

Council on Port Performance | MINUTES

Meeting Date: September 28, 2016 | **Meeting Location:** Maher Training Room, Elizabeth, NJ

Attendees: Molly Campbell, John Nardi, Gary Cross, Frank Grossi, Jim Mara, Tom Adamski, Steve Schulein, Phil Connors, Pat Hackett, Keith Lovetro, Jon Donnelly, Jeff Flumignan, Jeff Evanoff, Anne Strauss-Wieder, Bethann Rooney, Amanda Valdes

Guests: Dan Pastore, Bob LaMura, Mike DiVirgilio, Beverly Fedorko, Janis Rich-Gutierrez, Sam Ruda, Nick Raspanti, Hilary McCarron, Rahaman Muhammad, Frank Smallwood, Tom Bacote, Alturric Kenney

Excused: John Atkins, Mike Wilson, David Cicalese, Dennis Daggett, Jeff Bader, Adele Fasano, Bill Shea, Randy Bayles, Wilby Whitt, Mike McGuinness

Agenda:

- 1.) Welcoming Remarks
- 2.) State of the Port
 - a. YTD Figures through August
- 3.) Labor Update
- 4.) Hanjin Status
- 5.) Workforce Development Proposal
- 6.) Implementation Team Updates (as necessary)
 - a. Equipment
 - b. Customer Care
 - i. Status of Assigned Initiatives and Next Steps
 - c. Gate Operations
 - i. Street Turn System
- 7.) Government and Community Outreach Committee
 - a. Succession Plan
- 8.) Old Business
 - a. ULCC Ship Simulation Study
 - b. Warehouse and Distribution Center Survey
- 9.) New Business
 - a. Container Damage
- 10.) Open Forum
- 11.) Housekeeping
- 12.) Next Steps and Action Items

Welcoming Remarks and New Member Introductions:

- Welcome to new member and to representatives from staff of the City of Newark Mayor's Office
- Overview of the PA's recent meeting with ocean carriers regarding productivity concerns, status of the Bayonne Bridge Navigational Clearance Project, and preparations for big ship arrivals
- Overview of NYSA's meeting with the Mayor of Newark's Office of Workforce Development

State of the Port:

- July volumes down 9.5% versus 2015, the highest month on record

Council on Port Performance | MINUTES

- August volumes were positive for the first time in six months
 - 335,537 containers for the month make it the second highest month on record
 - Year-to-date volumes down 2%
 - Anticipate 2016 volumes to fall 2.5% to 3% compared to 2015
 - Volumes consistent with ports on both coasts
 - Projecting the second best year on record
- Rail volumes up 4% year-to-date through August
 - August's 49,628 lifts were highest month ever
 - Market share remains close to 16%
 - Early rail data for September indicates a strong month

Labor Update:

- Waiting on 8 checkers to be approved by the Waterfront Commission
- New mechanics in the pipeline
- No labor shortages over the summer
- Cruise business at its peak this time of year, approximately a six-week window
 - Workforce prepared to handle
- Overview of NYSA Board Meeting discussions regarding:
 - Vessel and crane productivity
 - Man hours per container have been reduced by 10%
 - Looking to implement shift system for ships

Hanjin Status:

- 7th largest ocean carrier in the world went into receivership on August 31st
- All indications suggest they will no longer exist as they do today
- Some vessels have been arrested or remain at anchorage
 - None of Hanjin vessels destined to PONYNJ were turned away
 - Hanjin Miami paid to have the ship worked at PONYNJ
- MTOs at PONYNJ:
 - Continue to move Hanjin boxes out of terminals
 - Receive empties from Hanjin Miami back into Maher to assist truckers and reduce delays at warehouses and distribution centers
- Off-terminal depots also receiving empties
 - PA evaluating opportunities to open up space on Port
- IEPs report Hanjin chassis have been freed up and have gotten past initial congestion
 - Aim to get chassis out from under Hanjin containers

Workforce Development Proposal:

- New York Shipping Association met with City of Newark in July to discuss a program to address the need for various jobs to be filled within the industry – beyond just longshoremen
- Action points have been developed to begin this initiative
 - Union County Community College will expand its existing supply chain management program
 - Current program designed to assist re-entry into workforce
 - Council members representing BCOs and 3PLs have already hired from the program
 - Feedback from the industry required to understand what types of jobs and associated skill sets are needed
 - Apprentice programs for truck drivers will allow them to gain experience until they are able to reach age requirements

Council on Port Performance | MINUTES

- 18-21 year olds need a path to employment
 - MTOs have met with local governments to discuss possible programs at vocational schools
 - Seaman's Church might also serve as a link to the local community
 - Board of Education to consider a specialized curriculum similar to those in NYC
- School-aged children need to understand the opportunities available in the industry
 - Communication and outreach needed in the form of facility tours, school visits, etc.
- CPP voted to create a Workforce Development Implementation Team
 - Will address new and emerging issues and evolving labor needs
 - Work to create a properly trained, right-sized workforce
 - Explore the possibility of federal funding with grants through the Department of Labor
 - City of Newark also has funding available for companies looking to take on employees (i.e. 30%, 50%, 70% reimbursement, on job training, etc.)

Implementation Team Updates:

Equipment

- Operating agreement structure has delayed market pool progress
 - New conversations have taken place and the group is closer than ever to reaching a consensus
 - 60-90 days needed to form a pool once an agreement is reached
- West Coast pool of pools update
 - LA/Long Beach have three neutral pools working together
 - Chassis are shared, but IEPs work independently
 - Approximately 10,000 chassis are impacted by Hanjin's bankruptcy

Customer Care

- All MTOs currently reporting 4 KPIs
 - Three MTOs have agreed to report an additional 8
 - Customer Care Team currently working on non-disclosure agreements with terminals

Gate Operations

- GCT Bayonne successfully completed its appointment system testing
 - Mandatory appointment system will begin October 13th from 0600-0800
- Terminal Information Portal System (TIPS) is close to releasing another functionality
 - Interactive vessel schedule information anticipated to roll out October 14th
- Street Turn System
 - A voluntary exchange program among BiState members where members email/post equipment availability or needs
 - Saves vehicle miles traveled
 - Reduces emissions
 - Off-port exchanges relieve congestion around terminals
 - Addresses one of the original 23 recommendations of the PPTF report

Government and Community Outreach Committee:

- NYSA has renewed the domain name www.councilonportperformance.com through 2018
 - Succession planning discussions will be held off-line in advance of November meeting

Old Business:

- ULCV Ship Simulation studies completed for 14,000 and 18,000 TEU vessels

Council on Port Performance | MINUTES

- Determined both can be handled safely
- Operational parameters also identified
- Study for 18,000 TEU vessel report available in the next few weeks
 - Discussions to be held with ocean carriers and MTOs individually before Thanksgiving
- PA may assist in managing the arrivals and departures of larger vessels
 - Emphasized need for coordination that will need to take place to accommodate these vessels
- Warehouse and Distribution Center Survey sent out Friday, September 23rd
 - Responses due back October 7th
 - Results will be consolidated and reported at November meeting

New Business:

- Container Damage
 - Tabled as this is under discussion at the NYSA Board

Open Forum:

- City of Elizabeth should be included in discussions impacting traffic issues

Action Items/Deliverables for Next Meeting:

- Share City of Newark contacts with CPP
- Share CPP contacts with City of Newark
- Workforce Development Implementation Team
 - Select team members
 - Create objectives and timelines for deliverables