Motor Carrier Task Force

May 2014

Table of Contents

Executive Summary

In 2013, The Port of Virginia achieved an all-time high in terms of TEU volume and as a result, it is growing in all facets of its operation. That growth, which continues today, results in thousands of truck transactions processed daily at Virginia's state-operated marine and intermodal facilities. Moreover, the increasing number of truck trips has raised concern regarding congestion at the marine terminals and resulting delays that impede the safe, reliable and efficient movement of freight by our motor carrier partners.

Knowing this and hearing the growing voices of concern from motor carriers and cargo owners, The Port of Virginia announced in March 2014 the creation of the Motor Carrier Task Force (MCTF). The 10-member MCTF Steering Committee is composed of a diverse group of port stakeholders dedicated to evaluating the issue(s), creating an environment and dialogue for change and taking necessary action to improve the situation by focusing on short- and long-term goals.

The steering committee pinpointed five areas of emphasis and then created individual segmentation groups to address: 1) development and implementation of an appointment system for drivers; 2) processes in the terminal; 3) reefers; 4) chassis dynamics and empty yards; and 5) moving through the gate.

After three full months of evaluation, analysis, and multiple meetings, the MCTF identified measurable action items in each of the segmentation groups that will help facilitate the safe, reliable and most efficient movement of freight.

1) The Appointment System: Regulating the hourly flow of trucks into the terminal is critical to reducing back-ups at the gate and eliminating the "rush-hour" effect. The appointment system was launched on May 1 with a six-week window of messaging, testing, registration and education for motor carrier firms, independent owners, contract operators, dispatchers, etc., prior to full implementation of enforcement to allow our partners to learn and adjust to the system. The data collected during this period will be used to improve the system and related processes; full enforcement begins June 16.

2) Processes in the Terminal: Having a set amount of properly maintained equipment (straddle carriers) against the gate every day will help expedite the flow of trucks. Additionally, improvements in the conveyance method at the rail operation that does not detract from the gate will also drive greater throughput of trucks. Better management of the return of empty containers, creation of express lanes, improved communication/customer service, better repair protocol and driver training are all items that will be, or are being, addressed. To date, 40 straddle carriers are dedicated to the gate each day and 32 yard hustlers are being used for the rail operation; the flows are improving.

3) Reefers: Fourteen steps have already been implemented to improve the flow of cargo in refrigerated containers with four more in progress. The segmentation group identified four

initiatives that it sees as short- and mid-term solutions for improving throughput of this cargo type: improved dispatching; pre-mounting gen sets; pre-trip reefers on the ground; and creating a single-stop reefer service area.

4) Chassis Dynamics and Empty Container Yards: In terms of empty containers, there were multiple areas of concern and plans for improvement. Many of them are simple and with minimal associated cost. For example, better visibility of graded boxes on-line for motor carriers, improved inspection processes, better maintenance and repair of the yard, not accepting empties that contain trash or dunnage and better customer service. On the issue of chassis, again, multiple issues with relatively low-cost solutions: improved signage, better allocation of chassis, designated after-hours drop areas, limiting chassis swaps and clarification of some policy issues.

5) Moving Through the Gate: Many of the issues at the NIT gate will be resolved with the implementation of the new gate and driver's appointment system. There were however, three issues at NIT, one at APMT and two port-wide that were identified and will require change. The most important issue identified by this group was the need for better, real-time communications that will 1) alert motor carriers to immediate issues and 2) help them plan their day. Presently, the port is working on implementing a mass text-messaging system that employs off-the-shelf technology.

The work of the MCTF will continue; going forward, the group will meet several times annually to review past issues and address new ones. This document is a starting point for addressing the issues that are creating strain on the motor carrier community and the port. Moreover, The Port of Virginia's leadership team understands that this is an evolving process, so one thing that works well one year may not have the same outcome the next year.

The second step in this first phase will be to convene a public meeting on June 11 of the region's motor carriers where this document and concrete changes already achieved or in progress can be discussed. The meeting will not be an airing of grievances; rather, it will serve as a constructive forum for an exchange of information and ideas to supplement this document.

It is important to thank the men and women that voluntarily came together this spring to constructively identify and discuss problems and solutions. It shows a serious, professional commitment to supporting and improving The Port of Virginia.

Motor Carrier Task Force

Appointment System Segmentation Group

Members:

Mark Thorsen,VIT	Co-Chair, Port of Virginia
Ed O'Callaghan, Century Express, Audax Trans	Co-Chair, Motor Carrier
Pete Trocchiano, VIT	Port of Virginia
Captain Armondo Ward, VPA Police	Port of Virginia
Joe Green, VPA Police	Port of Virginia
Rena Heath, ILA 1624	Labor
Randy Guerra, Walmart	Cargo Owner
Mark Jensen, Target	Cargo Owner
Mike Malooly, Expediters Int'l.	Forwarder/Broker/3PL

Note:
Early in its discussions, the Appointment System Segmentation Group determined that more substantial motor carrier input would benefit the planning of an appointment system. Trucking companies of varying sizes and differing customer bases were invited to form the Motor Carrier Advisory Board to assist the Segmentation Group.

The recommendations from the Motor Carrier Advisory Board were formulated and forwarded to the Appointment System Segmentation Group for their consideration.
Both the Advisory Board and the Segmentation Group expended many hours of their time in order to forward these recommendations to the Steering Committee.

Motor Carrier Advisory Board

Brenda Woods	Bridge Terminal Transport Trucking
Dale Ledbetter	CrossGiobe Transport
Neil Boothby	Damco
Bob McNichols	Givens Transportation
Ron Joyner	Salem Corporation

<u>Short-term goal of establishing an appointment system in the Port of Virginia (NIT):</u>

- Initially, to modulate the volume of trucks entering the NIT facility during the hours of terminal gate operations, each day.

- Historically, motor carriers have been calling the terminal in large numbers between the hours of 9:00a.m. - 1:00 p.m. This has an overwhelming effect on the resources of the terminal and creates congestion. The appointment system proposes to spread truck activity evenly over the course of the entire work day.

- Providing a predictable traffic flow through the busy season allowing the terminal to allocate equipment and labor during certain periods of the day.

- Contributing to the overall goal of the MCTF to reduce terminal turn-times at NIT for the motor carriers.

- The early implementation of an appointment system in the Port of Virginia will prepare and position the port stakeholders to process the larger vessels now arriving in Virginia.

Long-term goal of establishing an appointment system in the Port of Virginia:

- To provide the motor carriers a common interface across all port facilities when creating an appointment to visit the terminals.

- To modulate the volume of trucks at all Port of Virginia facilities.

- Information collected in the Appointment System will allow Virginia to cost effectively and efficiently process container shipments once the terminals system is integrated with the Appointment System.

- Motor Carriers, through improved terminal velocity, will be more productive, leading to truck driver retention in The Port of Virginia.

- Fluid terminals, with a healthy truck workforce, would attract shippers to locate in Virginia. A fully implemented Appointment System will result in environmental benefits to the Mid-Atlantic Region. Reduced truck idling will allow Virginia to further expand its footprint without negatively affecting air quality.

Recommended "Soft" Go Live Plan - Motor Carrier Appointment System at NIT:

The committee recommends a "soft go live plan" on the following schedule. This time frame would gradually initiate the motor carriers, terminal operations, shippers and other port stakeholders towards adopting The Port of Virginia Appointment System.

Schedule:

May 1- May 30

- Soft Go Live
- Appointments recommended

NOTE: During this period the Motor Carrier Task Force will be evaluating the effectiveness of this system. Please make every effort to utilize the appointment system as it will aid greatly during the evaluation process.

May31

- Evaluation of Appointment System

June 1-June 15

- Appointments required
- Appointment Windows not enforced

NOTE: During this period it should be understood that Motor Carriers without an appointment will be denied access to NIT until they have an appointment.

June 16

- Appointment Windows enforced

NOTE: At this point both appointments and the windows for these appointments shall be enforced. Motor Carriers without an appointment and outside the prescribed window will be denied access to NIT until a later appointed time.

Facility Enhancements on NIT for implementation of the Port of Virginia Appointment System:

- First and foremost, safety is paramount to the implementation of a successful appointment system.

- A second guard booth has been added at thee-gate entrance of NIT; the kiosks were modified to include a keypad and barcode for drivers to enter their appointment number. As is the practice today, security will check the driver's TWIC card, but will now confirm the driver's appointment number to understand the business reason for the trucker entering the terminal.

- The truck driver may input an appointment number to a key pad or verbally inform security of their appointment number.

- So there will be no misinterpretation of the time of day, atomic clocks will be installed and visible to both truck driver and security at the gate. It is further envisioned that an atomic clock will be installed near the entrance of the terminal on Hampton Boulevard.

- In the event a driver is to be turned from the terminal gate, because of no appointment/outside appointment window, adequate space has been allocated past the security booths to turn the truck around in order to exit the facility.

- Prior to the enforcement of this Appointment System, space will be allocated at the present NCY location to be used as a holding yard for truckers awaiting their appointment time and entry to the terminal. This area will be patrolled by the terminal staff to prevent trucks from dwelling there who are not awaiting an appointment window to enter the terminal. It is highly recommended that rules limiting truck idling be practiced at the NCY.

Expectations of ADVENT Intermodal Solutions; owner of eModal:

- Advent shall maintain 24/7 availability of the web-based appointment system.

- As required, Advent along with the terminal group, will train motor carriers in the usage of the appointment system.

- Training will be offered periodically to motor carriers and other port stakeholders.

- Advent will maintain a call center for users of this system between the hours of 0500 to
- 2000 EST.

- Advent will continue to provide enhancements to the system as needed by The Port of Virginia.

General rules of The Port of Virginia Appointment System:

- A Motor Carrier must register with ADVENT/eModal to make appointments in The Port of Virginia Appointment System.

- Rules for the Appointment System will be collectively reviewed and modified as business in the Port changes. However, the rules of the Appointment System must remain fair for all Port of Virginia stakeholders.

- When the NIT Appointment System is enforced, no truck will be admitted to the facility without an appointment number.

- The Motor Carrier must have an appointment to be admitted to NIT (post May 31).

- The trucker must be within their appointment window, post June 15.

- The appointment window will be one hour with a 30 minute grace period prior to, and following, the appointed hour.

- Motor Carriers may schedule appointments 72 hours in advance of arriving at the terminal. Motor carriers will be strongly urged to cancel unnecessary appointments. Cancellations of unnecessary appointments will immediately open additional appointments for other truckers and maximize terminal capacity.

Expectations of the Port of Virginia:

- The Port of Virginia team will establish a group called the Enterprise System Management Group (ESMG) to administer the appointment system. This group will coordinate the efficiency of the appointment system with VIT Operations, the VIT IT Department, Trucking Companies and other port stakeholders. This group should also have resources to monitor the dwell time of trucks exceeding standards on terminal. The Individuals in this group will report into the operations department.

- The Port of Virginia Enterprise Appointment System Group (EASG) will establish the number of appointments to be issued each hour based on terminal equipment, labor and overall operational capacity.

- Ten trucking companies account for 30% of the NIT container gate activity. These trucking companies will be closely monitored in the effective usage of the appointment system. If necessary, they will be given allocations within certain appointment windows each day.

- The Port of Virginia Enterprise Appointment System group will view appointment data and educate those trucking companies practicing behavior contrary to the appointment system rules.

- The ESMG will review appointments made, changed and cancelled, and will work closely with the motor carrier community to provide a high level of efficiency and compliance in the use of the appointment system.

- The ESMG will attend motor carrier meetings regularly and report on the use of the appointment system.

- The ESMG will develop a set of metrics that will be reviewed at MCTF Meetings.

Appointment System Segmentation Group

Action Items

Completed:

- May 1, 2014 – New NIT appointment system "soft go live" date – appointments recommended
- Multiple online/in-person training session offered to the trucking community via Advent/eModal
- Percentages of appointments made for NIT pick-up and delivery climb steadily during the month of May
- A second guard booth has been added at thee-gate entrance of NIT; the kiosks were modified to include a keypad and barcode for drivers to enter their appointment number. As is the practice today, security will check the driver's TWIC card, but will now confirm the driver's appointment number to understand the business reason for the trucker entering the terminal.
- In the event a driver is to be turned from the terminal gate, because of no appointment/outside appointment window, adequate space has been allocated past the security booths to turn the truck around in order to exit the facility.
-

Pending:

- So there will be no misinterpretation of the time of day, atomic clocks will be installed and visible to both truck driver and security at the gate. It is further envisioned that an atomic clock will be installed near the entrance of the terminal on Hampton Boulevard.
- Prior to the enforcement of this Appointment System, space will be allocated at the present NCY location to be used as a holding yard for truckers awaiting their appointment time and entry to the terminal. This area will be patrolled by the terminal staff to prevent trucks from dwelling there who are not awaiting an appointment window to enter the terminal.
- June 1 – 15, 2014 – Appointments required at NIT, but appointment windows will not be enforced.
- June 16, 2014, and beyond – Appointment windows (two hour slots) will be enforced at NIT.
- Advent/eModal shall maintain 24/7 availability of the web-based appointment system.
- Training will continue to be offered periodically.
- Advent will maintain a call center for users of this system between the hours of 0500 and 2000 EST.

Motor Carrier Task Force

Chassis Dynamics/Empty Container Yards Segmentation Group

Members:

Art Ellerman, HRCP 2	Co-Chair, Port of Virginia
Shirley Roebuck, Gilco	Co-Chair, Motor Carrier
John Zimmerly, HRMS	CY Operator
Maxime Sparfel, MSC	Ship Line
Rob Diaz , MRS	M&R Company
John Ives, ILA	Labor
Chris Ives, ILA	Labor
Kevin Basnight, ILA	Labor
Terri Campbell, VPA	Port of Virginia
George Berry, Owner Operator	Driver

Chassis Dynamics - Empty CY's Immediate Recommendations

We began by determining specific issues and solutions for the Empty Yards/Empty Containers.

Issues:

- Multiple grades for containers
- Space is an issue to the demands for all shipping lines. There are 28 ship line customers and the potential for 140 individually sorted container stacks
- Stacks need to be clearly defined
- Supply does not meet demand for graded boxes, frequently overbooked by the ship lines
- Matrix integrity (real time management required)
- Container grade must be on the driver's pick-up slip
- General condition of the empty yard (pot holes, etc.)
- Boxes returned with dunnage/trash inside, but the box is in excellent condition
- Boxes that are damaged are being rejected at APM Terminals gate, creating an extra move for the motor carrier

Solutions:

- Online visibility of available, graded boxes, viewable by size, type and ship line
- The empty matrix should not be changed arbitrarily – consistency is needed
- Improved inspection process with secondary inspections for graded boxes
- Improved customer service
- A reduction in the sheer number of containers being stored
- Boxes returned with significant trash and/or dunnage will be rejected
- Establish an ongoing process with facilities management to ensure the empty yards are properly maintained

We moved on to identify specific issues and solutions regarding Chassis Dynamics.

Issues:

- Improper placement of chassis on marine terminals

- Empty and damaged containers should not "hold a chassis hostage"
- Terminal damage on bare chassis
- Motor carrier billing issues
- Loaded import containers mounted on damaged chassis
- The CSA lot is not working according to its design and plan
- Driver drops an export load and takes delivery of an import load – chassis was not placed out of service on inbound (export), but was flagged out of service on outbound (import) – inconsistent inspection process
- Expiring FHWA decals

Solutions:

- Better signage and verbal directions at the marine terminals – "boots on the ground"
- All non gen-set bare chassis should be positioned at the NCY (central location)
- Designate after-hours chassis drop locations for terminal ops. personnel and stevedores
- Proper allocation of chassis to support terminal rail operations
- Empty stacking of damaged containers to free-up chassis
- CSA activity should be limited to chassis swaps and chassis changes, with chassis inventory managed by terminal personnel throughout the day – chassis in means chassis out
- Chassis matrix should drive equipment balance, primarily to address the APMT surplus
- An inbound chassis (export) should require no outbound inspection (import) if it departs within 12 hours
- Policy clarification required from Virginia Intermodal Management

Areas where changes can be made at little or no cost to VIT:

CONTAINER YARD

- All container issues require no financial consideration other than facilities maintenance (FM). HRMS will review requirement with FM. FM will consult with VIT on expense aspect.

CHASSIS

- Better control of chassis placement on marine terminals. Very little cost if any. Simple coordination.
- Non-gen set chassis that are no longer required by motor carrier should be returned to the NCY.

Chassis Dynamics/Empty Container Yards Segmentation Group

Action Items

Completed:

- All empty chassis are directed to the NCY yard. The only place on terminal a driver is allowed to leave a good bare chassis is in the CSA lot when swapping for size.
- HRCP has placed additional "boots on the ground" to maintain available chassis in order to better serve the CSA.
- NIT – outbound chassis repair in lanes 13 and 14 was established to expedite motor carriers off the facility.

- Chassis drop locations have been addressed at NIT.
- APMT – repairs to lights and electrical issues are now being handled at the inbound CSA.

Pending:

- For loaded import containers: Working on placing an M&R mechanic in the CSA at night to give out good chassis to the hustler drivers that are doing the pre-mounting.
- Empty and damaged containers left on wheels - working on a plan to start grounding damaged containers.
- Terminal damage on chassis - working on a plan to start grounding containers.
- Driver has a drop (export) and pick (import) - chassis was good inbound but may be put out of service at outbound gate. Statistics have proven inspection qualification deficiency. We are working on a systematic fix that will require only one outbound inspection.
- Question regarding VIT's planned use of chassis to support the newly configured central rail yard – dedicated rail chassis, or general pool chassis to be used?
- A chassis matrix is under consideration to address repositioning issues.
- VIM/HRCP2 will continue to work with the trucking community to resolve chassis billing issues.
- Consideration of a single inbound inspection for a chassis being used in a dual move

Motor Carrier Task Force

Gate Segmentation Group

Members:

Travis Hill, VIT	Co-Chair, Port of Virginia
Bob McNichols, Givens	Co-Chair, Motor Carrier
Chief Sean Neely, CBP	Federal Partner
Irena Heath, ILA 1624	Labor
Ronald Allen, ILA 1970	Labor
Tim Foley, HRMS	M&R Company
Ted Holt, MOL	Ship Line
Murray Bishop, Stihl	Cargo Owner
Randy Wallace, HREW	Federal Vendor (CBP)

There were several issues raised by the task force, related to the gate process, which will be resolved by the implementation of the new gate system and appointment system at NIT. For the sake of thoroughness, these items will be listed, although the group focused on items with some longevity.

Gate Segmentation Group

Action Items

Completed:

- (NIT) There is no information provided to a driver with a booking issue at the interchange.
    - Drivers will receive the same level of information related to booking issues that they do at APMT.
- Drivers are rejected at the out-gate for having chassis lights out.
    - NIT has begun doing minor chassis repairs at the outbound gate; APMT has begun doing minor chassis repairs at the Chassis Service Area.
- (APMT) Placards have to be verified in the gate lanes, causing delays.
    - Drivers can call 686-6120 or 686-6160 prior to arriving at the interchange pedestal. VIT will have someone meet the driver at the interchange and verify the presence of the placards.

Pending:

- (NIT) Checkers are waiting on the M&R inspector to complete the inspection prior to beginning the interchange.
    - This process will change with the implementation of the new gate at NIT - anticipating July 2014. In the interim, VIT will work with ILA local 1970 to require the M&R inspectors to write back one truck so that the interchange is not delayed.
- (NIT) The interchange writer does not let anyone know that they are leaving the booth and will walk away without notice, leaving the driver in the lane.
    - VIT will work with ILA local 1624 to change the overhead lane markings to the red X when leaving a lane, and place a cone in front of the lane.

- (Portwide) Damaged containers are rejected at the empty yards and directed to the marine terminal, causing an extra move for the driver.
    - VIT is working with the M&R vendors in the port to streamline this process, and eliminate the additional dray.
- (Portwide) The motor carriers are looking for a mechanism for real-time communication as well as periodic updates on issues that affect them.
    - VIT is implementing a mass text messaging system. We anticipate having this deployed in mid-June. VIT will also be setting up a messaging system that motor carriers will be able to call to get updates on operational changes.

Motor Carrier Task Force

In The Terminal Segmentation Group

Members:

Vance Griffin, VIT	Co-Chair, Port of Virginia
Danny Glover, GTL Transport	Co-Chair, Motor Carrier
Bill Jackson, RJE Elite Trucking	Motor Carrier
Martin Kernutt, ILA Local 1624	Labor
Joe Discenza, SmartCrane LLC	Vendor/Partner
Tiffany Green, VIT	Port of Virginia
Robert Diaz, MRS	M&R Company
Joe Diaz, MRS	M&R Company
Sean Neely, CBP	Federal Partner
Joe Daughety, COSCO	Ship Line
Thomas Lesner, ASF Intermodal	Motor Carrier
Brinley Billings, Securitas	Vendor/Partner
Ronal Allen, ILA Local 1970	Labor
Robert (Bobby) Smith, ILA Local 970	Labor
Michelle Wallace, VPA	Port of Virginia

Excellence in customer service and experience for our motor carrier customers was recognized as essential and vigorously pursued through the efforts of the In the Terminal Segmentation Group. In accomplishing same, the standards of truck turn-times had to be reduced significantly. Accomplishment of same also required a change of daily work prioritization and increased resources. Those items essential to the successful accomplishment of our mission are presented below. These measures will assist in providing the quality experience with safe and expeditious movement of the motor carrier through the marine terminal. Commitment to our customers will be self-evident through our efforts and results.

1. **The current number of straddle carriers insufficient for daily operations.**

a) Transfer zones are ideally served (providing efficient turn-times) by 40 straddle carriers daily (M-F).
b) Current fleet of 102 strads to be increased to 108. Service level agreement of 96 strads for all operations is required. Maintenance plan/actions underway to achieve this level of readiness.
c) Reduce out of service rate for straddle carriers to 10% of the fleet.

2. **Reduce/minimize empty container returns and inventory.**

a) Send empty returns to CYs; empty return matrix to be managed (underway).
b) Establish RTG operated empty container stacks at NNIT and SNIT to be implemented in May 2014.
c) Operational benchmark of 2024 to service empty container evacuations plus special equipment inventory for NIT. Empty container management plan via increased communications with ship lines and defined processes for execution.

3. PNG (Pop and Go) Express Lane requires better communications.

a) Additional and upgraded signage throughout terminal is required to improve communications. New signs are made and installation is underway.
b) Flyers and handouts are required to better share communication and provide direction. Topics to be covered include PNG, chassis, chassis change and terminal maps to be distributed, as required, at the interchange.

4. ILA/Trucker interface needs improvement and requires professional behavior.

a) Individual/tutorial type training and counseling of all ILA personnel interfacing with the trucking community will be conducted, with an emphasis on customer service and professionalism.
b) Reinforcement of item “a.” above to be provided daily, following the pre-op safety briefing.

5. "Old Damage Acceptable" should not initiate driver being sent to a repair vendor.

a) Current handheld computer option for maintenance inspector.
b) Re-established/reinforced with interchange mechanics and security personnel with written policy.

6. Minor light repairs.

a) To be performed in all outbound lanes to include satellite lanes.

7. New driver training requires driver be permitted to travel through facility while in the cab of a working driver.

a) Initial process is defined and policy written.
b) Final review pending with Port Police and safety personnel.

8. Chassis corral needs to be established with clear understanding of location and process.

a) NCY will assume role of "corral".
b) CSA plays swap role.
c) Handout to be provided with instructions at interchange.

9. New Rail Operation

a) Commences in May 2014.
b) Reduces rail’s dependence on straddle carriers.
c) Compartmentalizes rail operation thus minimizing impact on motor carrier service.

10. Potholes

a) Large increase in potholes and asphalt repairs making travel through terminal difficult.
b) Active maintenance management program is required and underway to improve conditions.

In The Terminal Segmentation Group

Action Items

Completed:

- 40 straddle carriers per day (M-F) committed to the NIT transfer zones
- Pop & Go (PNG) express lane – additional and upgraded signage in place; flyers produced and distributed
- "Old damage acceptable" should not cause a driver to be sent to a repair vendor. This process was addressed via handheld computer and with the interchange mechanics.
- Minor light repairs now being performed in two outbound lanes at NIT.
- Transition to new rail cargo handling process (hustlers vs. strads) is nearly complete at NIT.
- Significant progress in pothole and asphalt repair (continuous process)

Pending:

- Increase total straddle carrier fleet to 108 and reduce out of service rate to 10% or less.
- Establish RTG operated empty container stacks at NNIT and SNIT.
- Individual training and counselling of ILA personnel interfacing with the trucking community re: customer service (continuous process)
- Enable minor light repairs in ALL outbound interchange lanes
- New driver training – allowing the junior driver to travel as a passenger with a senior driver

Motor Carrier Task Force

Reefer Segmentation Group

Members:

Pete Trocchiano, VIT	Co-Leader, Port of Virginia
Chris Columbus, GSI	Co-Leader, Motor Carrier
Rick Light, ILA 1970	Labor
Mike Heath, ILA 1624	Labor
Jim Diaz, MRS	M&R Company
Raymond Newlon, Hapag Lloyd	Ship Line
Kara Matzko, HRCP2	Port of Virginia
Mike Group, Suffolk Cold Storage	Cold Storage
Kenny Jackson, VIT	Port of Virginia
Artie Ellerman, HRCP2	Port of Virginia
Daniel LeGrande, VIT	Port of Virginia
Hanne Minyard, VIT	Port of Virginia

The group met three times and developed a strategy to implement a cost efficient and systematic process with regard to the pickup and delivery of refrigerated freight. The recommendations included below are for immediate, short and mid-term implementation.

<u>The following initiatives have already been implemented:</u>

Reefers mounted on bad chassis

- The group discussed several solutions to this issue, including stacking pre-tripped reefers and developing a process to inspect chassis prior to mounting as opposed to the current procedure of inspecting chassis after reefers are mounted to chassis.
- We all agreed the most effective solution is to have the chassis inspected prior to mounting reefers for pre-trip. The process requires the terminal to coordinate the times reefers will be mounted with HRCP. HRCP will have a brokered mechanic working during this time. Terminal drivers will be required to pick up all chassis from the CSA. Chassis will be required to have good tags prior to mounting. If the terminal driver is re-using a chassis the chassis must be inspected by the brokered mechanic prior to use.

Gen-set and underslung chassis availability specific to reefer location

- When picking up a reefer, there are cases when a driver needs to drive to another location to pick up a gen set/ underslung chassis.
- Dispatchers will also communicate with M&R vendors prior to sending a driver to confirm gen-set/ underslung chassis are readily available. The reefer reservation is also available to establish contact with the vendor.
- Advance communication allows for motor carriers to plan ahead if gen-set/ underslung chassis are not available and repositioning cannot be completed prior to driving arriving.

- The gen-set issue was specific to two ship lines. The two ship lines have been contacted and agreed to have gen-sets repositioned as volume dictates. The M&R vendor will manage this with the ship lines.

Reefer Exiting without gen-set process

- Express line to acquire stamp at NIT has been established and signs and communication are in progress.
- APMT has improved communication between the ship line and M&R vendors with gate clerks to streamline the process.

Reefers pre-mounted / sitting for an extended time / chassis expires

- Terminals will monitor pre-tripped reefers on chassis and restack when not dispatched within 72 hours.

Multiple vendors to unplug target reefers

- Vendors will improve communication when waiting for another vendor to unplug a reefer blocking a target reefer.

Backups at MRS – NIT gen-set mount/dismount area

- MRS will monitor the truck line and add resources as needed

Updating of reefer locations in the stack at NIT

- Terminal ops. has increased the number of times per day, and during vessel ops., that reefers in grounded positions are updated.

Timely pre-trips

- Improved communication for daily reefer needs from ship lines. Currently ship lines place orders for the week. Daily needs will be requested to ensure reefers are available for pre-trip as requested.

Reefers not washed when driver arrives

- Ship line controls reefer wash out requirements.
- Dispatcher will confirm reefer wash out status with M&R vendor, if required, prior to dispatching driver.

Chassis not tagged damaged at NIT inbound gate

- Implemented tagging of chassis at inbound gate.

Inconsistent chassis inspections

- Only require one chassis inspection during visit.
- Programming is working, duplicate inspection not required.

APMT - parking at drivers' assistance exit

- Drivers exiting the terminal have the ability to park for five minutes for a quick facility break.

NIT - chassis change process

- Chassis changes will be completed at the Pop & Go Lane.
- Notice will be sent out to drivers.
- Signs will be posted.

Pop & Go (PNG)

- As utilization increases, PNG lines are longer than transfer zone lines
- Additional straddle carriers will be utilized as volume dictates

<u>The following initiatives are in progress:</u>

Utilize additional reefer plugs currently blocked with maintenance equipment and supplies

- This has been addressed and equipment has been cleared.

NIT – chassis placement

- All chassis will reside in the CSA or at the NCY.
- Operations and stevedores will return all chassis to NCY or CSA.
- OTR drivers will pick-up and drop off all chassis at the NCY unless swapping a chassis for size or damage on terminal. CSA will be used for chassis swapping.
- Lights will be installed at NCY to support night time operations.

Additional portable restroom facility at APMT

- Drivers requesting additional portable facility in proximity to the CSA and gen-set mount/dismount area.
- APMT management will review placement options and have additional facility in place by the end of April.

Gate clerks and mechanics leave booth / interchange lanes unattended at NIT

- Create a break system and/or have management presence prior to clerk/mechanic leaving post in order to ensure a timely return.
- Process is underway and will be communicated to the ILA and implemented before the end of April.

The following initiatives are short to mid-term solutions. Separate meetings will be scheduled to drive these improvements:

Dispatch by bill of lading – allow top container in the stack to be dispatched versus digging a container out (shipper specific)

- System programming, yard layout, equipment and operational planning required.
- Shipper and trucking company collaboration will be essential.

Pre-mount gen-set prior to dispatch

- May cause rework when reefer bookings are swapped. Reefer settings are not accessible when the gen-set is mounted

Pre-trip reefers on the ground

- Perform reefer pre-trips on the ground to streamline the process and allow dispatch from the ground.
- Evaluate the possibility of having a steam clean area in the grounded location at NIT.

Creation of single stop Reefer Service Area (RSA)

- One location for all vendors to complete reefer services
- Gen-set mount/dismount and reefer setup for dispatch
- Location will be selected to reduce driving distance on terminal

Reefer Segmentation Group

Action Items

Completed:

- Reefers mounted on bad chassis - The most effective solution is to have the chassis inspected prior to mounting reefers for pre-trip. The process requires the terminal to coordinate the times reefers will be mounted with HRCP. HRCP will have a brokered mechanic working during this time. Terminal drivers will be required to pick up all chassis from the CSA. Chassis will be required to have good tags prior to mounting. If the terminal driver is re-using a chassis the chassis must be inspected by the brokered mechanic prior to use.
- Gen-set and underslung chassis availability - Advance communication allows for motor carriers to plan ahead if gen-set/ underslung chassis are not available and repositioning cannot be completed prior to driving arriving. The gen-set issue was specific to two ship lines. The two ship lines have been contacted and agreed to have gen-sets repositioned as volume dictates. The M&R vendor will manage this with the ship lines.

- Reefer exiting without a gen-set (process) - Express line to acquire stamp at NIT has been established and signs and communication are in progress. APMT has improved communication between the ship line and M&R vendors with gate clerks to streamline the process.
- Reefers pre-mounted / sitting for an extended time / chassis expires - Terminals will monitor pre-tripped reefers on chassis and restack when not dispatched within 72 hours.
- Multiple vendors to unplug target reefers - Vendors will improve communication when waiting for another vendor to unplug a reefer blocking a target reefer.
- Backups at MRS – NIT gen-set mount/dismount area - MRS will monitor the truck line and add resources as needed.
- Updating of reefer locations in the stack at NIT - Terminal ops. has increased the number of times per day, and during vessel ops., that reefers in grounded positions are updated.
- Timely pre-trips - Improved communication for daily reefer needs from ship lines. Currently ship lines place orders for the week. Daily needs will be requested to ensure reefers are available for pre-trip as requested.
- Reefers not washed when driver arrives - Ship line controls reefer wash out requirements. Dispatcher will confirm reefer wash out status with M&R vendor, if required, prior to dispatching driver.
- Chassis not tagged damaged at NIT inbound gate - Implemented tagging of chassis at inbound gate.
- Inconsistent chassis inspections - Only require one chassis inspection during visit. Programming is working, duplicate inspection not required.
- APMT - parking at drivers' assistance exit - Drivers exiting the terminal have the ability to park for five minutes for a quick facility break.
- NIT - chassis change process - Chassis changes will be completed at the Pop & Go Lane. Notice will be sent out to drivers. Signs will be posted.
- Pop & Go (PNG) - As utilization increases, PNG lines are longer than transfer zone lines. Additional straddle carriers will be utilized as volume dictates.

Pending:

- NIT – chassis placement - All chassis will reside in the CSA or at the NCY. Operations and stevedores will return all chassis to NCY or CSA. OTR drivers will pick-up and drop off all chassis at the NCY unless swapping a chassis for size or damage on terminal. CSA will be used for chassis swapping. Lights will be installed at NCY to support night time operations.
- Additional portable restroom facility at APMT - Drivers requesting additional portable facility in proximity to the CSA and gen-set mount/dismount area. APMT management will review placement options and have additional facility in place by the end of April.
- Gate clerks and mechanics leave booth / interchange lanes unattended at NIT - Create a break system and/or have management presence prior to clerk/mechanic leaving post in order to ensure a timely return. Process is underway and will be communicated to the ILA and implemented before the end of April.

The following initiatives are short to mid-term solutions. Separate meetings will be scheduled to drive these improvements:

- Dispatch by bill of lading – allow top container in the stack to be dispatched versus digging a container out (shipper specific) - System programming, yard layout, equipment and operational planning required. Shipper and trucking company collaboration will be essential.
- Pre-mount gen-set prior to dispatch - May cause rework when reefer bookings are swapped. Reefer settings are not accessible when the gen-set is mounted.
- Pre-trip reefers on the ground - Perform reefer pre-trips on the ground to streamline the process and allow dispatch from the ground. Evaluate the possibility of having a steam clean area in the grounded location at NIT.
- Creation of single stop Reefer Service Area (RSA) - One location for all vendors to complete reefer services. Gen-set mount/dismount and reefer setup for dispatch. Location will be selected to reduce driving distance on terminal.

Frequently Asked Questions

1) What happened at Norfolk International Terminals (NIT) to create the delays being experienced by motor carriers?

- Record container volumes.
- Inclement weather: record snow days and resulting lost work days.
- Vessels that were operating off pro forma that showed up in "bunches" and off-loaded thousands of containers in just a few days. The poor spacing of the vessels did not allow enough time for operations to properly groom the yard and segregate rail and truck boxes.
- Larger vessels, though on schedule, are still "bunching" and off-loading record amounts of containers in very tight windows.
- Record rail volumes that absorbed record amounts of manpower and equipment, leaving limited resources for the gate.
- Failure to adequately invest in cargo conveyance infrastructure; the port did not have enough of the right equipment.

2) Why not communicate with the ocean carriers to convey the "bunching" issue and the ripple-effect it is having on our port?

We have and it will take a serious effort and cooperation from the ocean carriers to better space the arrival of these big vessels. In the meantime, we are working hard to look further into our vessel schedule to create a plan for allocation of assets and manpower.

3) Is there technology available that can help the port better prepare for these cargo events?

Yes. The implementation of NAVIS N4, a terminal-wide operating system, will give us absolute visibility across all areas of the operation at NIT so we will be better prepared at the berth, the gate and rail. This system will help straddle carrier drivers make more moves during their shift as we will be geo-locating containers.

The motor carriers' appointment system is also a technology-driven solution. Over time, the appointment system, through improved technology, education and use will become easier for motor carriers and dispatchers to use.

Use of the appointment system will allow us to better prepare, on a daily basis, for what is going to happen at the gate on an hourly basis.

4) Now that the Motor Carrier Task Force has done its work, is this effort over?

Absolutely not; this is simply the first phase. This task force will continue to meet regularly to address the needs of the motor carriers. As we see it, this process is ever-evolving and we have to 1) recognize that; 2) have the right forum to address issues as they arise; 3) develop concrete action plans; and 4) set deadlines for delivery.

5) Communicating with motor carriers in real-time, or as close to real-time as possible, is something that is seen as absolutely necessary, though it was not one of the MCTF's core focus areas. Is there any work underway to address rapid dissemination of critical information to the motor carriers?

The issue was not addressed and it was not by intent. The issue of better communication came up as the MCTF was well into its work. Currently, the port communicates its messages through its Facebook page, Twitter, its web site, email blasts and it works with TMTA and VMA to push messages to its membership. Despite the effort through the above-mentioned channels, it is widely agreed that the port needs even better communication. Thus, a mass-messaging text notification system is being looked at for ease of use and ability to transmit real-time updates from the terminals to motor carriers.

6) Much of the focus of the Motor Carrier Task Force has been placed on NIT. Is the APM Terminal also impacted by recent operational challenges?

Yes, APMT has been impacted by high cargo volumes, vessel bunching and other issues present at NIT. However, the operating schemes at the two terminals are vastly different. The physical layout of APMT, the cargo equipment utilized and, most importantly, the high-degree of automation built into the terminal, make APMT's challenges more manageable. While significant operational changes are taking place at NIT – introducing yard hustlers to the rail operation, for example – the overall operating plan at APMT remains unchanged.

7) What is the end goal of this effort?

Though the effort does not have an end, the goal is to improve efficiency in all facets of the operation and continue to do so. Efficiency translates to greater control of what is happening on the terminals, having measured throughput, having proper allocation of assets and manpower and having the proper responses to challenges as they arise. Combined, these things ultimately result in our ability to build business.

Guiding Documents

February 27, 2014

Introduction to the Motor Carrier Task Force

This task force and project concept intends to identify process improvements that are measured as values for cost improvements and customer satisfaction. We must, all as stakeholders in The Port of Virginia, commit to ensure that our freight arrives and departs both safely and in the most efficient manner possible. We will develop and implement needed improvements and as a group have a commitment to service levels.

The task force is so directed help guide future decisions and operational efficiencies for our largest business segment – the movement of international freight by truck. This Motor Carrier Task Force will begin immediately and be a multi-functional, multi-disciplined group to affect change in process and behavior.

This task force will breakdown and review every segment of the movement of a truck before it arrives to the facilities, within the facilities, and as they exit. We as stakeholders of the Port of Virginia are committed to long term, sustainable, solutions that enhance the experience of the Motor Carrier.

The motor carrier community plays an extremely vital role in the success of The Port of Virginia and collectively this group can make effective changes for the good.

Mission Statement & Objectives

"The Port of Virginia has a constant commitment to the safe, reliable and efficient movement of freight by all modes, including the thousands of truck transactions processed daily at Virginia's state-operated marine and intermodal facilities. It is the mission of the Motor Carrier Task Force, representing a cross-section of our maritime transportation industry, to immediately identify challenges, implement solutions and communicate openly with the shipping public. From the perspective of the individual trucker, the task force will focus on:

- Safety
- Improved terminal velocity and reduced turn-times
- Implementation of an NIT appointment system by May 1, 2014
- Improved chassis availability
- Better utilization of the empty yards

The task force will work to insure a safe, reliable and efficient experience for all motor carriers, with an emphasis on continual improvement."

Each segmentation group shall have a defined objectives and defined outcomes.

The Steering Committee of the Motor Carrier Task Force

The steering committee was formed to provide cross-sectional representation of the maritime transportation community. As set forth in the mission of the task force, this group will be charged with provide safe and sustainable solutions with regard to terminal congestion, thus creating reliability.

Mr. Frank Borum, Co- Chair	*Atlantic Intermodal Services*
Mr. Joseph P. Ruddy, Co- Chair	*Virginia International Terminals*
Mr. Mike Abbott	*COSCO Container Lines*
Mr. Tommy White	*California Cartage Company*
Mr. David White	*Virginia Maritime Association*
Mr. Larry Bachtell	*President Local 1624, Checkers & Clerks*
Mr. George Berry	*Independent Owner/Operator*
Mr. Cary Hagen	*Virginia International Terminals*
Mr. Bill Jackson	*RJR Elite*
Mr. Greg Edwards	*Virginia Port Authority*

Each of these steering committee members is committed to ensure this project is moved toward successful solutions to ongoing issues as experienced by the motor carrier who visits The Port of Virginia's facilities.

Each steering committee member, other than the co-chairs, will also sponsor each of the sub-committees or segmentation groups, providing additional guidance during the project.

Segmentation Groups – Co Leaders and Composition

In order to leverage the vast knowledge and experience while being able to have working groups that are nimble and can effect change to the processes that encompass the movement of freight via motor carriers, this project will have two very distinct attributes. The first attribute being the project structure as seen below, is a proven formula for effective change as evidenced with the Virginia Pilots Association during the first "Port Plus" project. This same structure will be used in order to ensure success.

PROJECT STRUCTURE

Format	Purpose	Project Attribute
Segmentation	Tackle manageable sections of the business	Motor Carriers Operations from Gate to Gate
Three Meetings	Eliminate no end in sight phenomenon.	Define process – Identify improvement areas – Make Recommendations
Cross-Functional	Include all areas that affect business area	Motor Carriers – Shippers – ILA – Ship Line – Shippers – Service Vendors – Terminal Operations
Implementation Committee	Authority to Implement Improvements	VPA – VIT – Representation

The first Operation Port Plus Project addressed inbound business from vessel scheduling and vessel arrival to the point where lines were secure and vessel was at berth ready to be worked and outbound in reverse from lines off to vessel away post-pilot.

It is imperative that each group keep the safety of all in the forefront of their process changes and improvements.

Key to this structure is the meetings schedule. Each segment group is required to meet only three times and ensure attendance and compliance with regard to length of the meeting. The only change foreseen is for the Appointment System Segmentation Group - because of the complexities it is believed this group will define very quickly that additional meetings will be required.

Secondly, very distinct segmentation groups have been chosen in order to cover every aspect of the process for a motor carrier who must visit a Port of Virginia facility. Care was taken to ensure that no group became too large or covered too much of the complexity required when visiting a marine terminal. Each group will be co-lead by a representative from The Port of Virginia and a representative of the motor carrier community. Each group will also be composed from the various sectors that would be involved in a particular portion of the process. Segmentation groups, their co-leaders, make-up, and objectives are defined on the following pages:

Appointment System

Objective – *To implement an appointment system at NIT by May 1, 2014. This appointment system will allow for the systematic arrival of the motor carrier at NIT.*

Mark Thorsen, VIT	Co-Leader, Port of Virginia
Ed O'Callaghan, Audax	Co-Leader, Motor Carrier

Pete Trocchiano, VIT	Member
Captain Armondo Ward, VPA Police	Member
Irena Heath, ILA 1624	Labor
Jim Michalski, CMA-CGM	Ship line
Randy Guerra, Walmart	Shipper
Mike Malooly, Expeditors Int'l.	Broker

In the Terminal

Objective – *To streamline the safe and efficient movement of trucks through the interior of the marine facilities of The Port of Virginia.*

Vance Griffin, VIT	Co-Leader, Port of Virginia
Danny Glover, GTL	Co-Leader, Motor Carrier
Robert Smith, ILA 970	Labor
Martin Kernutt, ILA 1624	Labor
Ronald Allen, ILA 1970	Labor
Joe Daughety, Cosco	Ship line
Chief Sean Neely, CBP	Customs
Bob Brooks, Score (Volunteer Org.)	Observer

Reefer

Objective – *To implement a cost efficient and systematic process with regard to the pickup and delivery of refrigerated freight.*

Pete Trocchiano, VIT	Co-Leader, Port of Virginia
Chris Columbus, GSI	Co-Leader, Motor Carrier
Rick Light, ILA 1970	Labor
Mike Heath, ILA 1624	Labor
Jim Diaz, MRS	M&R
Raymond Newlon	Ship line
Kara Matzko, HRCP2	HRCP2
Mike Group, Suffolk Cold Storage	Cold Storage

Chassis Dynamics/Empty Yards

Objective – *Increase the efficient use of our container yards and to provide in ample supply the highest quality of chassis to the motor carrier.*

Art Ellermann, HRCP2	Co-Leader, Port of Virginia
Shirley Roebuck, Gilco Trucking	Co-Leader, Motor Carrier
John Zimmerly, HRMS	HRMS
John Ives, ILA 1624	Labor
Ronald Allen, ILA 1970	Labor

Maxime Sparfel, MSC	Ship line
Rob Diaz, MRS	M&R
Cam Leslie, MeadWestvaco	Shipper

Gate

Objective – *To deliver an efficient Gate Process with a reduction in turn times at The Port of Virginia marine facilities.*

Travis Hill, VIT	Co-Leader, Port of Virginia
Bob McNichols, Givens	Co-Leader, Motor Carrier
Chief Sean Neely, CBP	Customs
Irena Heath, ILA 1624	Labor
Ronald Allen, ILA 1970	Labor
Tim Foley, HRMS	M&R
Ted Holt, MOL	Ship line
Murray Bishop, Stihl	Shipper
Randy Wallace, HREW	HREW

Process Format

Key to success of this project shall be strict adherence to the process format described within this document. Without this, the segmentation groups will become largely stagnant and unable to move forward with succinct and effective process changes.

Co-leaders must focus on their immediate task at hand and manage their group to the stated objective(s). Each segmentation group shall be structured around a four step process (completed in as few as three meetings).

Co- Leader Guidelines:

1. Each segmentation group will be assigned a Port of Virginia representative and shall assist the co-leaders in the execution of their assigned task. This representative shall be responsible to work with the co-leader in the following manner:
    a. *Arrange time and venue for all meetings*
    b. *Arrange for conference numbers when requested*
    c. *Attend all meetings and provide onsite assistance including accurate and formatted minutes*
    d. *Produce formatted reports from meeting minutes*

2. Segmentation group meetings must be formatted in the following manner:

a. *Each meeting will last no more than 90 minutes. Strict adherence to this is critical to continued participation and success*
b. *No texting or phone calls during the meeting*
c. *Two 5 minute breaks shall be provided during the meeting for communications and personal reasons.*
d. *Meetings will begin and end on time.*

3. Segmentation group leaders will meet prior to group meetings and review Motor Carrier Task Force guidelines.

Meeting Format

Meeting 1: Decompose the current state process – what happens – Set a preliminary improvement goal.

- Data should be provided at the first meeting if possible to define current state. Anecdotal information and experiences will be used as a placeholder where necessary.
    - If validation data or research is needed between meeting 1 and 2 it will be documented, assigned and reported back to the group between meetings
- Documenting the current condition will cover the elements shown below to identify impacts to the current state condition. This will ensure all influencing variables are considered.

Process Decomposition
Event initiation – What triggers the event
Data – availability, use, timeliness, consistency, communication methods
Identify the process steps
Work rules, agreements, contract language that affects the process
Physical impacts
Cost
Variability

Meeting 1 – Proposed Agenda:

1. Brief background of the Motor Carrier Task Force, meeting structure and rules, project goals
2. Sequentially decompose the process
3. Set improvement goals
4. Document data gaps
5. Set date and time for meeting 2

Meeting 2 – Proposed Agenda:

1. Quick recap of meeting 1

2. Develop improvement needs
    a. Timing/scheduling/planning
    b. Data provisions and usage
    c. Processes
    d. Labor/resources
    e. Costs
    f. Consistency
3. Measurement/standard

Meeting 3 Proposed Agenda:

1. Quick recap of meeting 2
2. Development improvement path and implementation plan
3. Recap of project

Segmentation co-leaders will then develop a draft report for the steering committee. Every report will contain a value statement. Every improvement or process change requested should be able to be articulated as a service and/or a cost savings. All requested improvement or process change should be measureable.

Once all segmentation groups have presented their final reports, it is the responsibility of the steering committee to compose the entirety of these reports in one final report for view of The Port of Virginia stakeholders. It should be understood that any information that would be deemed sensitive in nature shall be redacted from any final report.

Conclusion

The events and challenges that have led us here must be seized upon at this time in order for us all to create the opportunity for success. It is imperative that we meet these challenges before us so that we may create long term, sustainable solutions that will promote safe and efficient operations as we prepare for successes before us and as we continue to grow The Port of Virginia.