HRCPII to charge for use of pool chassis to haul boxes for non-participating ocean carriers

Beginning Oct. 1, The Port of Virginia will implement a rate of $10 per day for the use of an HRCPII chassis that will be used to haul containers for ocean carriers that do not participate in the chassis pool.

The rate will only apply to movement of cargo for ocean carriers that are exiting the chassis pool. Some ocean carriers have requested to remain in the chassis pool and they will continue to be accommodated per normal.

Under this new motor carrier chassis model, HRCPII will provide chassis to ship lines, motor carriers and other port users by interchanging chassis directly to those users. HRCPII will bill the motor carrier, the ship line, or when instructed by the ship line, a combination of billing would occur based on merchant haulage or carrier haulage.

Virginia Intermodal Management in conjunction with International Asset Systems (IAS) will provide a web-based interface which will:

- Manage chassis rental functions (including user registration and administration)
- Provide the ability to view rental information in real time
- Provide pre bill information every 10 days while a chassis remains on lease
- Provide a five-day dispute period prior to invoice being generated
- Provide customer service help desk support
- Provide easy payment options

Chassis users will be able to keep the chassis for multiple moves, which reduces terminal congestion, pollution, and facilitates the re-use of ocean carrier equipment. Empty movement to return chassis to terminals will be reduced, saving time, money and enabling green transportation goals.

The main objective during this transition is to ensure that there is no disruption of service and that the operational efficiencies that have been gained by the marine terminals and motor carriers remain intact.

Troy Container Line announces new Assistant Mgr. of Imports

Troy Container Line Ltd., one of the world's largest American-owned NVOCCs, has announced the appointment of Fran Doceti as assistant manager of imports. Based in the company's Charlotte, NC office, Doceti will use her more than twenty years of industry experience, background in both the ocean import and export sectors, and her managerial expertise to support the continued growth of Troy Container Line's import division.

Doceti will report to Troy Container Line's chief operating officer of imports, Christopher Hellow. As assistant manager, she will oversee the daily operations of Troy Container Line's Charlotte office, troubleshoot with staff, and work to uphold the company's unwavering commitment to personalized service and care.

"Fran's experience in imports, combined with her instinct and initiative - no matter what the task - have made her the ideal candidate for assistant manager of our Charlotte office. We are pleased to have her join Troy Container Line's management team and anticipate her continued success," commented Christopher Hellow, COO of imports at Troy Container Line.

Prior to joining Troy Container Line, Doceti served as a customs brokerage supervisor at an international package delivery company. In this position, she oversaw the direction of a staff of 12 in air and ocean imports and exports, managed distribution, trained employees on FDA regulations, and provided comprehensive analysis of data research.

Editor's Note: *The following article is the first in our new monthly column on IT trends. Chris Jones is Executive Vice President, Marketing and Services, Descartes Systems Group, a company that provides IT solutions for a wide variety of logistic service providers and industry verticals.*

Reshaping old ways as US to China exports expand

By Chris Jones, Descartes

IT Solutions

With the current surge in U.S. exports to China emerging as a bright spot in today's turbulent economic climate, savvy Logistics Service Providers (LSPs) are taking advantage of game changing technology innovations that support a new wave of collaboration that is reshaping old ways of doing business.

The burgeoning Chinese middle-class is driving a growing appetite for U.S. products. American exports to China have climbed nearly 50 percent in value since 2008 (source: US Census Bureau). The flow of goods includes an increasing volume of American agriculture products, coal, airplanes, medicine and disposables that can be mined for metals (source: Reuters).

Although such statistics might initially sound as a boon to logistics service providers (LSPs) in U.S.–Asia trade lanes, the export rush has prompted fierce competition for thinner slices of the margin pie. As such, these businesses are searching for innovative ways to operate better, differentiate themselves, and connect to trading partners while creating 'stickiness' in their relationships to best take advantage of the expansion in the export sector.

Chris Jones – Executive VP, Marketing & Services, Descartes Systems Group

Collaboration: Old vs. New?

More and more, both LSPs and the shippers they serve are turning to collaboration to operate more efficiently and compete more effectively. However, today's collaborative communities and the IT infrastructure that supports them, are a far cry from the members-only trade associations and rudimentary dot-com "collaboration" portals that proliferated in the late 1990's and early 2000's.

Trading partner communities today are dynamic and self-organizing. Across supply chain ecosystems, the notion of static, long-term relationships is not the norm. Today's competitor could be tomorrow's partner. Transient or casual relationships are more prevalent as logistics organizations move from one relationship to another to reduce costs. Logistics is also a service business with relatively low barriers to entry, especially in Asia. What was considered value-added yesterday becomes industry standard today. In the battle to differentiate, LSP's constantly assemble and reassemble their processes and partners. Competitive advantage is all about time-to-market with new services. Rapidly connecting to partners and being able to collaborate with them in a meaningful way is paramount in this strategy.

Web-based community collaboration technology platforms are no longer "experiments" and are able to drive real and significant results. They offer changing innovations able to support business processes and workflows unique to these self-organizing trading partner communities and can enable great efficiency in the movement of goods across parties and borders. Robust and deep functionality is available that provides participants the ability to collaboratively manage shipments, book transportation, provide status updates, meet customs and security filing requirements, receive and pay invoices, report on performance and much more without big IT departments and huge capital outlay.

Hi Tech/Low Tech: No One Need Get Left Behind

Another important factor is the tremendous opportunity to leverage logistics data stemming

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continued to grow.

To a large degree, Mike attributes the continued growth in his business to his core management team; most have been with him(some even returning after children and other events) for many years. But even with a strong core, the recession and tepid recovery has been a test for the business.

Troy describes the change of tack to address the recession, "Back in late 2007, we sat down - the five of us [management] to talk about what we'd do. Our sales hadn't yet been impacted by the downturn, as an NVO [with the contracts with the ocean carriers and shippers] is usually slightly behind the [spot] market. But the writing was on the wall."

"Everybody agreed. Lets beef up IT. Let's build sales, let's add new trade lanes, more travel, and better customer service. Let's invest in our people."

"We came up with a new game plan. We cut non-essential-items that didn't contribute to sales - re-negotiated with vendors and invested in the Web. We gave the plan to the staff – 'This is the plan' give it everything you have."

In retrospect, Mike, who like a lot of us figured all phones were dumb, says, "I love our IT" and moving a lot of back-room functions like online booking and tracking tools to the web has enabled Troy Container Line to build sales in a gloomy economic environment. "We survived the crisis and looking back at 2008-2011, we're up 28%."

One thing about the move to the Web, it changed jobs but didn't eliminate them. Mike is also proud to say he's never laid anybody off, but you have to produce perhaps more because of the IT content. Whatever you touch, impacts everybody, directly or indirectly. Being an NVO, you really 'can't take a shipment off' because that is the one that will get away from you.

Troy recognizes they'll be mistakes but not from a lack of effort. With Troy, there's a pretty clear sense of what needs to be done, "You're never going to be right all the time. You're going to make mistakes, everybody does. It's what you do afterwards. Do you take responsibility?"

"You go to the customer right away and tell them what happened...and you tell them how you are going to fix it. If you do that, more often than not you'll keep their business. And often if you're up front, they'll be even a better customer later."

A relatively recent addition to the management is Michael C. Troy II, (global accounts manager), who literally grew up in the Troy offices. The senior Troy relates that one of the adjustments for the younger Troy coming aboard was transitioning from the "Aunt" or "Mister" stage to the informality of being a colleague. Mike II studied in London and looks at the world a little different than his CEO (he studied in London in addition to his US education). To that Mike says, "It's like growing new eyes" of his son's view of potential markets.

Troy Line's formula has worked well for nearly three decades, and if anything, business seems to be picking up. Troy recently added CFS capacity in Savannah, Charlotte and Miami and has a new agency in France.

All in all, a few more things for Mike to enjoy negotiating.

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from purchase orders, transportation documents, and regulatory filings and so on. The ability to capture and validate this data where it is generated helps ensure accuracy and reduces latency, while passing it though to relevant parties in the trade chain for repurposing creates speed and contributes to "stickiness" among partners. LSPs that adopt technology to effectively participate in this, especially in U.S.–Asia trade lanes where lead times can be long, variability is rampant and shipment/inventory tracking can be critical, stand out. They have more potential to better scale and capture market share.

The key is being connected. Across Asia, there are many regions where IT infrastructure is still developing. The leading community collaboration platforms recognize that there are many players with varying levels of technology sophistication. Technology is architected to be flexible and provide options to a broad spectrum of parties to connect and participate. Low-tech companies need options to connect and enter data manually via web forms or email while larger players may stream-in data via EDI and XML integration. This allows smaller operations to have access to the same resources as larger players – the essence of free trade.

The current growth in the US-Asia export sector is a point of light for new business acquisition and growth of 'wallet share' for LSPs who can effectively connect and collaborate across the communities in which they operate.

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guys?

Oh, no, no, no, no, no. Not Polar Bear. Not Polar Bear.

You're actually talking with me on the phone this morning from Virginia Beach, so do you plan to get in some swimming today?

I don't know. That ocean's not exactly warm. It's pretty fresh. It's supposed to be 80 [degrees Fahrenheit] here today, and I just checked the internet and it's supposed to be about 85 in Montréal. But I don't have the ocean in Montréal. They've got a river that's bloody cold.

Fishing's fun, too. In the winter, no, I'm not a skier or anything. My biggest event in the winter is shoveling the snow.

(*FUTURE – continued from page 1*)
because we are on course to lose more than one million jobs and more than $1 trillion in personal income by 2020."

The result, he said, is an aging infrastructure for marine ports, inland waterways, and airports. ASCE says that between now and 2020, investment needs in the nation's marine ports and inland waterways sector total $30 billion, while planned expenditures are about $14 billion, leaving a total investment gap of nearly $16 billion.

The United States has 300 commercial ports, 12,000 miles of inland and intra-coastal waterways and about 240 lock chambers, which carry more than 70% of U.S. imports by tonnage and just over half of U.S. imports by value. To remain competitive on a global scale, U.S. marine ports and inland waterways will require investment in the coming decades beyond the $14.4 billion currently expected. ASCE reports that with an additional investment of $15.8 billion between now and 2020, the U.S. can eliminate this drag on economic growth.

The report concludes that unless America's infrastructure investment gaps are filled, transporting goods will become costlier, prices will rise, and the United States will become less competitive in the global market. As a result, employment, personal income, and GDP will all fall due to inaction.