

# Council on Port Performance | MINUTES

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**Meeting Date:** January 13, 2015 | **Meeting Location:** Maher Training Room, Elizabeth, NJ

**Attendees:** Molly Campbell, John Nardi, Frank Grossi, David Cicalese, Tom Adamski, Jon Donnelly, Pat Hackett, Thorkild Hove, Rudy Frank (on behalf of Adele Fasano), Mike McGuinness, John Atkins, Jim Mara, Reade Kidd, Steve Schulein, Bethann Rooney, Amanda Valdes

**Guests:** Tom Hannan, Dan Pastore, Bob LaMura, Mike DiVirgilio, Greg Moore, Beverly Fedorko

**Excused:** Dennis Daggett, Jeff Bader, Ed Elkins, Mike Wilson, Wilby Whitt, Gary Cross, Phil Connors, Keith Lovetro, Bill Shea, Jeff Flumignan,

## **Agenda :**

- 1.) Welcoming Remarks
- 2.) State of the Port
  - a. November Volumes and Year End Forecast
- 3.) CBP Presentation on Reimbursable Agreements Program
- 4.) Implementation Team Updates (as necessary)
  - a. Equipment
  - b. Rail
  - c. Customer Care
  - d. Gate Operations
- 5.) Government and Community Outreach Committee
- 6.) New Business
  - a. Warehouse & Distribution Center Initiative
- 7.) Open Forum
- 8.) Housekeeping
- 9.) Next Steps and Action Items

## **Welcoming Remarks Molly Campbell:**

- Clean Truck Program update:
  - PA will contribute an additional \$1.2 million to the program
  - Effective March 1, 2016, all new trucks entered into the Drayage Truck Registry must meet or exceed federal EPA on road emission standards for 2007 model year heavy duty diesel fueled engines
  - Effective January 1, 2018, trucks with model engine years 1994 and 1995 will be banned from the port
  - PA will work with the trucking community to reduce any unnecessary truck trips which would reduce emissions through initiatives like a Street Turn System
  - Group offered thanks to Molly and the PA for coming up with a workable solution to this issue
- Follow-ups necessary to revitalize some of the CPP efforts and initiatives particularly as some Implementation Teams have not met for quite some time.

## **State of the Port:**

- November set another record at 286,789 containers, 2.5% better than November 2014

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- Empties remain strong
- Exports slipped slightly and will continue to do so over the next few months
- December rail volumes set another monthly record
- 2015 volume forecasted at 3.7 million containers, double digit growth over 2014
- Labor Update
  - Full compliment (682) of additional longshoremen certified.
  - Labor where it needs to be for relief gang.
  - 115 of the 150 clerical positions have been certified.
  - Over 150 mechanics have been added. Hiring spiked in November & December to support new chassis depot locations.
  - New hires of 950 jobs over the past two years
  - Government and Community Outreach Committee will work with PA to write a Breaking Waves article about the progress of new hires

## **CBP Reimbursable Agreements Program:**

- Marine Terminals are each allotted a percentage of CBP's overtime budget
  - This year CBP increased projections by 7% for each terminal
- Marine terminals and other stakeholders can submit applications for additional CBP hours, at cost
  - Terminals and stakeholders could utilize this agreement to extend hours to keep cargo moving
  - Applications are due February 29, 2016
  - CBP will evaluate and enter into an MOU with applicants
  - Interested parties can call (201) 443-2000 for more information
- CBP continues to evaluate budget to examine impact on extended terminal hours
- January 19<sup>th</sup> meeting to begin new CES solicitation process

## **Implementation Team Updates:**

- Important that Implementation Teams not lose momentum
  - Especially with regards to the lower tiered, easily implemented recommendations
- Council will reach out to current Implementation Team chairs to confirm their interest in moving forward with their initiatives
- Additionally, each Implementation Team will be asked to provide a status report on the initiatives assigned to them, next steps, impediments etc w/ 30 days.

## **Equipment**

- Equipment providers have increased their chassis inventories
  - Better, more consistent service
  - Direct labor at off terminal depots has greatly improved availability
- January 15<sup>th</sup> call with equipment providers to discuss moving forward with pool model
- Interoperable chassis pool is at the core of reducing emissions and is consistent with the PA's Clean Air Strategy

## **Rail**

- No update available

## **Customer Care**

- Still putting together KPI's
- 4 of the original KPI's have been identified as non-critical:
  - Berth utilization
  - Percentage of down time for container handling equipment

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- Block stowe of rail by ocean carriers
- Vessel departure on-time performance
- Group will be meeting next week
- Next step is to send introductory letters to Marine Terminals
  - Outlines established KPI's
  - Seeking terminals' commitment to provide data on a consistent basis
- PA is in discussion with Sea Intel to determine if their vessel performance data can support KPI's

## **Gate Operations**

- Four months into the TIPS program
  - Most of the bugs have been worked out
  - Number of hits has increased
  - Number of registrants has slowed (504 as of December)
- Include TIPS information on upcoming enhancements in Breaking Waves article to reach broader audience

## **Government and Community Outreach Committee:**

- Group has completed Legislative Fact Sheets outlining the economic impact of the port on each of the 31 counties in the region
  - Created to better inform government decision makers on the port's impact to their communities
  - We need to be the voice of cargo
- Will be posted on PA and NYSA websites
- Will create a cover page to summarize all 31 sheets and consolidate into a single PDF document for distribution

## **New Business:**

- Warehouse & Distribution Center Initiative
  - We recognize that this is a component of the supply chain that hadn't been captured in CPP's work
  - As we think towards the completion of the Bayonne Bridge, load centering, etc., we believe warehouses and distribution centers' hours of operation will limit our ability to provide longer hours of service at the marine terminals
  - In 2016, the PA, with the support of the CPP will be going to study these issues and develop a strategy to better understand how cargo flows beyond the port
  - Efforts may be coordinated with Gate Ops Implementation Team

## **Open Forum:**

- Recent events have elevated concerns regarding misclassification issues for independent drivers. The PA will follow up with BiState Harbor Carriers and NJ Motor Truck Association to better understand issues and impact on our gateway.
- With Panama Canal's "soft opening" approaching, how confident are the MTOs that they can accommodate larger ships?
  - Depends on how many vessels and at what frequency
    - Back to back / off schedule vessels stress the system
  - Other important elements include the right amount of equipment, roadways/infrastructure, and an increase in the size of window (operating hours) to handle cargo
  - Movement of business between terminals in port also affects productivity greatly

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- Warehouse/Distribution Center component of supply chain needs to adjust operations accordingly
- SOLAS weight verification
  - Effective July 1, 2016
  - NAVIS is looking to build an element in their TOS to receive weight data that MTOs can reconcile against
  - MTOs generally not considering providing certified weight as an extra service.
  - USCG is enforcement agency in US.
  - Industry conference call with USCG participation on January 25<sup>th</sup>
- Harvard Kennedy School accepting applications for Innovations Award in Government
  - Provides \$100,000 grant to creative and effective government initiatives
  - Applications due April 15, 2016
  - Consensus from CPP to apply

## **Action Items/Deliverables for Next Meeting:**

- Government & Community Outreach Committee to work with PA for a Breaking Waves article highlighting progress of hiring effort and an update of TIPS
- Provide Implementation Team chairs with a list of their assigned recommendations and request status report.
- Send Legislative Fact Sheets to group members and post to PA and NYSA websites
- Begin application process for Innovations in Government Award