

Terminal Operations: Up Close and Yes, Personal!

AgTC – Annual Meeting

June 24-26, 2015

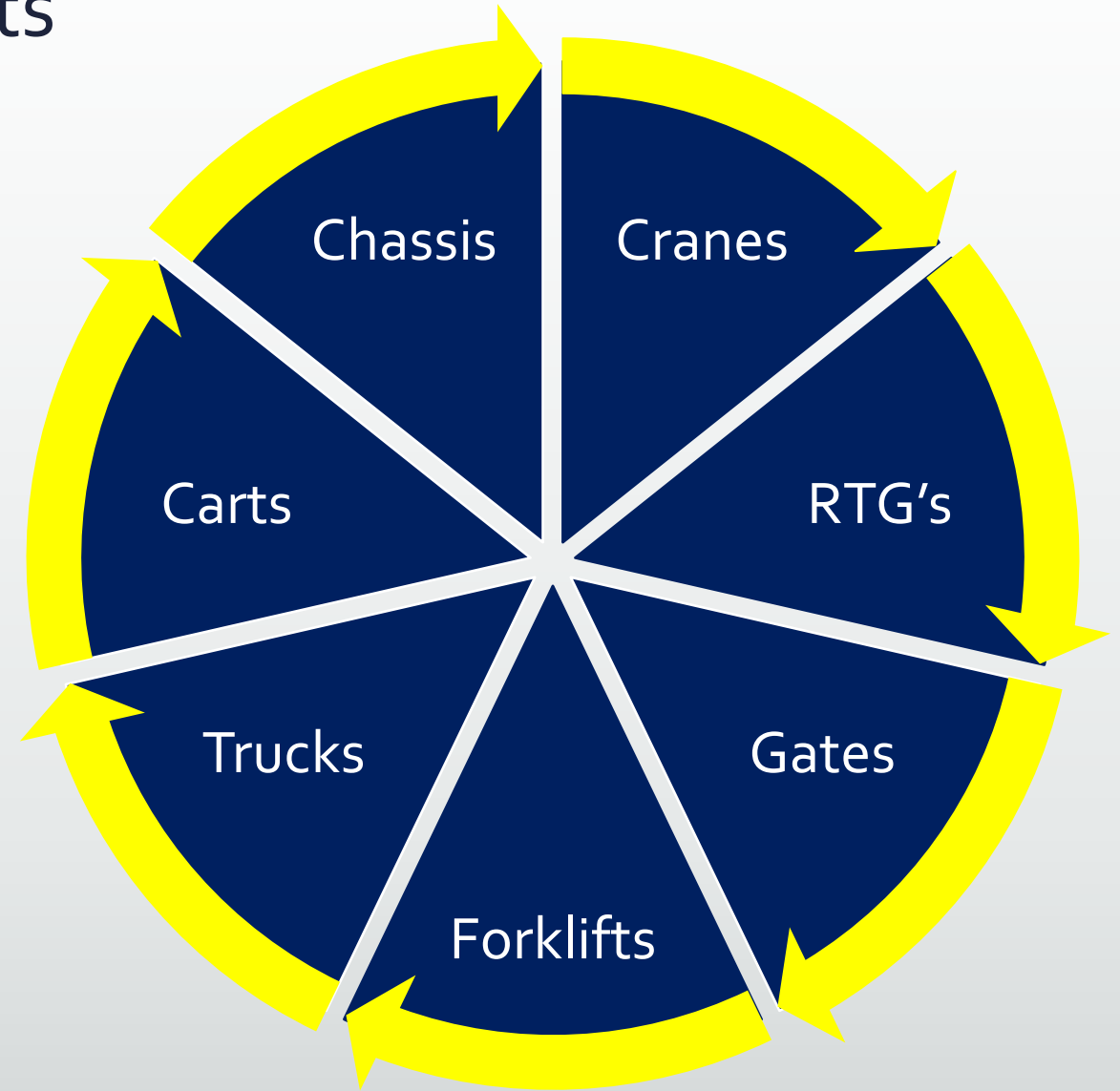
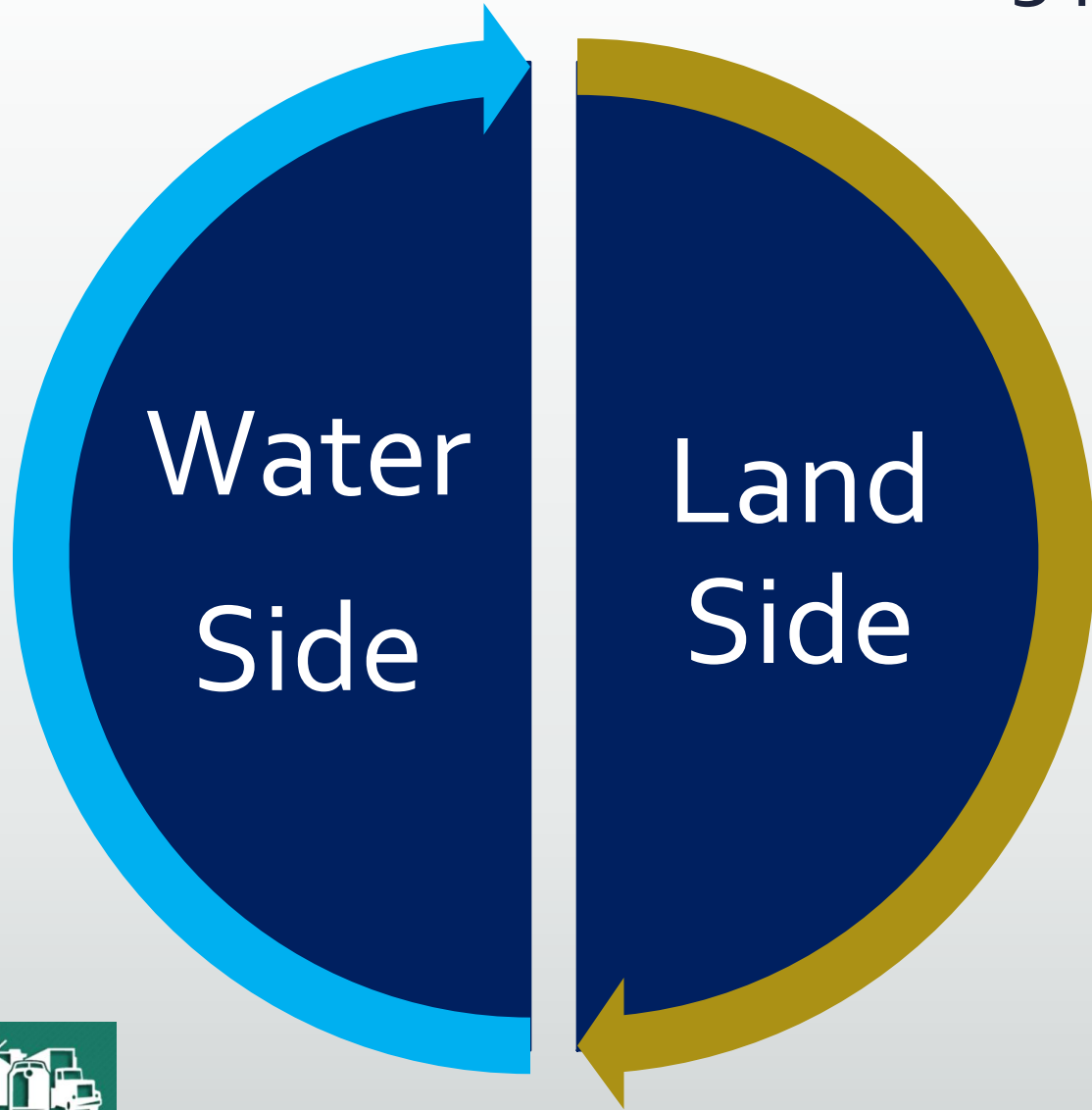
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Scope of Presentation

- A look at the equipment inside a terminal
- Terminal Operations – how the terminals operated in the past – very general overview
- Terminal Operations – how the terminals operate today – very general overview
- What the Terminals NEED to do!
- Stakeholders – there are a lot of people at stake...they all need a seat at the table.
- What can we do to measure every aspect of the supply chain and hold everyone accountable.

Terminals – a lot of moving parts



Terminal Equipment - Cranes

Panamax



Post-Panamax



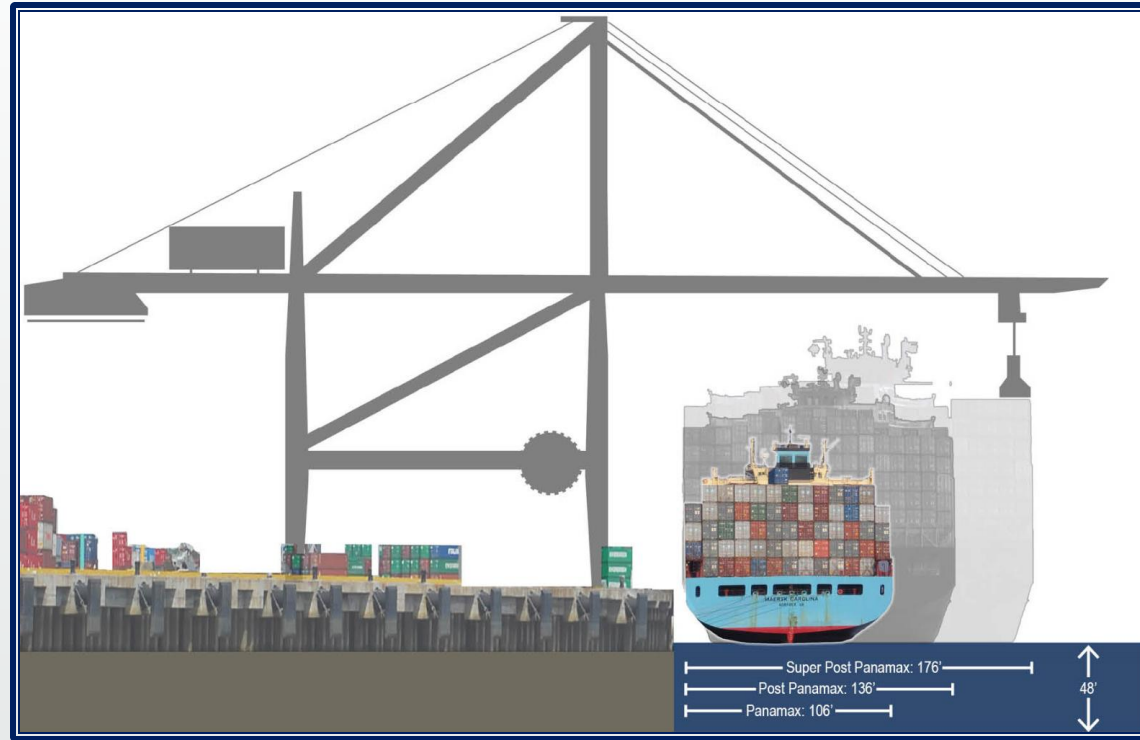
Super Post-Panamax

Capable of handling up to two – 20’ or one – 40’ container
Capable of reaching out 12-13 containers wide on a vessel
These are the vessels currently going through the Panama canal

Capable of handling up to two – 20’ or one – 40’ container
Capable of reaching out 18 containers wide on a vessel
These are the vessels the “New” Panama canal will service

Capable of handling up to four – 20’ or two – 40’ containers
Capable of reaching out 22-23 containers wide on a vessel
These vessels will not be able to go through the newly designed Panama Canal locks once finished.

Terminal Equipment - Cranes



Panamax

Post-Panamax

Super Post-Panamax

Terminal Equipment – RTG Cranes & Forklifts

RTG

Rubber Tyred Gantry Cranes (RTG's) (also known as transtainers) are used to stack containers from the vessel to land, land to vessel, and deliver on and off intermodal trucks

Top Pick
Forklift

Top Pick Forklifts are used like RTG's

- More nimble and easier to move throughout the yard
- Less ability to stack 4-5 high, and more restricted on weight

Side Pick
Forklift

Side Pick Forklifts are used like above equipment

- Nimble like Top Pick units
- Less ability to stack – generally 3-4 high and more restricted on weight

Terminal Equipment – RTG Cranes & Forklifts



RTG



Top Pick
Forklift



Side Pick
Forklift

Terminal Equipment – Yard Goats & Bomb Carts

Yard Truck
"Goat"



Yard Cart
"Bomb Cart"



Chassis'

Yard trucks (Goats) take containers (on chassis' or carts) to/from vessels, stacks, yards, etc...all around the terminal.

- Hydraulic lifts to pick up chassis' and carts for fast and easy operating
- Easy in and out for driver to hook and unhook from equipment
- Small and maneuverable

Yard Carts (Bomb Carts) are used to take containers to/from the vessels to pre-determined areas to/from the yard...generally stacks.

- No twist locks for easy loading and unloading

Chassis' are used inside and outside the terminals to carry the containers throughout the supply chain.

Terminal Equipment – Yard Goats & Bomb Carts



Yard Truck
"Goat"



Yard Cart
"Bomb Cart"



Chassis'

Terminal Operations – Gates/Pedestal, Chassis Pit and Roadability

Terminal Gate



Chassis Pit



Roadability

Terminal Gates/Pedestals are where the trucks enter and exit

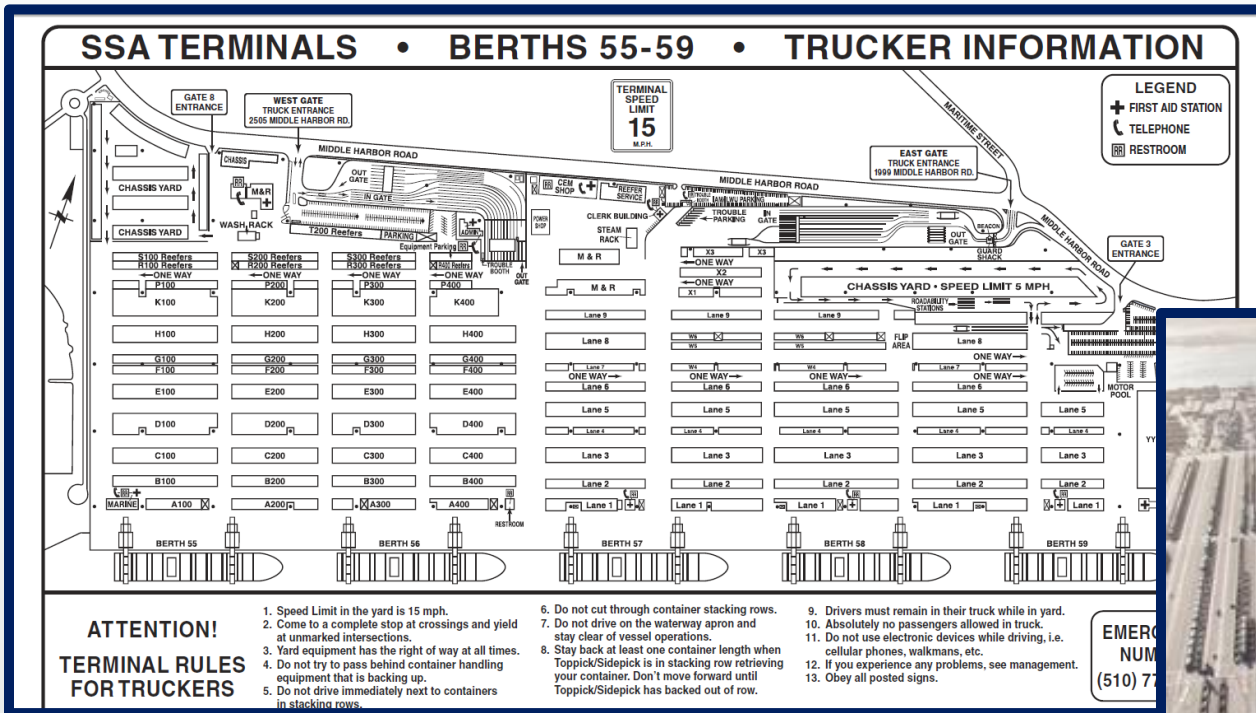


Where Truckers go to get chassis'



Where Truckers go to get cleared to leave the terminal

Terminal Operations – Yard Map & Actual Picture



Terminal Operations - Past

- Vessels that called the terminals 10 years ago had 2500-6000 TEU's.
- Cranes could handle off loading a vessel in one shift...maybe two.
- Containers were placed on chassis' "ready to go" so the yard movement and turn times were faster.
- Lines owned the chassis' and were responsible for the maintenance and availability. They talked directly with the labor to fix, maintain and make chassis' available.
- More lines owned their own terminals so it was a fluid operation based on the lines book of business.
- For the Ag industry, there were designated areas for "Food Grade" containers

Terminal Operations - Present

- Vessels that call US terminals are now at 14,000 TEU's.
- Cranes in LA/LB take 4-5 shifts to off load a vessel. Oakland still basically one shift.
- Containers are placed in stacks as terminals are forced to go up for being land locked.
- Due to alliances and vessel sharing, terminals now have to create more stacks per vessel – thus clogging yard space and creating inefficiencies.
- Similar amounts of equipment used to “deliver” cargo to the truckers are being used now as was 5 years ago...yet volume is up, and turn times have increased dramatically.
- Lines divested from chassis ownership and thus from the maintenance. Availability falls on the chassis leasing companies and setting up procedures with the lines and terminals...no direct contact with the labor.
- More lines have divested from terminal operations and focused on new, larger vessels as the driving cost saving measure.

Terminal Needs – from a trucker point of view

The Bottom Line: Turn times NEED to decrease. So how do we get there?

1. Correct Information going in – the trucker NEEDS to have the correct information when entering a terminal.
2. Speed through the pedestals – a truck should not have to wait more than 2-3 minutes to be helped.
3. Chassis' being picked up NEED to be inspected, fixed and in working order before a trucker gets there.
4. If Roadability is to happen, then the chassis NEEDS to be inspected before the trucker gets the container...empty or loaded.
5. Chassis' NEED be available on terminal for all lines when needed.
 - A. New grey chassis pools are helping to eliminate issues, however, the reality is there are still holes that need patching.
 - B. Pool of Pools is mostly a great success, but with a few tweaks at certain terminals & between chassis leasing companies it will be better.

Terminal Needs – from a trucker point of view – cont.

The Bottom Line: Turn times NEED to decrease. So how do we get there?

6. Terminals NEED to work through breaks, lunches and shift changes.
7. Terminals NEED to make containers available within 1-2 days from off loading from vessels...and have appointments available for pick up.
8. Terminals NEED all the correct labor to show up, work together on issues of jurisdiction and move forward as a team.
9. Labor, Truckers, Operators and Lines NEED to work seamlessly together as a business unit....with the Ports as the facilitator.
10. Transparency is key – it is 2015!

Stakeholders

| | | | | | | |
|--|--|---|--|--|--|--|
|  |  |  |  |  |  |  |
| <p>Steamship Lines</p> | <p>PMA</p> | <p>ILWU</p> | <p>PMSA</p> | <p>Marine Terminal Operators</p> | <p>Govt. FMC</p> | <p>Ports</p> |
|  |  |  |  |  |  |  |
| <p>BCO's EXPORTERS IMPORTERS</p> | <p>Truckers</p> | <p>Brokers Forwarders NVOCC's</p> | <p>Chassis Leasing Co. Flexi-van TRAC DCLI others</p> | <p>Railroads</p> | <p>Supply Chain Associations ATA CTA</p> | <p>Associations AgTC NRF</p> |



Stakeholders

The stakeholders below, need to think about the stakeholder on top – THE CUSTOMER! We need to sit down and discuss the operations of the supply chain from vessel to door in a professional and transparent manner.



BCO's
EXPORTERS
IMPORTERS



Steamship
Lines

PMA

ILWU

PMSA

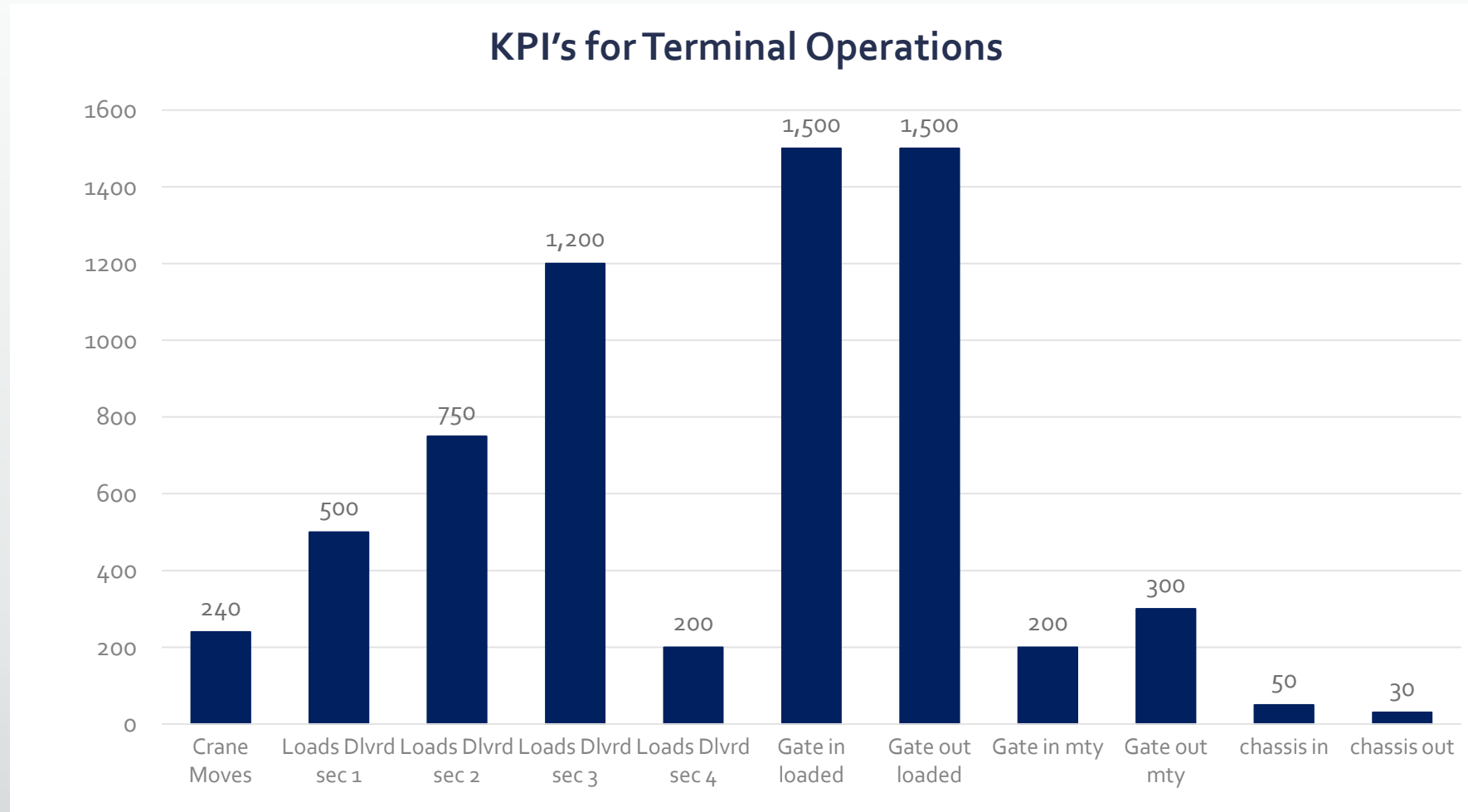
Marine
Terminal
Operators

Govt.
FMC

Ports

Truckers

How do we measure our performance?



KPI – Key Performance Indicators



KPI Management Plan – Terminal Ops

| KPI | Goal | Min | Max | Penalty / Reward |
|------------------|------|------|------|---|
| Gate – loads out | 1500 | 1200 | 1800 | Below 1200 – deduct pay Above 1800 – bonus pay |

Quality Management & KPI Measurements Tied to Employee Benefits

In any business if you don't produce enough, you go out of business. That is business 101. The same is true with yard operations.

- The terminals and the supply chain need to quantify the measurements.
- The terminals need to figure out how to monitor and control costs of monitoring?
- The terminals and supply chain need to be held accountable for output – ILWU, MTO, Trucker, Lines, Chassis providers & Ports.
- It needs to be in the port, MTO and labor contracts so everyone is held to monetary standards...money talks.

Thank you!!!

From one whistleblower to another. I appreciate the opportunity to share our industries views and hope to see a lot of change in the months and years to come.

