Meeting Date: July 19, 2017 | Meeting Location: Port Authority Admin Building, Port Newark

Attendees: Molly Campbell, John Nardi, Frank Grossi, Mike Wilson, Jim Mara, David Cicalese, Jeff Bader, Tom Adamski, Jon Donnelly, Greg Moore, Rich Hanson (on behalf of Bill Shea), Jim Bowe (on behalf of Keith Lovetro), Wilby Whitt, Thorkild Hove, Steven Schulein, Jeff Flumignan, Ed Fox, Jakub Rowinski (on behalf of Anne Strauss-Weider), Beth Rooney, Amanda Valdes

Excused: John Atkins, Gary Cross, Dennis Daggett, Jeff Evanoff, Michael Wingert, Randy Bayles, Mike McGuinness

Guests: Dick Carthas, Charles Cunningham, Mike DiVirgilio, Dick Jones, Bob LaMura, Dan Pastore, Janis Rich-Gutierrez

Agenda:

1.) Opening Remarks
2.) State of the Port – May 2017
   a. Analysis of PONYNJ Top 100 BCOs – 2010 vs 2016
3.) Bayonne Bridge Celebration
4.) Port Master Plan
5.) Implementation Team Updates (as necessary)
   a. Equipment
   b. Customer Care
   c. Gate Operations
   d. Workforce Development Implementation
   e. Rail
6.) New Business
   a. Cyber Security
   b. Review of CPP Report Card
7.) Open Forum
8.) Next Steps and Action Items

Opening Remarks:

- Introduction of Dick Carthas for overview of APM cyber attack

State of the Port – May 2017:

- Year-to-date container volumes set a new record
  o Up 4.9% compared to 2016
  o Up 4.2% compared to 2015
- March 2017 only month to experience decline, down 1.7%
- Preliminary June 2017 numbers are strong
- PONYNJ US market share about 15%
  o Imports up approximately 7% throughout North America
  o Overall growth driven by the strengthening economy
- Year-to-date rail volumes up 3%
  o Preliminary June volumes in excess of 50,000 lifts, a new record
Year-to-date auto volumes up 5%

Analysis of PONYJ’s Top 100 BCOs – 2010 vs 2016 volume
  - 66 of the 2010 top ranking BCOs no longer in the top 100
    - Reasons vary from BCOs no longer in business to changing business models that move freight to other ports
    - In their place, the 66 new BCOs in 2016 represent a volume increase in excess of 50%
  - Changes in demographics and population shifts are drivers of these changes (i.e. export manufacturing predominantly takes place in the southern states)
    - US Bureau of Economic Analysis website is a good resource for more detail
  - Similar analysis of other US East Coast ports underway

Bayonne Bridge Celebration:
  - Bayonne Bridge Navigational Clearance Project completed and certified by US Coast Guard on June 8th, approximately seven months ahead of revised schedule
    - Early completion didn’t allow ocean carriers time to deploy larger vessels right away
    - PONYJ has already seen 8-10 vessels with up to a 13,000 TEU capacity arrive that wouldn’t have previously been able to pass
      - Vessels not fully laden, allows Port to get experience
  - Official celebration scheduled for September 7th
    - 14,400 TEU vessel will call on a terminal yet to be nominated
    - Celebration made up of three events
      - Support vessels harbor welcome
      - Press conference held at dock
      - Reception (location to be determined)

Port Master Plan:
  - Consultant team tasked with a 30-year planning window to develop a comprehensive roadmap to increase operational efficiency, optimize land utilization, reduce environmental impacts and enhance revenue opportunities.
  - Completed tasks include:
    - Marketing, demand, and capacity analysis
    - Review of PA facilities and lease terms
  - Stakeholders briefings underway
    - In-depth discussions planned with CBP, US Coast Guard, and US Army Corps of Engineers
  - Consultant team will prepare land use optimization scenarios for PA review
    - PA will review and rank scenarios
  - Target completion early 2018
  - Additional information available on PA website
    - Comments, questions, etc. can be sent to Project Manager at portmasterplan@panynj.gov
  - Working towards Project Manager briefing to CPP for November 15th meeting

Implementation Team Updates:

Labor Update:
  - Tuesdays and Wednesdays are the busiest days at the Port
    - Impact felt after July 4th holiday
  - Peak demand on auto and cruise businesses
    - Temporary workforce being used to handle volume increase
Equipment (Revised 7/25/17)
- Asset Sharing Program-Northeast (ASPEN) will not move forward due to operational complications preventing one of the IEPs from participating at this time
- Council discussed whether PA should play a larger role in the management of a pool
  - Consensus was that PA support should be providing the necessary land at a competitive rate
- An interoperable pool continues to be one of the highest priorities of the CPP
- OCEMA is expected to meet with the FMC in August which will include discussion on the NYC chassis pool.
- TRAC is willing to discuss working with IEPs to continue discussions of a single pool with one manager and control of fleet (e.g. repairs, repositioning, etc.)

Customer Care
- Nothing new to report

Gate Operations
- GCT Bayonne’s appointment window was increased to 11:00 AM effective June 28th
  - Continued positive response by trucking industry
  - Substantial decrease in turn times
  - Port Truck Pass and TIPS websites under enhancement to include dashboards
    - Targeted to roll out in the next couple of weeks
    - Will include a filter for chassis allowing truckers to identify the type they will need
- STS has begun cyber-attack training and exercises for IT staff at terminals
  - RFP under development for systems’ penetration testing
- Council praised the one week look-ahead provided by GCT Bayonne
  - Suggested other terminals expand their data to do the same

Workforce Development
- Group has made good progress
  - NYSA hosted a forum of 35-40 port partners to discuss opportunities for apprenticeship programs
  - Grants available through Department of Labor to train and develop future staff
- Meetings planned with technical high schools to develop transportation curriculums
- Potential work with Liberty Science Center to re-develop its port display
- Ultimate goal is to mimic Council of Airport Opportunities, serving as a job bank for port partners and residents in the region
- PONYNJ TLD site on LinkedIn has been created to encourage port partners to post job opportunities

Rail
- First meeting held in May
  - Attended by marine terminals and the Class I railroads
  - Examined PPTF’s recommendations and determined they were still valid
    - Specifically staging capacity
- Next meeting scheduled for September
New Business:

Cyber Security
- Leadership from APM briefed the Council on recovery efforts following the June 27th cyber-attack
  - All technology (phones, laptops, desktops, servers) were lost
  - Business continuity plans were implemented and adjusted accordingly
  - Forced to revert to manual processing of trucks entering and exiting the terminal
    - Fully automated Maasvlakte II facility in Rotterdam was shut down 100%
  - Gatemoves averaged 2,000 per day
  - Terminal extended hours and added Saturday gates
  - All vessels were worked
- Terminal is fully operational
  - All lanes are open and EDI is up and running
  - Anticipate full recovery this week
- Takeaways:
  - Communications to trucks and other industry partners were significantly challenged
    - Trucking community frustrated by misinformation regarding terminal status
  - WhatsApp was used internally with success
  - Business continuity plans prepared terminal for some aspects of the attack, but will need to be expanded
  - CPP should consider creating a subgroup to plan for cyber-attacks or disruptions in the future
    - Winter Plan is a good communications model
  - TIPS proved to be a great resource
  - Suggestion made for terminals to stop receiving vessels in the event of a shutdown
- After Action Reviews:
  - Will be held with port community to understand their experiences/impacts felt during the shutdown
  - Other ports will be contacted to determine their lessons learned
  - CBP also working with other ports to emulate the manual release that was developed

Review of CPP Report Card
- Includes initiatives identified in PPTF Final Report and new issues that have emerged since its publication
- Some Tier 2 and Tier 3 recommendations have not advanced
  - These were originally identified for further evaluation, and were not necessarily intended for implementation
- Council to review and comment before next meeting

Open Forum:
- Initial impact of Alliance restructuring to Port’s operations
  - BCOs experienced minimal delays during transition
  - MTOs report no massive shifts in business
    - Volumes stayed constant
  - Full effects to be realized when vessels begin discharging normal volume
- NYSA and labor continue to work towards putting a good hiring plan in place

Action Items/Deliverables for Next Meeting:
Council on Port Performance | MINUTES

- Council to review CPP Report Card and re-rank remaining initiatives.