



Agenda Motor Carrier Committee Meeting- Meeting 22

June 5, 2019 @ 8:30am

POV Main Board Room- World Trade Center

Chair: Frank Borum

Vice Chair: Danny Glover

MCC Liaison: Brian Bashara

Attendees:

John Reinhart – POV

Tom Capozzi – POV

Joe Ruddy – POV

Mark Higgins – POV

Patrick Jefferson - POV

Greg Edwards – POV

Vance Griffin – POV

John Jackson – POV

Peter Trocchiano – POV

Tom Christman – POV

Chris Ratliff – POV

Travis Hill - POV

Kara Matzko – POV

Barbara Nelson - POV

Brian Bashara – POV

Melissa Fularon – POV

Tiffany Green – POV

Paul Taylor – POV

Justin Dale – POV

Anja Sparenburg – POV

Frank Borum – AIS

Danny Glover – GTL Transport

Jake Darrell – DB3

Bob McNichols – Givens

George Berry – Pioneer Transport

Bob Eveleigh – Port City Transportation

Ray Jalkio – Service Transfer

Tommy White – Cal Cartage

David Lindquist – PSI

Will Fediw – VMA

Charles Glover – GTL Transport

Anthony Marino – MRS

Stafford Claud – XPO

Ronald Kemp – Damco

Marguerite Bates-Frier – XPO

- 1. Emergency/Safety Briefing**
- 2. MCC Chairman Opening Remarks**

John Reinhart – April May two best months of all time at POV. Motor carrier volume up 10.1% in May over last May.

3. Sales Update- Tom Capozzi

Tom Capozzi presented the Sales portion of the report that was presented to our Board of Commissioners. Tom began by going over The Port of Virginia's volumes/statistics. These volumes, as well as all other presentation materials are attached to the external email. Our container growth over this fiscal year has been driven by export empties (+14.8%) and import loads (+4.6%). Breakbulk is down slightly, at about 15 thousand tons, but Tom noted that we have new breakbulk leadership with Aaron Katrancha coming over from Norfolk Southern. Rail is up significantly, and our 2nd bundle of our rail expansion at VIG has begun operations.

RMT – up 24%. New import accounts (Brother International and Bissell) have begun moving cargo through the terminal. There has been an increase in export cargo with Scoular and Transocean (new customer).

Transocean – Specialized in loaded liquid bulk in 20' export. POV has been aggressively looking for a 20' exporter out of the RMT facility to match the 20' rubber imports heading to RMT. Transocean provides us with that matchback.

Vehicles – POV has seen a turnaround in CY for vehicle moves. Up 20% CY.

Tony Salino – New Director of Ocean Carrier Sales.

Tony formerly worked for North Carolina Ports in the refrigerated commodity segment. He previously worked for many VA based carriers (CMA, ZIM and NYK Mid-Atlantic).

MSC Indus Service – Called here until a year and a half ago. Pulled service with the berth congestion at VIG. Hopeful that we will hear something within the next 2 weeks to announce the service coming back, bringing 1,000 moves/week on the service.

Smithfield – Smithfield struck a deal with customers in China to lift the pork band on our export pork.

Fornazor – announced build out of agriculture transload facility by Pier 3 at NIT. Fornazor will be handling their own product, but also act as a 3rd party operator for other companies.

Tom mentioned the list of sales conferences attended by The Port of Virginia's Sales and Economic Development Teams to include the Intermodal South America Conference, Coalition of New England Companies for Trade (CONNECT), and Breakbulk Europe. POV's presence in the marketplace is global.

John Reinhart – International Trade Hearings, June 17th. POV will be present.

4. Project Update- Tiffany Green

All project updates/timelines are included in the attached presentation, as well as images of the progress.

Press conference with Governor – July 23rd in the afternoon at VIG. We will be communicating more information as we get closer to the ribbon cutting ceremony.

SNIT Optimization – Phase 2

South side waterside stacks - Trucks will be dispatched from the queue lanes to the waterside of the stacks.

July will have the next 3 cranes delivered. All 6 stacks will be up and running by September.

12 online with Phase I

2 new STS cranes – will arrive August/September 2020

Truck queuing lanes – As we open up our new stacks, we will open up more queue lanes at SNIT.

There are no current plans to change anything on North NIT.

5. Pier Committee Update- Bob Eveleigh

Bob Eveleigh presented the group with the TMTA Pier Committee Update. The 6 topics below were covered and the presentation is attached to the external email.

1. TRAC – Covered further by Charles Glover
2. TRS – Increasing of reservations, but supply/demand issues are still prevalent.
3. Free Days – Larger vessels discharging more containers but free time limits remain unchanged.

4. Turn Times – Longer turn times are acceptable if more reservations per hour are available. 55-65 minutes is the Pier Committee’s suggestion.
5. Gate & Portals – Non-mandatory priority service for truckers with valid reservations.
6. Empty Yard – The Pier Committee suggested additional on and off terminal empty container storage for now and for Peak Season.

6. TRAC Reporting Update

Charles Glover – GTL Transport. Secretary, TMTA. Pier Committee member.

TRAC – Truckers Reporting Adverse Conditions

Purpose was to serve the problem with dealing with anecdotal terminal issues. Not only a port tool, but it used mostly for intermodal issues. Sheds light to the TMTA and helps capture data for reoccurring issues.

TRAC provides bi weekly reporting. Information and data coming out of TRAC is currently only distributed amongst the TMTA Board. This data will be opened up and distributed throughout TMTA membership. TRAC reports on 7 different locations with 19 incident types.

65% of issues are located at VIG and our primary incident types came through ProPass and reservation type issues.

Top 3 trends over the last month

1. General reservation availability/capacity, coupled with the issue of not being able to drop empties.
2. General ProPass system issues – ability to create a validated appointment, but the container being marked not available (fix has been made per Mark Higgins reporting).
3. No guarantee of getting service during non-mandatory period.

7. Operations update- Vance Griffin, Mark Higgins

I. Operations Metrics

VIG Turn Time Trend – Volumes have been at record highs over the last two months, and turn times at VIG have risen along with the volumes. The higher turn times are a result of the added capacity with reservations, e.g. drop empty exports. The team is constantly working on trying to master that “sweet spot” of reservation numbers for a certain day. The reservation volumes are always changing and are not a static number. 750-800 empties come into VIG at any given day. So, the increase in drop empty reservations help us manage our high empty evac demand.

NIT Turn Times – NIT is more stable over the past 90 days. Over 80% of the moves done throughout the day are made during mandatory hours. We’re shooting for 80-90% of moves made during those periods. We’re not where we want to be at VIG, but we want to be there where NIT currently is.

PMT – volumes and hours have been tapered down. PMT gate start time is now 0800. We want to focus on providing superior service during those tapered hours while keeping turn times down.

Missed reservations – Missed reservations have crept up at VIG, but nothing alarming. NIT remains stable with a low number of missed reservations.

Long Dwell Moves – We had a decline in the 2-4 hour range at NIT, however, we had an increase at VIG. There was a significant decrease at PMT for the same long dwell visits. Focus remains heavily on VIG. PPCY turn times are at great levels. Our overall goal is to keep those turn times below 20 minutes, so we can help drivers meet their reservations at our marine terminals. The door is open for a reservation type process over at PPCY. Empty handlers at PPCY have been ordered and will arrive by the end of the year.

2. TRS

Reservations impacted by OOS equipment –

Period of time in the latter part of April beginning of May where reservations were secured and had to be put on hold because of safety reasons. If you have a reservation during the mandatory hours, we absolutely will honor those reservations.

Stacks set to No Delivery – Once truck volume is at a point where it becomes unsafe, we have to halt further deliveries to those stacks. If driver gets that error, we ask for the drivers to go to DA and wait for the stacks to come back online. Reach out to Customer Service to advise on stack's status. We are working on a process to advise and expedite the drivers to be serviced. Stacks being set to no delivery helps drivers make reservations for future times out of the affected stacks. In the past, the stacks would go on hold and containers in the stacks became unavailable for reservations.

Cones in front of stacks – Cones are put in place if there are safety/equipment issues in those lanes e.g. communications devices are down, cameras are down, pressure sensitive mat is down.

Single move export and empty reservations – Related to capacity. Much like the generic empty returns, we would like to do the same with exports. Reserve export slots with only the booking #. Testing within the next 2 weeks and put into production by the end of the month start of next month. Once the container number is confirmed, we ask the drivers to come back into ProPass and edit the reservation with the correct container number.

On terminal empty stack at VIG – Looking at turning the RSA into an “off terminal chassis yard” so we can clear up the chassis space on VIG for empty drops. Should be in place by peak season. This will be a supplement to the PPCY chassis yard.

2nd appointment during same hour – The ability is there to be able to make this happen, but we have more analysis to be done before being able to confirm a timeline.

Dedicated gate lanes during non-mandatory hours – As done in the past, we are looking at being able to have those same dedicated lanes for reservation appointments made during non-mandatory hours.

Trouble status on reservations – As of May 29th, containers that go on hold after receiving a validated appointment will show up as “trouble” in ProPass. This is a process put in place to let the drivers become aware that some hold or change has occurred to a container prior to arriving at the gate and being turned around. You **will not** lose your reservation if the appointment goes into trouble status, however, you will be able to make all necessary changes proactively. This affects mandatory and non-mandatory reservations.

3. Import Distribution

Justin Dale spoke to the import distribution images within the attached operations presentation. The distribution of containers discharging the vessel is important to keep up with the productivity of our STS cranes and to provide safe and predictable traffic for our shuttle trucks running to and from the berth and stacks. The distribution is spread mainly between 15-20 stacks that are closest to the vessel with the ability to go beyond those thresholds in the event that there is congestion in the water zone buffer zone or a crane is being worked on that particular day.

Vance Griffin noted that the distribution is not based on BCOs. This is because we are not aware of specific BCO's containers until after discharge, however, we have been reaching out to BCOs to discuss the possibility for them to provide us with their containers prior to arrival so we can better proactively distribute specific BCO's containers throughout our stack yard.

Pre-positioning/grooming of next day appointments- Any containers with reservations made by 1900 the previous day will be house kept overnight. We have taken the first 3 bays in each stack and reserved them for prior day reservations housekeeping. The bays become empty by the end of the day, and we begin filling them up overnight based on the information we have. The later appointments go near the bottom and we work our way up based on earlier appointments. If container reservations are made for non-mandatory hours, we will still attempt to groom those reservations to help us deliver a more efficient and expeditious product. Grooming begins at 2000 hours and will finish 0100-0300 the following morning. We have been seeing anywhere between 650-850 containers being prepositioned every night. The same process for pre-positioning and grooming at VIG also happens at NIT.

Vance Griffin noted that our leadership at our terminals are consistent across both NIT and VIG. All operations leaders oversee ops at both terminals. This will help us maintain and optimize our operations across all terminals and keep them consistent.

Frank Borum – When/how are rail exports introduced into the stacks – This has been tabled for the Pier Committee to discuss.

4. Maintenance Report

The refurbishment process has been a continuous lesson throughout the project.

Maintenance's approach has changed from the old processes. Our Team has become more tactical with our maintenance projects. We are no longer doing rushed triage and complete the PMs necessary then jump to the next project. We are moving to a more patient and 360 degrees approach to taking corrective measures.

Brand new stacks consistently OOS – Most prevalent problem were break related issues. We discovered that our breaks were wearing faster than expected. The mechanical breaks were engaging for a large number of faults that were taking place inside the stacks.

Weekend communication issues - "management doesn't work on weekends." This is 100% untrue. We have leadership/management working around the clock constantly communicating on issues/concerns on terminal. All normal external conversation that happen during the week are also communicated on the weekends.

5. PPCY transitioning to N4

Introduction of Paul Taylor, Manager PPCY/RSA/off-yard chassis yard.

Effective June 21 at midnight PPCY will be transitioning to N4, the same as in place on our marine terminals, RMT, and Virginia Inland Port. First operational day is June 22.

There will be learning curves early in the process, but training has already begun on the new N4 operating system. All traffic and operations will remain the same. All tracking will be done on ProPass to be standardized throughout all POV facilities.

Chassis initiative

Chris Ratliff – we've captured 2200-2400 chassis, 781 of those have been moved out of the fleet, with the remaining to be moved out of the fleet. 3400 will exit the fleet over the next year and 3600 will enter the fleet. This will begin next month.

Tri-axle availability – boxes sitting on tri-axles on PMT. Attempts are made daily to remove the boxes from atop of the tri-axle chassis and onto a regular chassis or a grounded area to make the tri-axles available. Utilization had historically been down across the board, and we can look to revisit these tri-axle chassis in case there is a need to add more to the fleet. Ronald Kemp mentioned a customer that moves all tri-axles with volumes of 100-150 per week within a 2-3 day timeframe.

Peak Season Efforts – 14,000 more gate moves at VIG than there were at NIT. POV has begun efforts to balance these volumes out. We're looking to get more imports into the south side of NIT as more capacity comes online. Frank Borum mentioned the restrictions outside of the gates at NIT that might deter drivers from coming to the terminal at the start of the days and the ends of the days.

Joe Ruddy – Joe announced the addition of new analysts to the Ops Team, particularly the TRS team.

Next MCC meeting- August 7th