



Frank Borum, **Vice President**
Atlantic Intermodal Services, LLC.

EIGHT COMPANIES, ONE MISSION:

To provide exceptional
international supply
chain solutions.



Trucking Challenges

- ▶ Port Congestion Issues
- ▶ Driver Scrutiny
- ▶ Third Party Dictates
- ▶ Port Cooperation vs Port Priorities

Port Congestion

- ▶ Big (bigger) Ships
- ▶ Aged equipment
- ▶ Port Priorities
- ▶ Surrounding Infrastructure



COSTS OF DELAYS

Tioga Group estimates that in 2012, unnecessary delays for trucks at port terminals wasted a total of

15,000,000 HOURS

and

348,000,000 U.S. DOLLARS

See below for a breakdown of individual category costs.

CHASSIS PROBLEMS

costs of waiting for roadworthy chassis

🕒 = 1 million hours 💰 = \$10 million



7 million hours



\$156 million

TERMINAL TIME

extrapolation of difference between 30 minutes and the average wait time of 40 minutes at 3 ports



4 million hours



\$90 million

QUEUE TIME

extrapolation of difference between 10 minutes and the average wait time of 20 minutes at 3 ports



3 million hours



\$79 million

TROUBLE TICKETS

costs of trouble tickets, now given to 5% of drivers



1 million hours



\$23 million

Source: Tioga Group
Design: Choice Operators, JOC Group Inc.



CONGESTION!!!

CONTAINER SHIPS: HOW FAR WE'VE COME



IDEAL X MAIDEN VOYAGE: APRIL 26, 1956



LENGTH OVERALL 523 FEET

CAPACITY
96
TEUS

TONNAGE
GROSS / DEADWEIGHT
10,448 / 16,613



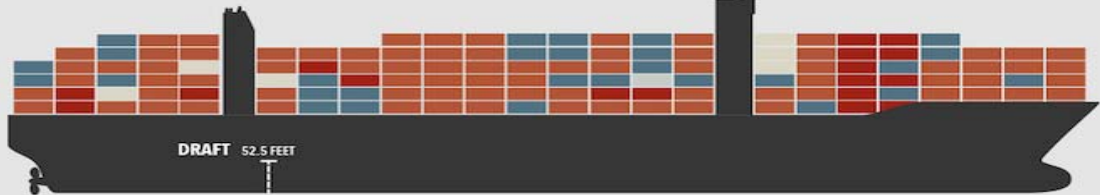
HORSEPOWER
6,000

CRUISING RANGE
12,600

(APPROX.
HALFWAY
AROUND
THE WORLD)



MSC OSCAR MAIDEN VOYAGE: JAN. 25, 2015



LENGTH OVERALL 1,297 FEET

CAPACITY
19,224
TEUS

TONNAGE
GROSS / DEADWEIGHT
192,237 / 197,362



HORSEPOWER
84,975

CRUISING RANGE
26,300

(APPROX.
1.05 TIMES
AROUND
THE WORLD)



Data compiled by Dustin Braden, illustration by Sue Abt, both for JOC.com
Sources: U.S. Maritime Administration, Sea-web, a sister product of JOC.com within IHS.



Driver Scrutiny

- ▶ FMCSA Mandate - Electronic Logging Devices, (ELDs) & Customer understanding
- ▶ Excessive monitoring and inspections

Driver Scrutiny: REGULATION & COMPLIANCE

Driver Compliance

- ❖ Hours of Service and Logs
- ❖ DOT mandated physical
- ❖ CDL
- ❖ Drug & Alcohol Screening
- ❖ TWIC
- ❖ CSA Scores

Company Compliance

- ❖ Driver Files
- ❖ Insurance
- ❖ Permitting
- ❖ DOT audits
- ❖ CSA Scores

Equipment Compliance

- ❖ Federal and state inspections
- ❖ Tires
- ❖ Brakes
- ❖ Registration
- ❖ Plates
- ❖ Permits
- ❖ CSA scores



HOURS OF SERVICE (HOS) 70-Hour Rule

- ▶ **No driving** after 70 hours / in the last 8 consecutive days
- ▶ After driver has accumulated 70 hours of on duty time / then a **34 hour restart** is required (off duty)

"ON DUTY" means:

1. All driving time
2. All time inspecting or servicing of commercial vehicle
3. All time at plant, terminal, or facility loading or unloading commercial vehicle

**I PLEDGE TO
REST AT EVERY TRUCK
STOP NO MATTER HOW
TASTELESS THE PIES.**

SAFER, FRIENDLIER ROADS START WITH YOU.

WWW.IPLEDGE.CO.ZA

IMPERIAL
PLEDGE

transport
Department
of
REPUBLIC OF SOUTH AFRICA

EOBRs & ELDs

- ▶ Begins December 18, 2017:
- ▶ ELD devices can be purchased and connected directly to the commercial vehicle
- ▶ They vary in price from \$400-\$1200
- ▶ Laptops and Smart phones are allowed as long as they are directly connected to Engine
- ▶ Paper logs are eliminated, and common DOT log entry mistakes are avoided
- ▶ DOT roadside inspections are easier, reducing driver down time
- ▶ Scheduling and dispatching now knows precisely where truckers are located



PRACTICAL EFFECTS OF HOS, ELECTRONIC LOGGING ON DRIVING MILES

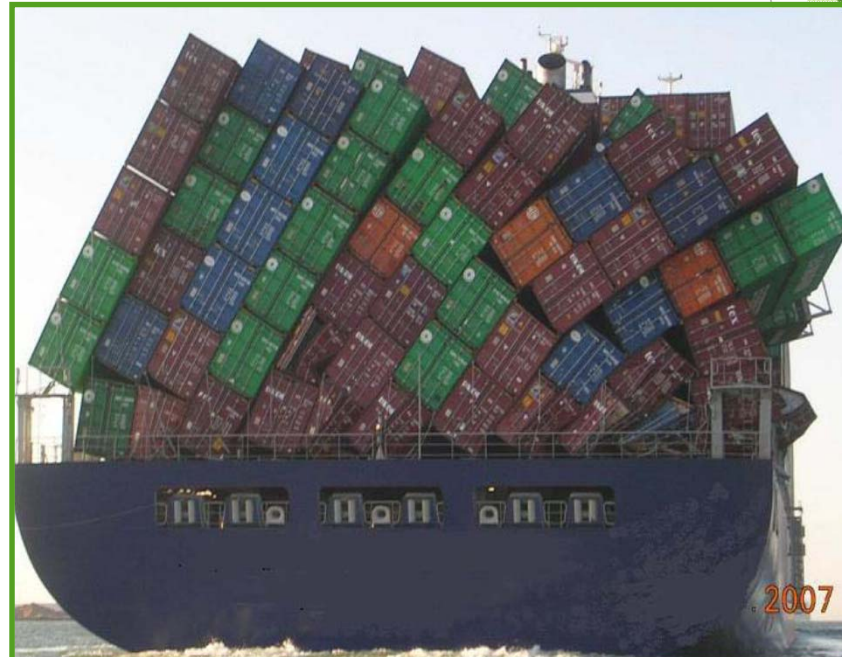
- ▶ ELD's should change driver driving patterns, and may also restrict productivity.
- ▶ Congress is considering changes to the 34 hour rest rule, further reducing driver hours.
- ▶ How many drivers will be needed to recover the lost productivity caused by the perceived loss of drive time?
- ▶ Delays at terminals & distribution centers could further deteriorate driving hours.
- ▶ Will "independent drivers" refuse to be tracked & leave trucking altogether?

Third Party Dictates

- ▶ SOLAS ramifications: “Tempest in a Teapot?”
- ▶ Steamship Lines making arbitrary changes in the playing field: Reduction in port freetime, while increasing the discharges, & UIIA changes without any recourse.
- ▶ Fuel costs: Cost is still down comparatively, but starting to rise. Cost of crude is up over 50% from its low.

Why Container Weight Matters- Safety Of Life At Sea (SOLAS)- July 1, 2016

- Risk of personal injury or death to crew & shore side workers
- Ship instability
- Incorrect vessel stowage
- Collapsed container stacks
- Higher operating costs
- Chassis and ship damage
- Road safety problems



Port cooperation:
“Are they
listening, really?”



“Duck? No, I ordered roast beef.”
John Dasto, Wilmette, Ill.

Port Priorities

- ▶ Port cooperation: In order to work through issues, a collaboration of port entities is paramount.
- ▶ Ports: Are they State sanctioned economic engines/generators, or private operators with profit motives?