Recap Day #1: Speakers' High Points and Slides

Jeremy Nixon, Global CEO, ONE. Current imbalance: 2 import containers for every 1 export container. Makes getting containers to inland points very difficult. Recognizes the problems created when the ship schedule slips and when the ERD changes, working to assure ONE has system to immediately inform the exporter, hopefully before exports put into shipment, in order to reduce the additional costs. Welcomes conference call with ONE top management with AgTC members to explain steps being taken to further expedite conveying ERD and other critical info needed by shipper.

Alison Leavitt, Wine & Spirits Shippers Assoc. Thank you Alison, for being the first AgTC member to speak at this year's Meeting. So many people had so much fun getting outdoors and pretending to run, walk, drink, show off their COVID beard, etc. and then sending us their pics - and a lot of fun watching them during the Coffee Break!

Rachel DeRosier diversifying one's supply chain after WC port slow-downs has helped us have options during COVID in order to keep our product moving.

FMC Commissioner Rebecca Dye; It’s hard work, we have collected representatives of all participants in the supply chain to join the Supply Chain Teams I have agreed to guide; I am grateful for the participation of so many of you; we worked on demurrage and detention to make the Commission's views clear. Fact Finding Investigation and Supply Chain teams, focused on Memphis and other locations; I am encouraged and committed to finding answers.

Commissioner Dye noted the importance of US Shippers Advisory Board legislation by Senator Wicker (R-MS)

Joey Friedmann described the clauses he has drafted for use by AgTC members to implement the demurrage and detention guidelines, by making them enforceable provisions in ocean shipping service contracts. Those are found in the Members Portal on the AgTC website www.agtrans.org

Tyler Rushforth, American Trucking Assoc. The chassis provisioning model doesn't work very well, and is quite inefficient. Proprietary pools are not efficient. Grey pools are efficient because they increase the access to available chassis. ATA seeks a fair system. The SSLs don't own the chassis, but yet make many important decisions in the industry. We have communicated our concerns to OCEMA, including our estimate of the damages the current system has caused to members of the ATA, and will proceed to FMC if necessary.

Jennifer Polli, TRAC - Grounded locations, including those with off-dock chassis depots, offer “inherent and natural choice.” The bill to party can choose their preferred supply method (ownership, long term lease, daily rental from their provider of choice) for merchant haulage moves.
Wheeled locations are more challenging to satisfy all the objectives of quality, availability, interoperability, and choice at a reasonable price while giving TRAC and other chassis owners the management control and financial return they need to cover the operating risk and to continue investing in the quality of assets, which is of critical importance.

Ryan Houfek, DCLI - Forcing a grey chassis model is inconsistent with other aspects of the supply chain, inconsistent with the American free-market system. The current chassis provisioning system, for the most part, provides needed supply and quality. Mandating grey chassis pools could have d harmful long-term consequences for the supply chain.

Michael Symonanis, Allenburg, LDCommodities. Click Here

James Ford-Hutchinson, Flexport - Ocean carriers should get out of chassis. Allow true choice. Let the market decide. Carriers' outsized involvement in the chassis business creates artificial market rates and leads to inefficiencies in the market. Let's engage the railways with all industry stakeholders to create an industry grey pool solution that benefits all. Open choice in the Los Angeles/Long Beach market, otherwise known as the pool of pools. Let's have a true market driven approach, before a solution is thrust on the industry.
David Longworth, BNSF, noted the commitment of the BNSF to intermodal cargo, including containerized agriculture and forest products cargoes. Several AgTC members, Midwest shippers, noted the willingness of BNSF to engage constructively.

Mark Miller, MacMillan-Piper, Mark Miller, MacMillan-Piper - We need to get away from manually-handling export cargo out of rail cars. Specifically, loose bags of agricultural products (50 lb. and 100 lb. bags), and boxes of frozen product out of rail cars. It is time consuming, and anymore it is so difficult to find labor to work this type of cargo. It is also the most dangerous work we do. Our workers comp claims are the highest with manually-handled cargo. Reefer cargo plants and pulse/ag plants need to understand the costs and dangers. We need to be more efficient and safe, as well as more cost-effective. Unitizing cargo (pallets, etc. that can be handled with a forklift) goes a long way toward correcting this industry problem.

Michael Anderson, Corn Refiners Assoc., laid out the opportunities for US ag exports resulting from the USMCA (Mexico and Canada), China, Japan, Korea trade deals, and emerging trade expansion agreements with Vietnam, Great Britain.

Gene Seroka, POLA designated the Supply Chain 'Czar' for the City of LA, keeping the supply chain moving. He discussed how they are tackling the need for better information flow between ocean carriers, terminals, the exporter and importers, and their truckers. Many of our members are interested in making the information sharing extend beyond the ambitious project for the Port of LA, to cover the nation.

Roger Guenther, Port Houston. Importance of transparency in responding to COVID threats to port operations. Converting Houston from being the 'alternative' when operations are disrupted at other ports, such as the west coast, to the first option for shippers.

Bob Sinner, SBB. We need better communication from ocean carriers when they first learn of possible schedule delays resulting in changing ERD. Some carriers communicate early, other simply do not, creating major compliance and cost issues for Midwest exporters.

Juergen Pump, Hamburg Sud. Exporter cancellation of books is currently ranging from 50% to 75 or even 80%. It is not necessarily the exporters' fault, as many of these are cancelled orders by foreign customers. But our exporters should still be expected to inform the carrier the very soonest it learns that there may be a delay in the shipments. (Sort of like us wanting the carrier to let the exporter know immediately when a ship schedule change may lead to change in Earliest Return Date.)

Keith Sanchez, Avalon Risk Management - know what your cargo insurance covers and what it doesn't. Some cargo owners are surprised to learn that for coverage to be active, the cargo must be in transit, not sitting idle.

Recap Day #2: Speakers' High Points and Slides

Bill Rooney, Exec. VP., Kuehne + Nagle -
1. Blank sailings: A new carrier skill that will keep spot rates higher. Also, they produce US export collateral damage
2. Bunker surcharges: A confusing mess. Focus on the bottom line, not BAF double talk
3. Chassis: Still broken. Utilities are probably the best solution
4. RFQs: Many way too complicated. Simplify, simplify
5. Carrier Z scores: Not a good measure for carriers. Politics, not finances, drive many carrier investment decisions

Dan Miller, Cargill - The blank sailing issue is nearly the root of all issues today. Granted, I know that the blank sailings are a net result from a downturn in the economy and if the cargo is not there you cannot ship it. At the end of the day this issue impacts equipment supplies, reliable schedules for everyone involved, and a financial strain on everyone in the supply chain. If a shipper maintains an inland container pool at their facilities this creates a much more complex issue as you now have to begin shuffling equipment around to ensure you have the correct carrier equipment on hand and in some cases we have to begin negotiating additional free time when you have pulled empty containers expecting to load and return the container based on a pre-determined sailing schedule. We could also talk about chassis and how this can tie up container sitting on chassis for additional days due to the blanked sailings and ultimately tie this back to nearly every issue discussed over the last couple days.

Elena Asher, Dairy Farmers of America - My (1) point would be that ocean carriers and terminals (rail/port) need to get "aligned" with the ERD/cut-off information—this window cannot continue changing at the last minute. Likewise, both the ocean carrier and rail/terminal need to have the same information. Too many times, all parties have conflicting information—creating even more confusion.
• This information needs to be communicated in a timely manner to BCOs/drayage providers (ideally changes MUST be communicated 5-7 days in advance of the 1st ERD).
• If they cannot do so, the ocean carrier needs to HONOR the original “window” and allow the cargo to in-gate as originally planned.

Ion Cervinschi | NW Lead, Knight Logistics - The main point I expressed was the change in ERD (Early Receiving Date) and the challenges that creates to the trucking community. The truckers are required to allocate more resources such as truck and driver power, yard space, chassis, etc. It is challenging to plan freight ahead especially having large bookings. The change in ERD is accompanied most of the times by a change in the Document cutoff and cargo Cutoff at the port. We have a scenario (at SSA/OICT terminal in Oakland) where the ERD is determined by the Port terminal and it is updated on the terminal website daily, but the doc and cargo cutoff are adjusted by the Ocean Carriers, and we are told to get with the ocean carriers on that. Many times, it becomes a back and forth game where the terminal website has an updated ERD but the steamship line still has the old cutoff on record.

Mike Symonanis, Allenberg Cotton Co. and Louis Dreyfus Company Click here

Jim Newsome, South Carolina Ports - In spite of the short-term volume disruption from COVID 19, we remain very positive about the fundamentals for the East Coast port business, and especially the Southeast ports, given the combination of growth in e-commerce distribution and rising standard of living export products, such as resin, for emerging market economies.

Sam Ruda, Executive Director, Port NY/NJ - Port of New York & New Jersey: We are open, will remain open, and will remain focused on the health and safety of front line waterfront workers and supply chain stakeholders to keep the cargo moving.

Ken Kellaway, RoadOne Click here

Donna Lemm, IMC Companies Click here

Stephen Edwards, President + CEO, TraPac LLC - Data – we live in a data rich environment, and collaboration is so much easier when data tells the story, not emotion.

Peter Schneider, T.G.S. Transportation, Inc. - Agree with others who have highlighted the challenges of ERD, street turn fees, UIIA and Shipping Act ; I believe equally urgent is the need for high level, decision maker, stakeholder collaboration with an IT emphasis.

Robert Loya, CMI Transportation - All stakeholders that feel they have no other recourse for adjudication, they have options to seek for an appeal process with the FMC and CADRs – Consumer Affairs & Dispute Resolution Services.

Rich Austin, ILWU Local 19 and Jared Faker, ILWU Local 23 - The ILWU knows that the agriculture needs access to the international markets, we want to support agriculture, as it is truly “Made in America”. We are ready to work the additional hours that may be needed to keep the containers moving.

Shelly Boshart Davis, Bossco Trading and Oregon Legislature - Budget in legislative action. This could be time spent in testifying, meeting with local public officials, and contributing to getting like-minded individuals elected. Think of it as proactively making an investment into the future sustainability of your business, instead of reactively trying to explain your business to a legislator that knows nothing about transportation, infrastructure or business.

Gordon Downes, NYSHEX - “2-way enforceable contracts are the key to getting the service that Agriculture exporters need.”

Walter Kemmsies, JLL Ports, Airports, Global Infrastructure Click here