We have always used fire hoses, twist lock poles, and debris to throw down," Phillips said. "We are required a small arms training for some ships, and for some, anti terrorism force protection."

But every ship is different and has idiosyncrasies. "It's a living and learning situation that will never end," he said. "You have to stay ahead of the pirates. They are not dumb. They are agile and you have to constantly reassess when the ship or the area changes."

On-going training by those joining the merchant marine today is constant and, according to Phillips, stiffer than ever before. "The certifications are increasing all of the time," he said. "People who sail with me know that I like to drill and train. They know I like to be ready for incidents."

When asked by this AJOT reporter how his training helped while he was held captive in the lifeboat, he recalled the importance of using common sense. "We're trained about what topics not to discuss," he said. "It is important for them to see you as a human – not just a lump of flesh to kill for notoriety. You want to maintain an adversarial relationship."

#### WARNING DISPUTES

The captains also discussed the lawsuit by some Maersk Alabama crew members that claim the ship was steered into pirate-infested waters near the Somali coast without any real protection and that Captain Phillips did not heed warnings.

"We take all warnings seriously," Phillips stated. "Piracy does not just concern Somalia. There are pirates off of Vietnam, Philippines, the Strait of Malacca, Java, the East Coast of Africa, and the West Coast of South America. Nigeria is worse than Somalia ever was. You have to avoid areas as best as you can."

In fact, he stated, pirates in Somalia generally do not want cargo since they do not have the logistics or infrastructure for cargo.

"They want the ship and the crew to hold as hostage for money," he said. "In other areas of the world you have basically theft, a bully or assault situation. But in the end, they just want to do you harm and don't care about your life or your concerns."

As for the Maersk Alabama incident, Phillips insisted the ship was never outside of the warning area. Werse, whose vessel was some 450 miles north of the Maersk Alabama at the time, especially noted that advisories are no different than State Department issued travel warnings. "They are not real time assessments," he said. "They do not say you cannot go to an area. No one knows where the pirates are today or where they will be tomorrow."

In fact, that day there were warnings for the entire Indian Ocean.

Phillips added that the Somalia waters are infested with five to six different pirate groups. "The pirates that had me were afraid of getting into an area patrolled by other pirates," he said. "They were afraid of being killed by those pirates."

Consequently, Phillips has always said to his crew: "It's not a matter of if, it's a matter of when."

"That's why we do drills for security purposes," he said. "We fight pirates everywhere. If you do not want to deal with piracy, you should not be in the merchant marine."

#### **Greek Americans spearhead** medical sealift to Greece

By Star Margaronis AVOT

Greek Americans are spearheading a medical sealift effort to supply Greek hospitals with essential medical supplies that are disappearing as a result of health care cutbacks.

In partnership with the Mediterranean Shipping Company (MSC), containers of medical supplies are being shipped from the United States, primarily through the Port of Portland, to hospitals and clinics in Athens, Crete, Chios and Salonika.

Already \$3.5 million in medical supplies have arrived in Greece since 2012. The \$3.5 million value of shipments is expected to double within the next year due to a donation provided by a Greek American foundation.

According to Baltimore-based International Orthodox Christian Charities (IOCC): "Austerity measures put into effect by the Greek government have dramatically reduced funding and crippled the medical institution's ability to function. Doctors and medical staff struggle daily to care for patients without essential medical supplies like surgical gloves, syringes, vials for blood samples and suture needles that the hospital can no longer afford to supply."

On the island of Chios, International Orthodox Christian Charities (IOCC), with support from the American Hellenic Educational Progressive Association (AHEPA) and the Chios Society of North America delivered more than \$740,000 in medical supplies to the Skylitsion General Hospital of Chios. The government-run hospital serves the medical needs of young and old living on Chios and the neighboring islands of Psara and Oinousses.

In early, 2013, a Chios patient told the AJOT that she went to tthe hospital for a treatment of a cut above the forehead

(**SEALIFT** – continued on page 14)

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Aqaba

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(SURVEY – continued from page 8) diversity makes common ground short in supply between geographic neighbors. There is also a great economic divide between countries that are hydrocarbon exporters, and neighboring nations that are energy poor.

Given all the conditions, is a Euro-Med free Trade zone feasible? Probably not, but the possibility for changes in very basic trade regulations and reductions in tariffs is very achievable as there has been economic growth and considerable potential. Proximity to Europe, the Middle East and Asia is unique, and the raw material wealth and potential employment looks similar in potential to Southeast Asia three decades ago...with similar caveats.

The IMF (International Monetary Fund) in the World Economic Outlook (WEO) 2013 said the 2012 GDP for the Middle East & North African economies grew by 4.6%. WEO is forecasting a rise to 3.8% by 2014. Much of this growth is more with the Middle East oil producers rather than the North African states. For example, in Egypt, the largest of the North African economies, the GDP is forecast to grow 3.1% by 2014. In contrast, Algeria (also an oil producer) is forecast at 4.4%, while Morocco and Tunisia at 3.8 and 3.7 respectively.

Of course the growth of GDP is only part of the story. The average GDP per capita in southern and eastern Mediterranean countries is below the world's average and in 2010 ranged from a high of nearly \$30,000 for Israel to less than \$5,000 in Morocco. Many of the southern and eastern Mediterranean nations have high population growth, a younger average age for the population, and high unemployment. The unrest in the region coupled with a byzantine regulatory environment has also frightened DFI (direct foreign investment) from the West, especially since the Arab Spring. The exception is Beijing's investment profile in the North African region which is rising as Chinese business looks for opportunities to develop energy and raw material interests.

According to recent economic surveys the best business prospects for the Arabic-speaking countries in the Mediterranean basin are Morocco, Algeria and Tunisia. Economists are forecasting major growth in the middle classes buoyed by low cost labor (relative to nearby Europe) and increased industrialization. With improved port and road infrastructure a growth in trade can happen relatively quickly.

Will it happen? At the moment foreign investment has followed politics – there is great interest in Libya, and great trepidation that the transition from Gadhafi to a merit driven economic system is far from complete. Virtually, every nation on the southern Mediterranean comes with an asterisk. Unfortunately, at this time, the collection of asterisks makes the exception the rule.

#### TALKING TURKEY

Unlike the North African nations, Turkey has a mid-range emerging economy and might be considered the linchpin to the entire region. The \$794 billion GDP makes Turkey the seventeenth largest economy in the world. The country has per capita GDP of \$10,666, and the GDP is forecast to grow 3.8 in 2013 (GDP growth in 2010, 2011 was 9.2% and 8.5% respectively) with unemployment just over 9%. FDI (foreign direct investment) was \$8.3 billion in 2012 and expected to rise to \$15 billion this year.

Part of the attraction for FDI is Turkey's unusual geography being both in Europe and Asia with access to the Middle East, Israel and Russia. The central location makes it an ideal staging area, particularly for oil & gas related investments.

Turkey's number one trade partner is the EU. In 2012 Turkey exported Euro 47.8 billion and imported Euro 75.2 billion. Turkey's exports to the EU are mostly machinery and transport equip-



ZPMC delivers container cranes to the Port of Algeciras, Spain

ment followed by manufactured goods.

The US has a positive trade balance with Turkey. In 2012 Turkey exported to the US around \$5.6 billion worth of goods and imported \$14.6 billion. Most of the exports to the US were vehicles, machinery and iron and steel. The US main exports were aircraft, iron and steel and agricultural products. Cotton was by far the largest export category totaling \$1.2 billion with wheat at \$238 million next.

The rapid growth of trade between the US and Turkey and the recent round of talks for Transatlantic Trade and Investment Partnership (TTIP) has prompted calls for a Turkey-US Free Trade Agreement (TURUS FTA). Turkey wants a seat at the table on the TTIP, although it is not a member of the EU but has maintained a customs union with the EU for two decades.

Given the current political climate in the Middle East, particularly the Syrian conflict right on Turkey's doorstep, and the malaise in Washington, the TURUS FTA is on the back burner, but there are many geo-political and economic reasons to get a deal done. The most encouraging factor is both Washington and Ankara want a FTA along the lines of the recent US-South Korean FTA. Turkey has the incentive to get a deal done as to join the TTIP would require the consent of every EU member. This is unlikely, and Turkey doesn't want to be on the outside looking in should the TTIP deal get done. The US would also like the deal to get done to secure relations with Turkey and a trading foothold of sorts in the Eastern Mediterranean.

#### **MEDITERRANEAN PORTS**

But what separates the "modern" trade patterns from antiquity is the great current of trade that flows to and fro between the Straits of Gibraltar and the Suez Canal.

The Strait of Gibraltar is one of the world' busiest waterways with averaging over two hundred merchant ships a day. At the other end, the Suez Canal handles in excess of 17,000-ships a year, with containerships accounting for over 6000 of that total.

 $(SURVEY-continued\ on\ page\ 20)$ 









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# INTERMODAL & LOGISTICS NEWS



#### Canada's first oil-sands unit train : FEC's new rail facility at Port Everglades to run in November

Western Canada's first crude-by-rail unit train terminal is set to start transporting 50,000 barrels per day of oil sands crude to the U.S. market next month, the CEO of operating company Canexus said.

The terminal in Bruderheim, Alberta, which will be expanded to 100,000 bpd by the second half of next year as a second supply pipeline is connected, initially will load only "dilbit" oil, or heavy bitumen crude from Canada's oil sands region mixed with 30 percent light condensate, Gary Kubera, chief executive of privately owned Canexus, said in an interview.

The facility is the first of a half dozen or so Canadian projects that have emerged over the past year to help carry more of the booming production from the Alberta oil sands by rail as producers seek alternatives to congested export pipelines. Shipping by rail is more costly, but also more flexible.

At present, the oil sands are only served by manifest trains hauling smaller loads, a less cost-effective mode of transport, but around 550,000 bpd of unittrain crude-by-rail projects - terminals that can load up to 120 rail cars a day - are due to start up in Western Canada by the end of 2014.

The Canexus terminal, which has been shipping 25,000 to 30,000 bpd of crude from Bruderheim on manifest trains since 2012, has already secured customer commitments for about 35 percent of its capacity. The company expects 70 to 80 percent of capacity to be under contract by the end of the year.

"The first unit train is set to run by the end of November," Kubera said.

"We expect unit trains will be going to the East, West, Gulf coasts. There is a lot of investment going into refineries to allow them to move crude by rail.'

He declined to give exact details of where Bruderheim shipments will go in the United States, saying it would be the decision of the shippers and their customers.

Extra rail capacity could help limit discounts on bottle-necked oil sands crude, which widened to as much as \$40 per barrel below the West Texas Intermediate benchmark earlier this year, cleaving a hefty chunk out of producers' profits.

Canadian producer MEG Energy says the terminal allows MEG to ship all of its 30,000 to 35,000 bpd of production by rail to its main market in the U.S. Midwest, as well as the Gulf Coast and Eastern Canada.

"With the massive rail network on the continent it could be to any potential refinery that has interest in that feedstock and has offloading facilities," spokesman Brad Bellows said. "We have seen a lot of interest, particularly from the Gulf Coast."

#### **NEW LINES**

The initial supply pipeline into Bruderheim will run from MEG's newly operational, 900,000-barrel Stonefell storage terminal, with other producers also able to move crude through that facility.

Cenovus Energy Inc is also signed up as a shipper from Bruderheim, which is served by Canadian Pacific and Canadian National railways.

Cenovus will start moving its Cold Lake crude blend from the terminal once the second supply pipeline is connected to its projects in northern Alberta next year, and once its own heated and coiled rail cars are delivered in the latter part of 2014.

"We are targeting moving about 30,000

#### bpd of our oil production by rail by the end of 2014," a Cenovus spokeswoman said. "That will be through the Bruderheim terminal, with some also coming from Sas-

#### RAW FUTURE

The unit trains at Bruderheim will use heated and coiled rail cars even for dilbit to prevent it becoming more viscous in bitterly cold Canadian winter temperatures.

katchewan and southern Alberta."

Heated and coiled cars are essential for transporting raw bitumen, which Kubera said the terminal could eventually start shipping depending on demand, in a

#### begins to take shape as construction moves forward

Construction is moving swiftly as Florida East Coast Railway (FEC) moves forward on a \$53 million, 42.5-acre intermodal container transfer facility (ICTF) at Port Everglades that will be used to transfer domestic and international shipping containers between ship and rail beginning in mid -2014. This near-dock facility, located on port property, will replace FEC's existing 12-acre intermodal yard which is currently located 2 miles from the port on Andrews Avenue in Fort Lauderdale.

"The Port Everglades ICTF allows us to build 9,000 foot unit trains within (FIRST – continued on page 14) • the facility without blocking any streets. The trains will then go to places such as Atlanta and Charlotte in two days, or Nashville and Memphis in three days. FEC's connections to CSX NS allow for rail service to 70 percent of the U.S. population within four days. This is a big benefit to customers that ship cargo into and out of Port Everglades," said FEC President Jim Hertwig.

FEC's new ICTF at Port Everglades adds increased capacity, efficiency and value to every party involved in the supply chain by providing transit times that match or are less than those of trucking

(SHAPING – continued on page 14)



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

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#### Western Canada grain crop shaping up to be one of the largest ever, says CN's Mongeau

Claude Mongeau, president and chief executive officer of CN, said current forecasts call for Western Canada crop production of more than 60 million tons one of the largest harvests in history - and stressed that supply chain collaboration and information sharing will be essential to moving the crop efficiently.

"Our grain customers have advised us in recent weeks that they are raising their original forecasts for this fall's shipments, as well as the amount of grain they intend to export between now and the end of this crop year next July," Mongeau said. "The current grain crop is now forecast to be among the largest in history. This is very good news for all of us involved in the business.

"Such a large crop will clearly challenge the entire supply chain. Meeting this challenge will require all supply chain partners to come together in order to maximize end-to-end throughput on a consistent basis. Prompt car loading in

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the Prairies, steady railway movements from the country to port, and efficient car unloading at port terminals will be critical to solid hopper car fleet velocity so that the cars can be brought back to the countryside to meet new orders in a timely way.

"All participants in the supply chain will have to up their game to move the crop to market on time, and on spec. CN is focused on port terminal unloading performance on the waterfront, maintaining a fluid rail operation, and sizing its hopper car fleet capacity at the level required to help keep the supply chain synchronized. Our C\$100-million investment in increased rail capacity in the Edmonton-Winnipeg corridor this year will help CN handle strong volumes of grain and other commodities over the fall and winter seasons."

Mongeau said the strong collaboration CN experienced with its supply chain partners in the fall of 2012 in moving significant volumes of grain to market bodes well for this fall.

(**SEALIFT** – continued from page 9)

which required stitches. She said the staff was unable to sew up the cut for lack of suture needles. She also needed a tetanus shot that was not possible because of a shortage of syringes.

In May, the situation changed for the better with the arrival of a medical supply container from the United States. "This donation will solve the hundreds of daily problems we face due to the lack of supplies," said hospital administrator Pantelis Boubaris. "It is an act of solidarity, not charity, and at this stage the hospital will do whatever is possible to use the specific supplies for the benefit of staff and patients."

Ioannis Stephanides, a Skiliston hospital administrator, told the *AJOT* that the hospital is now full of essential supplies for some time to come thanks to the donation from the United States. In fact, Stephanides said that the U.S. shipment had so overwhelmed the hospital inventory that some supplies were sent to Athens.

Medical shipments began in 2012 thanks to the efforts of IOCC and AHEPA.

Basil Mossaides, executive director of AHEPA, the largest Greek-American organization, went to Greece in 2012 to get the commitment from the Greek government for the aid to enter Greece duty free and to be expedited through Greek customs

He was supported by IOCC, the charitable arm of the Orthodox Church in the United States. At IOCC, *Dean Triantafilou*, the executive director and his program director Lou Zagami coordinated efforts with the Orthodox Church in Greece to aid in negotiations and provide distribution and logistics services.

IOCC has its own logistics coordinator at its Baltimore headquarters and also delivers aid to recipients in Africa, the Middle East and Eastern Europe.

Despina Katsivelaki, IOCC aid coordinator for Greece participated in the negotiations with the Greek government for the import of the medical containers. She also works with end user hospitals to prepare then for the delivery of aid and does follow up to ascertain how the aid is distributed. She works with a Greek logistics operator who provides services at cost out of loyalty to the Orthodox Church.

The original plan for the Chios container was that when it arrived at the Port of Piraeus, it would be opened and re-stowed in two trucks that would then drive on to the ferry sailing for Chios. Concern was expressed about the security of this plan. As a result, Katsivelaki and

the Greek logistics provider were able to change the plan and deliver the container on to the Chios feery and to the Chios hospital unopened.

The U.S. medical shipments contain brand new supplies donated by American medical supply companies. They include syringes, gauze, as well as walkers and wheelchairs. Supplies are assembled, inspected and packed into a container at the Medical Teams International warehouse at Portland, Oregon. IOCC then arranges for a truck to pick up the container and deliver it to the Port of Portland or sometimes Seattle-Tacoma. An MSC ship then transports the containers to Greece. Drugs are not included in the shipments and nor is costly equipment such as an X-ray.

Stephanides says that in Chios the bulk of aid for the hospital has come comes from Greek Americans living in the United States.

On the island of Crete, the Crete Society has funded several containers distributed to hospitals and clinics across the island.

AHEPA has funded a container sent to the AHEPA hospital in the northern city of Salonika.

Katsivelaki says that the U.S. aid program is increasingly being sought after by hospitals throughout Greece because of the dire need for basic medical supplies.

She says hospitals continue to be closed down in Greece with doctors and nurses laid off.

Doctors and nurses have been laid off and hospitals are closed down in many parts of Greece. At the same time, there is concern about the escalating threat of hunger in Greece this winter. Costis Dimtsas, general manager for Apostoli, the charitable arm of the Orthodox Church in Athens told the *AJOT* that donations for food banks in Greece have been sharply down in 2013 as funds from Greek donors are exhausted. Aid from the United States has played a critical role in picking up the slack but he is concerned that reliance on private efforts cannot go on indefinitely.

Apostoli is trying to do what it can, Dimtsas says, "but the situation is overwhelming."

Dimtsas expects the hunger situation to worsen over the winter of 2013-2014 and he is traveling to the United States to seek assistance for shipments of rice and other staples. Dimitsas warned genetically modified commodities are prohibited in Greece.

Food aid donors are requested to contact Lou Zagami, IOCC program manager, via e-mail. His address is: lzagami@iocc.org,

# C.H. Robinson strengthens anti-cargo theft strategy

C.H. Robinson Worldwide, Inc. bolsters its anti-cargo theft strategy by joining CargoNet® to provide customers with a proactive approach to strengthening security around sensitive and high value product freight. CargoNet is a division of Verisk Crime Analytics, a Verisk Analytics (Nasdaq:VRSK) company.

CargoNet is centered on a national database and information-sharing system managed by crime analysts and subject matter experts. By providing coordinated incident communications, recovery support, and deterrence measures, CargoNet helps its members prevent cargo theft and improve chances of recovery. CargoNet members benefit from an extensive law enforcement network of more than 120,000 officers and agents spanning more than 9,000 agencies in the United

States and Canada.

Organized groups rather than opportunistic individuals typically commit cargo theft. Through proactive utilization of theft data, trends and hotspots, C.H. Robinson will leverage and incorporate data from CargoNet and internal sources to provide supply chain decision making intelligence on areas to avoid and how to better manage supply chains.

Through CargoNet's informationsharing network, cargo theft event information is passed on to statewide law enforcement systems and several non-law enforcement channels almost immediately after a theft is reported. CargoNet ensures law enforcement can efficiently find critical information to help solve complex investigations, identify perpetrators, and recover stolen product.

#### Dependable Company affiliates, DGX and DAX, form strategic alliance with Novo Express International

DGX-Dependable Global Express, Inc., a global ocean freight forwarder, and DAX-Dependable Air Cargo Express, Inc., an indirect air carrier and certified cargo screening facility, announce a strategic alliance with U.S.-based Novo Express International, a global air freight forwarder and U.S. customs broker, to give the Dependable Companies an increased export presence to the Middle East. Together, DGX and DAX will expand their current scope of services enabling both to have increased volumes in ocean and air freight, greater service frequency, as well as enhanced competitive pricing.

Both companies are founding members of the WCA Family, a global network of independent freight forwarders, and actively support the organization's goal to

provide high-value benefits and services to its members to help them succeed.

Established in 1988, Novo Express provided both import and export services to and from the United States and markets throughout the world. Novo's strength was trade to and from the Middle East and China.

DGX began International operations in 1999 and has been active in both import and export markets, with emphasis in the Pacific Rim and Latin America. DGX is a U.S. Customs Broker and a C-TPAT member, and has roughly 30 ocean contracts on a worldwide basis.

DAX, an indirect Air Carrier and a Certified Cargo Screening Facility in Chicago and Los Angeles, has been operating since 1997. DAX specializes in global air freight services with concentration in domestic offshore locations.

. . . . . . . . . . . . . . . . . . .

(FIRST – continued from page 12)

crude by rail," he said.

move that should boost profits for producers.

"We think in the long term that is the one model that will allow crude by rail to compete with pipelines. Raw bitumen or

near-raw bitumen is the better option for

Pipelines are currently seen as the cheapest method of transporting crude oil but Canadian producers have to dilute their tar-like bitumen with around 30 percent condensate in each barrel - which is

more expensive than crude - to allow it to

flow through pipes.

Recent research by Sandy Fielden,

analyst at consultants RBN Energy, suggested moving raw bitumen on unit trains from Alberta to the Gulf Coast offers a greater netback, \$65 per barrel, compared with \$51.27 per barrel for shipping dilbit via pipeline.

At the moment, however, the heating equipment needed to load and unload raw bitumen from unit trains is absent from terminals and refineries across North America.

"Our analysis indicates that rail can beat the pipelines but that the infrastructure to achieve the necessary economies of scale are not yet in place," Fielden wrote in a note. (Reuters)

(SHAPING – continued from page 12) or offloading at other ports at competitive costs, with reliability, and reduced air emissions

"Our natural trade routes are North-South, where we are seeing tremendous growth in South America and Central America. With the expansion of the Panama Canal, Port Everglades will have the potential to see the North-South trade lanes intersect with the East-West trade routes. So there is great expectation for additional growth in our business which will be facilitated by the ICTF," said Port Everglades Chief Executive & Port Director Steven Cernak.

This state-of-the-art facility includes a marshaling area, rubber tire gantry cranes, and separate entrance gates to handle domestic and international containers simultaneously. New rail tracks will expand from two entrance tracks into six working tracks totaling approximately 18,000 linear feet to service trains up to 9,000 feet long.

Once completed, the ICTF is expected to reduce congestion on interstate highways and local roadways because loading and offloading cargo will take place within the port as opposed to offsite facilities. As a result, air emissions will be reduced by diverting an estimated 180,000 trucks from the roads by the year 2029.

Port Everglades contributed the land for the ICTF valued at \$19 million. Construction costs are estimated to total \$53 million, which will be paid through \$18 million in grants from the Florida Department of Transportation's (FDOT) Strategic Intermodal System program, a \$30 million FDOT State Infrastructure Bank loan, and \$5 million from FEC's capital plan.

The first step towards building the ICTF was taken in July 2011 when FDOT broke ground for the Eller Drive Overpass, which will elevate I-595/Eller Drive to allow the trains to access the Port at ground level. The overpass is expected to be completed by late-2014 at a cost of \$42.5 million.



# AIR CARGO NEWS



# TIACA hails agreement on aviation climate emissions as a major breakthough

The International Air Cargo Association (TIACA) says the agreement by 191 countries at the International Civil Aviation Organization (ICAO) General Assembly in Montreal to develop a global market-based measure for aviation emissions from 2020 is a major breakthrough in the development of global standards for the industry.

Prior to the ICAO meeting, TIACA urged the 191 states to 'make history' by reaching a single, simple and sustainable agreement to help aviation achieve carbon neutral growth. TIACA also endorsed a resolution by members of the International Air Transport Association (IATA) for the implementation of an aviation carbon neutral growth strategy by 2020.

Doug Brittin, Secretary General of TIACA, said: "We must not under-estimate the importance of this agreement. Business is changing and companies are being forced

to deal with harsh economic realities while also working to achieve a sustainable future.

Collaboration on the development of necessary global standards is essential to achieve the clarity international businesses need and to remove unnecessary additional processes and costs that inevitably arise when organizations are forced to comply with a raft of different national and regional regulations."

Under the terms of the ICAO Resolution agreed in Montreal to develop a global measure for aviation emissions from 2020, governments will spend the next three years leading up to the scheduled ICAO General Assembly in 2016 on technical discussions. Each country will work on the design elements of such a scheme, including standards for monitoring, reporting and verification of emissions and the type of scheme to be implemented.

# TIACA calls on US TSA to lift requirements for reporting of cargo screening data

The International Air Cargo Association (TIACA) has asked the U.S. Transportation Security Administration (TSA) to certify that its 100% cargo screening level on passenger aircraft has been achieved and to use its authority to immediately remove the ongoing requirement to report cargo screening data. The requirement is included in the standard security programs covering various participants in the air cargo supply chain.

In a letter to TSA Administrator, John Pistole, TIACA's Chairman, Oliver Evans, commends TSA on attaining its 100% mandatory screening target, a requirement of the 'Implementing the Recommendations of the 9/11 Act of 2007' both within and into the United States. He also recognizes the collaborative approach taken by the TSA through the inclusion of air carriers, freight forwarders and shippers in the United States, and through the National Cargo Security Program (NCSP) process and risk-based screening protocols for airlines transporting cargo inbound to the U.S.

Evans points out that although the

100% level was achieved more than nine months ago, the requirement to report monthly air cargo screening statistics remains in place. He further notes that this is of great concern because "the requirement places a significant labor and data collection burden" on the air cargo industry, as companies must expend both human and IT resources to meet the requirement.

TIACA's Chairman has asked Pistole to use his powers under the 2013 Department of Homeland Security Appropriations Act to certify that TSA has achieved screening of 100 percent of air cargo and to then lift the reporting requirement.

Eliminating this burden for all shippers, carriers and air forwarders can be accomplished through a relatively quick and straightforward process, Evans added, and would allow industry and government alike "to better focus our limited resources on measures that materially benefit security." He assured Pistole that TIACA will continue to work closely with the TSA to make global air cargo security measures effective and efficient.

#### American Airlines Cargo carries Colombian gold treasures to London for British Museum exhibition

American Airlines Cargo has delivered more than 200 pieces of gold and ancient artifacts to London for one of the British Museum's major upcoming fall exhibitions – Beyond El Dorado: Power and Gold in Ancient Colombia.

American worked closely with specialist art movement logistics company Momart to safely handle and transport the precious cargo from Bogotá, Colombia to London. Bespoke packing cases with the latest monitoring technology were specially created to ensure the objects arrived at the museum in perfect condition. Onboard couriers hand carried gold pieces which needed to be maintained upright, and special artwork cases protected the

other pieces during transport.

"This was a highly complex single cargo movement, and our cargo specialists in Bogotá, Miami and London executed a textbook operation," said Tristan Koch, American's Managing Director of Cargo Sales and Marketing – EMEA. "We are delighted to have played a part in their safe arrival."

The gold and artifacts are owned by the Museo del Oro in Bogotá and are being loaned to the British Museum for the exhibition which runs Oct. 17 through March 23. The exhibition examines the myth of El Dorado and explores the rich and diverse cultures of Colombia before the 16th century arrival of the Spanish.

# American Airlines Cargo expands cargo service in Orlando

American Airlines Cargo begins offering full cargo service to and from Orlando, Florida (MCO), giving customers more service in more cities. The newly-expanded service provides customers with more options for shipping cargo into and out of Orlando and the same great customer service they've come to know and expect from American.

Earlier this summer, American expanded cargo service into and out of Indianapolis (IND), New York – LaGuardia (LGA), San Diego (SAN), Atlanta (ATL) and Liberia, Costa Rica (LIR). More cities are expected later this year.

 American Airlines Cargo is expanding its cargo service around the globe to deliver customers more options for shipping.

- Cargo service in Orlando will be available for all of American's products both domestically and internationally, including Priority Parcel Service, ConfirmedFS, ExpediteFS and ExpediteTC.
- American offers regular connections between Orlando and its five hubs— Dallas/Fort Worth, New York-JFK, Los Angeles, Miami and Chicago O'Hare.
- The strength of American's network allows it to easily move shipments between Orlando and cities around the globe.
- Air General will act as American's handler in Orlando.
- Full cargo service in Orlando, Florida (MCO) begins Oct. 7.

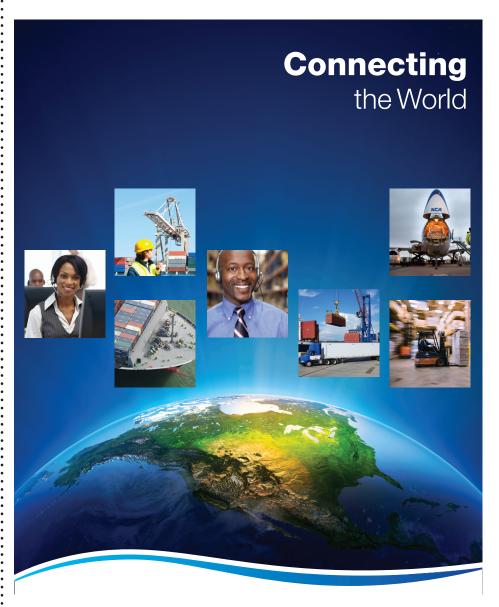
# Globe Air Cargo sees strong air cargo volumes as All Nippon Airways launches double-daily Chicago services

Globe Air Cargo has welcomed the launch of All Nippon Airways' (ANA) second daily flight from Chicago, stating it will provide an important boost in cargo capacity for freight forwarders wanting to access the airline's strong network of passenger and freighter ser-

vices throughout Asia.

The two companies hosted a special reception for customers in Chicago to celebrate the introduction of double-daily flights to Tokyo, which commenced on September 1, 2013.

(VOLUMES – continued on page 23)





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# Port of Virginia throughput continues climb as the port positions itself for new challenges

Port of Virginia's container throughput has climbed each month in 2013. But there is more to the tale than just rising box totals, the Port of Virginia Authority is positioning itself for a future 'containing' some very large container ships.

#### By George Lauriat, ANOT

You know things are going pretty well when you can say that every month this year was better than last year. The Port of Virginia (PVA) handled more than 198,329 teus in August, putting it among the top five all-time most productive months in the port's history. And that's where the Port of Virginia was in August, with eight consecutive months in 2013 over 2012, in all - up roughly 7% over last year.

In terms of structure, the VPA is an independent agency of the Commonwealth of Virginia and as such reports to the Virginia Secretary of Transportation. So it has always had the dual mission of providing port authority management services while being part of the State's overall transportation initiatives and economic development goals.

Right now, besides the rising numbers, there is a lot a foot at the port authority. With the restructuring – a process that is ongoing – the port authority is setting itself up to be the other go-to port on the US East Coast, after New York/ New Jersey.

Industry veteran Tom Capozzi, who with the reorganization now heads up the Commercial Group (Chief Commercial Officer) inside the VPA, offered insight into the direction the authority is taking with the new generation of 9,000 plus teu boxships hitting US shores, and about the reorganization itself. In "cliff notes" terms the reorganization combined the Virginia Port Authority and the Virginia International Terminal (the terminal operating side) into one management structure.

As Capozzi explained, "There's not a big change... really just one structure integrated together," adding the integration is "a real positive point for communications...[an opportunity] for a consistent message to our customers."

In its sum, Capozzi's division is vested with the mission of being the voice, essentially integrating all commercial activity for the Virginia Port Authority (VPA) and its terminal operator, Virginia International Terminals (VIT) including sales, marketing, branding, advertising, pricing, economic development, customer service, and media relations. As Capozzi told the *AJOT* in a phone interview, "This [communication and outreach] is a worldwide effort."

In the past the various entities were vested with different realms of communication with the greater public. One division might address BCOs (beneficial cargo owners) while another might concentrate on ocean carriers. With the new commercial side all under one roof Capozzi feels the Group will be more agile and have an ability to react both to State interests – the economic development side of the port prerogative – and those of the traditional port clients, such

as ocean carriers and port related supporting services.

One big change for the Port of Virginia over the last few vears is the rise of Suez Canal freight from Asia, which coincides with the larger container vessels and new carrier alliances. Capozzi said that he believes the expansion of the Panama Canal will have a positive impact on East Coast ports – a rising tide lifts all boats - but that the Suez services are here already. In that regard, the Craney Island Eastward Expansion Project in Portsmouth is important to the port's efforts to position itself on the US East Coast. Capozzi told

the *AJOT* that the VPA wants to dredge to 55-feet, making the port potentially the deepest on the US East Coast.

There is a strategic goal for the VPA beyond simply achieving deep channels for the sake of deep channels. The Port of Virginia's box totals have become very balanced over the last decade as more agricultural and commodity related products are exported. For example, in August import teus hit 97,747 while exports were 100,582 teus, resulting in increases of 1.8% and 8.8% respectively. These

(CHALLENGES – continued on page 20)







#### TransPacific lines keep up the pressure for added revenue

Container shipping lines operating from Asia to the U.S. are continuing their efforts to restore baseline freight rates for holiday shipments and the 2014 contract negotiating season beyond.

Member carriers in the Transpacific Stabilization Agreement (TSA) are recommending a guideline US\$400 per 40-foot container (FEU) general rate increase covering all origins and destinations, effective November 15, 2013. The move follows individual actions by several lines in the trade to raise their rates during October.

"The trade is seeing modest but healthy cargo growth over 2012, while cargo handling, equipment and other costs continue to rise and most carriers are operating at a loss," said TSA executive administrator Brian Conrad. "It makes no sense for rates to be at current levels, and it threatens the ability of individual carriers to maintain service levels heading into 2014." Conrad noted that cargo volumes have risen steadily since mid-August and are expected to remain strong through mid-November when typical seasonal easing begins.

#### **CaroTrans increases Transpacific services with Direct South China to US Southeast LCL Service**

CaroTrans, a leading global NVOCC and ocean freight consolidator, has announced another expedited LCL import service from China, a direct Hong Kong to Atlanta connection. This South China service covers the entire Pearl River Delta region including main cities Guangzhou and Shenzhen, as well as Xiamen with consolidations in Hong Kong. Imports arrive in Atlanta with express connections to 10 IPI points throughout the U.S. Southeast. This weekly service has a 22 day transit, the fastest in the market. Destination unpack provides cargo availability within 24 hours at Hartsfield warehouse.

CaroTrans has a comprehensive Asia LCL import service network with less cargo handling for reduced supply chain risk and greater reliability. With direct LCL services, transshipment costs are eliminated and transit times are faster offering greater value and service predictability for timesensitive import shipments.

'China is a critically important market for CaroTrans to grow and develop," says Greg Howard, Global CEO, CaroTrans. "We are pleased to offer this new LCL import service from Hong Kong to the important U.S. Southeast gateway."

#### Portland a new gateway for Ford exports to China

Ford's slogan is "Go Further," which is exactly what an estimated 30,000 Ford vehicles will do this year when they are exported through Portland to China for the first time.

Following inspections by Chinese government auditors, Auto Warehousing Company's (AWC) facility at Terminal 6 received full approval, meaning that export shipments can now begin through Portland. The country will soon open its doors to a variety of new Ford cars and trucks coming from several plants in the U.S., Canada and Mexico. The first shipment will happen in coming weeks.

'We are proud to be serving as the primary gateway for exports of new Fords to China and furthering our mission to provide access to international markets," said Bill Wyatt, executive director for the Port of Portland. "This new business will provide local jobs and economic benefits, but also fulfills a national role for Ford vehicles manufactured in plants throughout North America."

Initial volumes are planned to be 30,000 in the first year and growing to 40,000 per year, and AWC will be hiring up to 50 people immediately at its 130acre Terminal 6 facility to process vehicles and prepare them for the Chinese market. A \$2.8 million project to expand the processing building by 27,000 square feet and increase capacity to more than 110,000 vehicles annually is nearing completion. The expansion was financed by ConnectOregon IV state grant funding and a \$560,000 investment by AWC.

It was fitting for Portland to be selected to handle the Fords, since it is already the second largest auto import gateway on the U.S. West Coast and fifth largest in the nation. The Port has specialized in handling vehicles since 1953. Portland also

(GATEWAY – continued on *page* 22)



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#### **Annual Breakbulk America's Conference in New Orleans**

The Annual Breakbulk America's Conference was held at the New Orleans Convention Center on September 24 - 27. Over 3,000 attendees joined in the networking.



(L to R) Dominic O'Brien – PRPA, Henly Ervin – Maersk Rickmers, Frank Camp – PRPA, Meredith Siviter - Maersk Line Ltd.



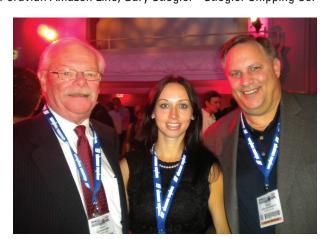
(L to R) Rolando Torres – Peruvian Amazon Line, Doug Wray – Ports America, Roberto Melgar Barabino – Peruvian Amazon Line, Gary Stiegler - Stiegler Shipping Co.



(L to R) Tom Ott – Bertling Logistics, Harry Hussein – Liberty Global Logistics, Mary Regel – Bentley World Packaging, Frank Fogarty – Alabama Ports



(L to R) Matt Pontier – Global Port Ship Line, Betty Vernon – Houston Livestock Show & Rodeo, Cliff Kuhfeldt –Chipolbrok, Brenda Kuhfeldt – Tara Int'l



(L to R) Marty Pilsch – Ram Spreaders, Ania Mierzejewski – TAL International, Doug Beeber – Jones Stevedoring



(L to R) Claudio Gonzalez – JAS Projects, Maria Paz Toro – BBC Chartering



(L to R) Yalonda Henderson – GAC, Kimberly Long – GAC, Ana DeCantos – Intermarine, Robert Flores – GAC



(L to R) Larry Young – SSA Cooper, Susan Gardner – APM Terminals



(L to R) Shaun Knapp – DFS Ocean Services, Kevin Krause – NNR Global Logistics, Inna Getselis – Wallenius Wilhelmsen, Michael Lewis - Penbroke Marine



(L to R) Alberto Meija – Intermarine, Saints cheerleader Amber, Jim McNeillie – Bertling Logistics, Saints cheerleader Britney, Roger Clark – Clark Consulting



(L to R) Cary Hagen – VIT, Andy Sallans – Siem Shipping, David Kieffer – FML



(L to R) Eric Mancini – SDV, Jani Pekka – Wartsila Engines, Lars Schoennemann – BBC Chartering



(L to R) Ed Bastian – BBC, Christiane Schoenfeld – PanProjects, Roberto Frigeni – BBC



(L to R) Chris Heibel – American Ro-Ro Carriers, Dave DeBoer – American Ro-Ro Carriers, Kristina Shore – The Diplomat Group, Stephen Spoljaric – Bechtel, Phil Glatfelter – Bechtel, Rona Mcalister – Bechtel, Sammy Parker – Bechtel



(L to R) Valencia Taylor – VOGT Power, Tremayne Higginbotham – CMX Global Logistics, Grant Seely – CMX Global Logistics, Kylie Seely, Dale Goetz – CMX Global Logistics, Doug Kachinsky – 2W Global, Terry Alexander – GE Power & Water



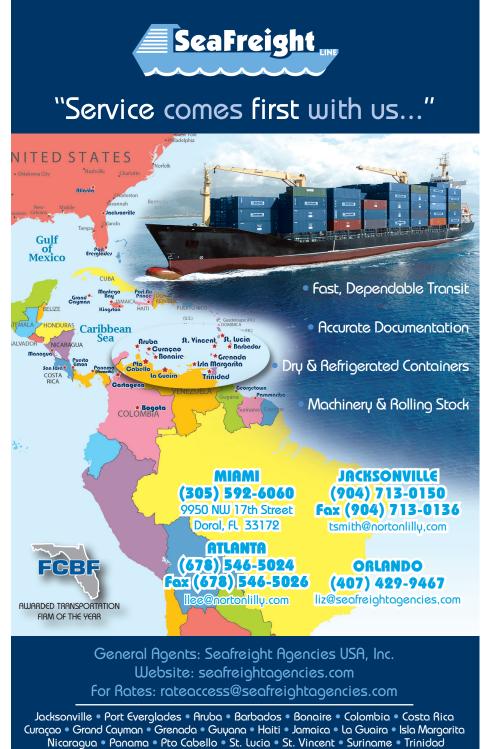
(L to R) Dave McGeath – Lynden International, Jay Baird – Logistec, Milena Dimitrova – CISN Inc., Mike Evans – FESCO, Anna Skorobogatko – STS Logistics, Nick Nickolaychuk – STS Logistics



(L to R) Captain Derek Shoobridge – Advanced International, Jaqueline Pena – Advanced International, Diana Patrick – BBC Chartering, Diana Perrett – Advanced International, Michael Padilla – Pacer Inc.



(L to R) Arjan Lelivelol – Mammoet, Bas Schipper – Mammoet, Roman Zhekov – BBC, Nicole Zuniga – Mammoet, Ashton Postell – Mammoet



# Agribulk, ro/ro lead Brunswick to banner year

Outstanding trade in agribulk and roll-on/roll-off cargo at the Port of Brunswick led to an impressive 47 percent increase in total tonnage for fiscal year 2013.

"Our deepwater ports provide vital support to our agricultural, forestry and manufacturing sectors," said Georgia Governor Nathan Deal. "Because Americanmade goods are able to reach the global market efficiently through Georgia's ports, these products are more competitive in international trade. That's good for jobs in Georgia and across the Southeast."

For the second year in a row, the Georgia Ports Authority achieved a record total for auto and machinery units with an 11.7 percent improvement in FY2013, moving 636,942 units – an increase of 66,958. Most of that business, or 622,702 units, moved over Colonel's Island terminal in Brunswick.

"Brunswick has seen phenomenal growth this year as the automobile industry rebounds and sales increase," said Curtis Foltz, GPA's Executive Director. "As a result, the Port of Brunswick is the third busiest port in the U.S. for total roll-on/roll-off cargo, and the second busiest port for the import of such cargo."

Volume improvements in FY2013 are thanks in part to business from new customers including Subaru and Toyota. Other factors include heavy machinery exports from companies like Caterpillar, contributing to a 127,830-ton increase in breakbulk tonnage (for a total of 1.2 million tons) at Colonel's Island.

"Our facilities provide a regional transportation hub that is second-to-none

in the United States," said GPA Board Chairman Robert Jepson. "Working with our commercial partners, our port operation takes advantage of direct interstate access and two Class I rail services to move exports from inland factories more efficiently, as well as to move import cargo to destinations across the Southeast."

At East River in Brunswick, biofuels including wood pellets helped drive the terminal to a 23 percent, or 151,896-ton, bulk cargo improvement over FY2012 to reach 815,337 tons of bulk cargo moved through East River Terminal alone. Colonel's Island also saw a banner year in agribulk cargo, moving 148,712 tons of corn and 792,453 tons of soybean meal, for a total of 941,165 tons – nearly five times more than in FY2012, in which GPA moved 195,306 tons of agribulk products.

The GPA moved a combined 1.75 million tons of bulk cargo through Brunswick in FY2013, more than double the 858,747 tons in the previous fiscal year.

"The break in the drought resulted in greater farm yields," Foltz said. "Additionally, increased overseas marketing for U.S.-produced agribulk boosted GPA volumes." Counting freight moved through Savannah and Brunswick, the GPA marked record volumes for fiscal year 2013 in total tonnage, bulk cargo, total auto-machinery units, and freight moved by intermodal rail.

In the year ending June 30, the GPA moved a record-setting 27.23 million tons of cargo across all terminals, for a 2.4 percent increase over FY2012.

# **G6 alliance implements Asia-Europe winter program**

Members of the G6 Alliance have announced the withdrawal of eight Asia-Europe sailings from late October 2013 to February 2014, in response to expected low demand over the winter season. The void sailings will be made on the following services:

#### ASIA - NORTH EUROPE SERVICES

- Loop 7 service in Week 44 (ETA Qingdao 28 October 2013)
  Loop 4 service in Week 47 (ETA Ningbo 22 November 2013)
- Loop 6 service in Week 48 (ETA Kaohsiung 25 November 2013)
- Loop 1 service in Week 1, 2014 (ETA Kobe 4 January 2014)
- Loop 6 service in Week 7, 2014 (ETA Kaohsiung 10 Feb-

ruary 2014)

#### Asia – Mediterranean Services

- EUM service in Week 44 (ETA Pusan 27 October 2013)
- EUM service in Week 48 (ETA Pusan 24 November 2013)
- EUM service in Week 7, 2014 (ETA Pusan 9 February 2014)

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.

# Safmarine MPV eyes growth in US market

Multi-purpose shipping line Safmarine MPV is determined to grow its US heavylift, project cargo and breakbulk cargo business and has taken important steps to support its growth ambitions.

According to Safmarine MPV's managing director, Jorg Knuttel: "2013 has been a significant year for Safmarine MPV which started with the AP Moller-Maersk Group's decision to establish the Safmarine MPV business as a separate and independent business unit within the Group, complete with its own dedicated third party agency network.

"Following the appointment of Norton Lilly International to represent Safmarine MPV as our third-party agents in the US, the logical next step – in view of the importance of the US-West Africa trade to our business – was to move our management team closer to the business."

Safmarine MPV's commercial director, Randy Jameson, relocated from Safmarine MPV's headquarters in Antwerp to his new base in Houston,

where he was joined by industry veteran, George Janssen, previously with SE Shipping, Beluga Chartering, Jumbo Shipping and GenChart, as the new Safmarine MPV line manager for the US East Coast & Gulf to West Africa service

"Many of the world's leading names in the project cargo business have trusted Safmarine MPV to ship their cargoes from A to B and our intention is to build on this proud heritage by building an even bigger and more stable Safmarine MPV into the future."

Deploying a dedicated fleet of multipurpose vessels, Safmarine MPV connects the US, Europe and South Africa with the main oil and gas ports along the West Africa coastline. The company's specialized multipurpose vessels are purposebuilt to carry project and break bulk cargoes and are also able to load containers. Safmarine MPV currently offers four breakbulk services to West Africa, two from Europe, one from the US East Coast and one from South Africa.



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

jobs for longshoremen, barge lines and oceangoing vessels."

Thanks to a \$150 million investment by Louis Dreyfus Commodities in expansion and modernization, the elevator now boasts capacity to process as many as 5 million metric tons of grains and oilseeds a year, while the new barge unloader will be able to discharge as many as 24 barges a day, with annual unloads of as many as 4,000 barges.

Louis Dreyfus Commodities, which has the property under 20-year lease with an additional 10-year option, plans more enhancements over the next couple of years that will further increase capabilities. The company is part of the Parisbased Louis Dreyfus Group.

Mikael Mörn, Louis Dreyfus Commodities' chief executive officer for North America, called the Port of Greater Baton Rouge installation "our flagship export facility on the Mississippi River and a major part of our North American export program, bringing local products to world markets."

"We will start moving product immediately through the terminal, and are positioning ourselves to sustain and expand our leading presence within the grains and oilseeds export landscape in the U.S.," Mörn added.

Louisiana Gov. Bobby Jindal told those at the dedication, "This expansion by Louis Dreyfus Commodities is great news for Baton Rouge and our entire state."

Adam Knapp, president and chief executive officer of the Baton Rouge Area Chamber, said, "The Port of Greater Baton Rouge is an invaluable asset for our region, and this upgrade further strengthens this asset."

(SURVEY – continued from page 10)

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In a larger sense, it is a North-South trade with (Southern) European nations, Spain, Italy, France, (and to a lesser extent Greece) being the more industrialized side of the economic equation. It's not surprising that of the fourteen Mediterranean containers ports with over a million teus in annual throughput, eight are on the European side of the sea.

However, a number of ports are hubs through which trade is directed. Malta's Marsaxlokk, which annually posts 2.4 million teus, acts as a mid-Mediterranean hub for services. Back in July the port handled the 16,000 teu CMA CGM Jules Verne on the FAL1 service connecting Asia to Europe. Gioro Tauro (handling over 2.7 million teus ) in Southern Italy also is a hub for goods heading into Italy and onward to Europe. The Egyptian ports of Port Said (which is setup to handle Triple E sized ships) and Alexandria have established themselves as first and last ports of call on the Mediterranean side of the Suez Canal. Algeciras, in Spain, plays a similar role as the port of entrance or exit to the Mediterranean from the Atlantic. In 2012 the port posted 4.1 million teus, and with the larger containerships (Maersk Lines' Triple E calls,) this number is likely to rise.

(CHALLENGES – continued from page 16)

agricultural and commodity exports tend to weigh out before they cube out, resulting in loads that will bring a containership down to her marks, requiring pier and channel depths to accommodate full loads. The goal of any hub port is to position itself both as a first call inbound, and most importantly, a last call outbound. It's becoming obvious in the US trades that full outbound loads will dictate port rotations, and last call outbound will naturally require the maximum channel depth. The advantage that Virginia has over many competitors is that the 600-acre Craney Island project can be used as a disposal site for dredged material.

One important feature of the Virginia Port is the Virginia Inland Port (VIP) at Front Royal, which opened back in 1989. The facility is serviced by almost 18,000 feet of rail track adjacent to the Norfolk Southern Railway's trunk line. It is also close to routes 66 and 81. The VIP has become somewhat a model for other ports (like Charleston SC) seeking to use inland terminals to both increase the port's reach and also aid in increasing terminal velocity by effectively extending the on dock rail connections inland.

Currently the modal mix is 32% rail, 64% truck and 4% barge (Richmond service). Capozzi said the rail (the Heartland Corridor project among others) percentage should increase and simultaneously increase the Port's natural cargo basin. With the new rail services to places like Memphis and Nashville, Tennessee; North Carolina, and the Ohio Valley, all are part of the Port's inland markets. Besides the rail, Capozzi said the Port was working on a bill of lading for the Port of Richmond, which is connected via a barge service to the Port of Virginia facilities.

While there are still some important elements to be addressed in the reorganization, such as hiring a new CEO, the Port's numbers keep rising for boxes, breakbulk and rail and that's a message worth getting out.



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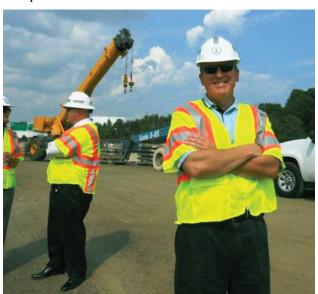
# Connaughton has serious impact on Virginia, US transportation

Arguably, Sean Connaughton has accomplished as much as, if not more than, any state secretary of transportation ever has but it's part of

tion ever has, but it's part of his nature to never take himself too seriously.

As his four-year term as secretary of transportation for the Commonwealth of Virginia

draws to an end, the former administrator of the U.S. Maritime Administration shares with the *American Journal of Transportation* his thoughts on Virginia's remarkable success in leveraging billions of dollars of public-private partnerships, growing the Port of Virginia and the secret behind his omnipresent smile.



Virginia Secretary of Transportation Sean Connaughton visits the site of a highway construction project facilitated by a public-private partnership.

You have been very successful in leveraging public-private partnerships to advance Virginia's transportation infrastructure. How have you accomplished this, and what might other states — and the federal government — learn from these efforts?

Virginia has had a public-private partnership law for transportation and other infrastructure since 1995. Until we took office [in January 2010], the law had been used on a project-by-project basis. That essentially meant waiting for the private sector to make unsolicited proposals and then the state would react. This ended up being fairly uneconomical and took a lot of the initiative away from the state in identi-

fying priorities. It actually bogged down the system and led to long delays in advancing projects once Virginia received proposals.

# **Industry Profile**

By Paul Scott Abbott, AVOT

When we took office, we recognized that public-private partnerships are a great tool to help us address our infrastructure challenges. Not only are they an outstanding way to attract private investment and leverage existing revenues, but they also create new efficiencies and bring innovative new ideas to the table. In an effort to

improve our program, we commissioned a study that looked at what the state was currently doing and what were some of the best practices around the world. Then the report made recommendations on how to make our program much more efficient and much more a part of our overall procurement strategy.

First, we established our own standalone Office of Transportation Public-Private Partnerships to manage P3s across all of our modal agencies. We hired a fulltime staff of project managers, financial analysts, engineers [and] lawyers to work in that office, and co-located it with our long-term inter-

modal planning office. More importantly, we developed an expedited procurement strategy with a goal of finding private investors for projects wherever possible.

As a result of these reforms, last year, the state closed more than \$6 billion worth of public-private partnerships, making Virginia the second-highest in the world after the United Kingdom. To put that in perspective, Virginia only invested just about \$2 billion which is resulting in \$6 billion of infrastructure. In other words, we have gotten a lot more done with limited dollars while moving projects much more quickly.

We also now have an established,



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published pipeline of projects that we've identified and would like to pursue, and we're moving forward with several projects right now from the pipeline. Overall, we think we have made the whole program a much more effective part of our tool chest for delivering transportation options to the people of the commonwealth.

Specific to port-related projects, what have you been able to accomplish

| E-MAIL: admiral@admiralmarine.ca

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with public-private partnerships?

We have two projects that are directly related to the port.

The first is the Downtown Tunnel/Midtown Tunnel/MLK Extension Project, which will add another underwater tunnel connecting Portsmouth and Norfolk, where two of our major marine terminals are located.

The other is the 460 Corridor Improvement Project, which will be a new 55-mile, four-lane, Interstate-grade road that will enable us to quickly move cargo from I-95 to Hampton Roads without having to cross any of the major water bodies.

We also recently reviewed an unsolicited proposal to privatize the operations of the port, but the VPA [Virginia Port Authority] board decided not to move forward after evaluating the proposal. However, the proposal did enable us to look at improving the efficiency of the port's current operations as well as to find ways to increase the volume of cargo, so much so, that, over the last year, it's been the fastest-growing port along the East Coast.

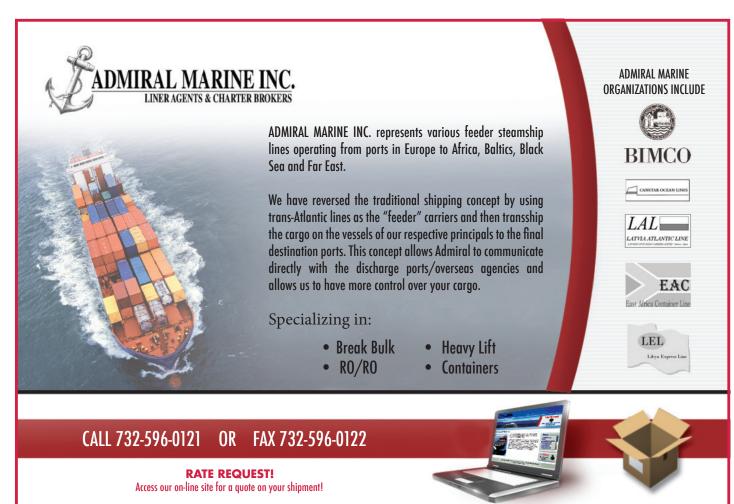
In fact, the Port of Virginia just set another all-time single-month record...

None of that would have happened if it wasn't for the public-private partnership proposal and the reforms put forward by the McDonnell administration. These efforts really made the port and the maritime community look at what we were doing well and where we needed to improve to grow cargo volumes and create jobs.

So tell me more about the favorable position of Virginia's ports.

Virginia is in a very advantageous position when you look at our geographic location, the [50-foot] depth of our channels and the lack of overhead restrictions. We have both current and planned terminal capacity enhancements, and we have good

(PROFILE – continued on page 22)



(**PROFILE** – continued from page 21) and improving road and rail networks.

I believe that, once we complete the Midtown Tunnel project, the 460 project and additional rail improvements, we will become a port of choice for those larger ships coming through either the Panama or Suez canal.

One of our biggest challenges is going to be continually striving to improve the efficiencies of our operations and reduc-

We are extremely excited about our 460 project. The road will provide an enormous opportunity to attract distribution centers and manufacturing because it will essentially run parallel to the main Norfolk Southern [rail] line. It will also run through three megaproject sites and greatly shorten the time and distance to get down into North Carolina, South Carolina and Tennessee, where we are also seeing growth in new manufacturing centers.

We're very, very bullish about the future of the port. We are making the right investments, and I think we're making the right choices for the future.

How has your experience at the helm of the U.S. Maritime Administration from 2006 to 2009, as well as your earlier service as chairman of the Prince William County (Va.) Board of Supervisors and work as corporate vice president for government affairs at the American Bureau of Shipping and as a maritime and international law attorney, helped you in your role as Virginia's secretary of transportation?

I think I'm unique among secretaries of transportation across the country in that I have a long background in multiple modes of transportation. When I graduated from the [U.S.] Merchant Marine Academy, my degree was in maritime transportation, but anyone in today's maritime industry understands that it's all about intermodalism. It's about the entire logistics system, because today's shippers and the shipping lines serving them are interested in the entire network. They're not just simply interested in port to port, but from origin to destination.

My seven years as head of the local government in one of the most congested regions in the country gave me a very good understanding of actually having to address transportation challenges and the political dynamic of transportation planning.

At the Maritime Administration, I got to see how the federal government, at the senior levels, dealt with the states, the public and businesses, and ABS continued my interaction with the [U.S.] federal government and governments globally. It all gave me a very good background about transportation infrastructure, politics and public and private financing.

I think when you look back this has probably been the most productive four years for transportation of any state in the country. The culmination of our efforts was when our legislature, which is a very conservative legislature, approved the largest transportation funding increase [\$1.5 billion a year] in our history. I think it was a vote of confidence in the amount and the quality of the work over the previous three years.

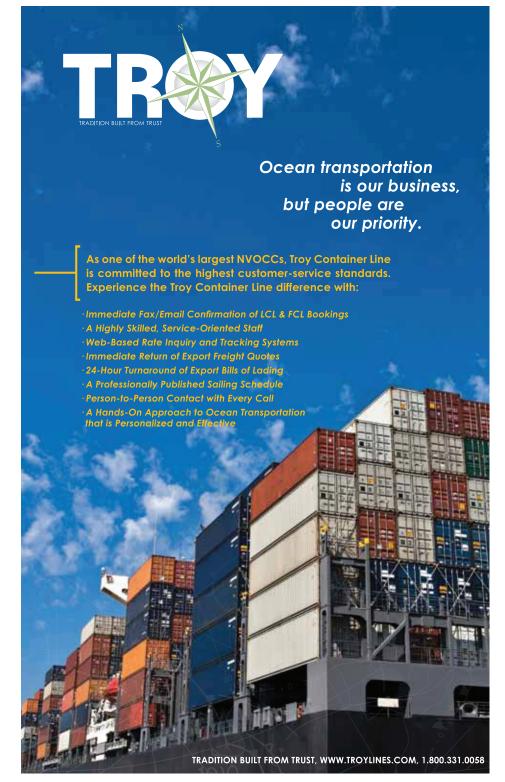
Your present influence still extends behind the Commonwealth of Virginia, in such roles as chairman of the American Association of State Highway and Transportation's Standing Committee on Water Transportation and as chairman of AAS-HTO's Special Committee on Intermodal Transportation and Economic Expansion. How do you see these committees serving to advance national objectives?

First, on the Water Transportation [Committee], we have been advocating and very active in advancing the water resources development bill. Earlier this year, we came out with the bottom-line report, which had never been done from AASHTO's perspective. Essentially, it's a

Mison

TRANSPORT INC.

(**PROFILE** – continued on page 23)



#### SC Ports posts increase in cargo volume

The South Carolina Ports Authority handled 133,011 20-foot equivalent units, or TEUs, in September, increasing its FY2014 first quarter total volume by 3.3% over the same period last year.

From July through September 2013, the SCPA moved 413,818 TEUs. Total exports for the quarter reached 216,680 TEUs, a 4% increase for the Port over the first quarter of FY2013.

During the period 459 ships called on SCPA facilities, representing a 4.8% increase over plan. The SCPA currently has seven post-Panamax ship calls per week.

'Cargo growth is a top priority for the SCPA and we increased volumes on ships that validate our deep-water strategy during the first quarter, meeting an extremely aggressive growth goal for the period," said SCPA Board Chairman Bill Stern.

#### Zim, Savannah Giant partner in moving 100-ton yacht

ZIM's Special cargo team handled a unique shipment of a 100-ton, 92-foot (28-meter) long yacht, shipped on board C/V ZIM Ontario from Asia to the Port of Savannah. The new barge crane, the Savannah Giant, was used for the first time during the discharge operation in Sept.23.

"The Savannah Giant is a valuable addition to our offerings at the Port of Savannah, with a capacity of up to 500 short tons," said Georgia Ports Authority Executive Director Curtis Foltz. "Not only can it offload these enormous cargoes, but as seen in the recent yacht lift, our new barge crane can move super-heavy loads between terminals."

The crane was stationed alongside the Zim Ontario to make the lift from the vessel. The yacht was taken off the vessel and transported in the cradle from Garden City Terminal down river to Ocean Terminal and discharged into a slip to take advantage of increased security. This was the first lift made with the Savannah Giant since it became part of the GPA operation in August.

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(GATEWAY – continued from page 17) began exporting Fords to South Korea for the first time in January 2012—the first vehicle exports since 1988 – and that business continues today.

With a diverse cargo portfolio that also includes grain, minerals, containers, steel products and more, Portland has a longstanding trade relationship and a multitude of connections with China. This dates back to 1980 when Portland was the first U.S. port-of-call for goods from mainland China following restoration of diplomatic relations.

"There is great potential to grow this business as our expertise and available capacity matches growing demand for Ford vehicles in China," said Ben Seher, President, Auto Warehousing Company. "By better utilizing transpacific car carriers returning to Asia, this will be good news for everyone involved."

### **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.

The Traffic Club of Newark will hold its *International Night* at the Galloping Hill Inn in Union, NJ starting at 6:00PM. The keynote speaker will be Jim Pelliccio, president of PNCT. For more information contact

Tony Taranto at (347) 866-2342 or email: ataranto@msc.org.

The 13th Annual Port of New York-New Jersey Port Industry Day will

be held at Liberty State Park in Jersey City, NJ For more information call (201) 437-1891.

10/28

11/07 CONECT will host its 12th Annual Northeast Cargo Symposium at the Boston Marriott Newton Hotel (see the CONECT ad on page 12

for details.) For more information go to www.conect.org.

11/13 Westconn International Trade Association will hold its monthly business meeting at Giovanni's WaterEdge in Darien, CT starting at 6:00PM. For more information go to www.westconn.org or call Gail Kedrus at

(516) 821-3360.

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.

**12/14-12/16** The *Multimodal Freight Network* will be held in Istanbul, Turkey. The cost is \$800 for Network members; \$900 for non-members. For more

information go to www.multimodalfreightnetwork.com.

**02/02- 02/04** The 46th Annual Georgia Foreign Trade Conference GFTC2014 will be held at The Cloister on Sea Island, GA. For more information go to www.gaforeigntrade.com.

**02/04-02/06** The *Indian Pharma Shippers' Forum* will be held at the *Air Cargo India Conference & Exhibition* in Mumbai, India. The keynote speaker will be Rafeeque Ahmad, president of the Federation of Indian Exports Organization. For more information go to http://stat-



### **CLASSIFIEDS**

#### REQUEST FOR PROPOSAL RFP No. 13-14/06

The Port of Oakland is soliciting proposals for the lease of Charles P. Howard Marine Terminal (Berths 67-68) for maritime port uses.

Proposals are due by 4:00 p.m. on December 6, 2013 at the Port offices. Deliver to: Maritime Division (attention: Delphine Prevost), 530 Water Street, Oakland, CA 94607.

An optional pre-proposal meeting and site tour will be held on October 18, 2013 at 9:00 a.m. at the Port offices.

Copies of the Request for Proposal may be obtained at the Port's offices between the hours of 9:00 a.m. and 4:00 p.m. or from the Port's main website at http://www.portofoakland.com/by clicking on "Business," then "Opportunities," then "Bids/RFPs/RFQs."

(PROFILE – continued from page 22) top-to-bottom review of the marine transportation system in the United States and what AASHTO's recommendations are to improve that system. After my committee was finished with that, we brought it to the AAHSTO board of directors, consisting of my colleagues in all 50 states, and they voted unanimously to approve that report. We're happy to say that the legislation that passed the Senate and is moving forward in the House addresses many of the concerns and recommendations we made in that report.

The intermodal committee is sort of interesting. We have been very big advocates of multimodal freight – both Virginia as a state and AASHTO as an organization. We were one of the primary advocates for including the freight provisions of MAP-21 [Moving Ahead for Progress in the 21st Century Act], and now we're working to implement it. Virginia was one of the first states that actually had a freight plan, which is now essentially mandated for the states.

I can say the two committees I've had the privilege of leading have had an impact both on the national dialogue on water resources as well as on freight transportation planning.

Your community involvement has always been strong and has even led to an outdoor performing arts center in Woodbridge, Va., the Sean T. Connaughton Community Plaza, being named in your honor. How do you personally view the significance of this?

It's a great honor that the people of Prince William chose to name that after me. I like to think that it's more a symbol of what positive community involvement can and should be. Unfortunately, today's political and public discourse seems to focus more on the negative and not on public service and community involvement. We have a lot of challenges and opportunities locally and nationally, and people want to see and hear public officials who are about solving real problems in a cost-effective manner.

Again, it's obviously a great honor that they chose to name it after me. I'd like to think that, hopefully, it will serve as an inspiration to others to focus on doing what's right by their community and to use politics to further their community versus their own personal or parochial self-interests.

You are well-known not only for your pragmatic approach to governmental issues but also for your beaming smile. As busy as you keep yourself, how do you manage to keep smiling?

Well, first, in public life, you have to enjoy what you are doing and one needs to have a positive attitude, which is not always easy. I don't know if it is due to our newfound technology and the resulting 24/7 instant news, but public discourse today seems harsh and people go right for the jugular.

If you're doing what you think is right

and you focus on the right things, you can accomplish a lot, enjoy it, and smile!

I've been blessed to have a very, very positive public career. I have a great family. My children are in college. My son is a sophomore at West Point and my daughter is a senior at Texas Tech. I've been married for close to 30 years. I've had very solid family support, which, if you want to be effective in these types of positions, you have to really have the love and support of your family.

I've enjoyed almost every day I've been out here serving the public, and I view it as a way to pay back the great things that this country has done for me and my family.

It's not always easy to keep smiling, but it's much better than going around with a scowl. You've got to keep a sense of humor. I think people think I have sort of a sharp sense of humor, and I think most people appreciate that a great deal.

Sometimes people take themselves way too seriously. They need to step back and again understand that not everyone's an enemy and you are not always right. There are very few black or white issues in transportation.

(VOLUMES – continued from page 15)

Addressing guests at the event, Akira Okada, Executive Vice President and Member of the Board of All Nippon Airways, said: "Last year marked the 60th anniversary of ANA. To complement 60 years of our journey, we have been making quantum leaps in terms of expanding our global network. Specifically in the United States, we launched our Seattle service last July, double-daily flights from New York in October and San Jose, California in January of this year. Now we will commence our double-daily service from your beloved City of Chicago. I believe our added service will provide you with more flexible connecting flights with both our passenger and freighter services throughout Asia."

Globe Air Cargo, part of ECS Group, has acted as ANA's cargo general sales agent in Chicago since 2006 and also represents the airline in New York. The airline's Boeing 777-300 aircraft operating these routes offer capacity of between 31-34 tons per flight. In the U.S., ANA also serves Washington, San Francisco, Seattle, Los Angeles and San Jose.

Adrien Thominet, Chief Operating Officer of ECS Group, said: "ANA has a strong cargo proposition which is very appealing to customers. It operates prime cargo routes – including onward connections ex Japan to China, India and Asia with Boeing 767 freighters, B767 and B787 in addition to the excellent cargo capacity of its B777-300 aircraft. The airline also has award-winning on-time performance. We are proud to represent ANA in New York and Chicago and we know its fast-growing route network and frequencies will quickly gain the support of the air cargo communities in both cities."

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