



Technology not enough to fix marine terminal pain points

Bill Mongelluzzo, Senior Editor | Jul 02, 2019 3:38PM EDT

The technology is available and money can be found to add visibility into the black hole of the marine terminal, but increasing complexity caused by bigger ships and larger container exchanges — and difficulties in getting supply chain partners to share data — are limiting stakeholders' ability to optimize performance.



Despite advances in technology, marine terminals remain a black hole for shippers and truckers because growing vessel sizes and container exchanges (https://www.joc.com/port-news/us-ports/west-coast-ports-investing-aggressively-regain-market-share_20190628.html) have added to supply chain complexity.

“Because of ship sizes and container surges, the vessel is no longer in port for a day and a half. It’s now in for four to five days,” Allen Thomas, chief strategy officer at Advent Intermodal, told the DrayTech forum last week in Long Beach.

Truckers can’t plan when to dispatch their drivers because terminals hesitate to commit to a time for delivery they can’t keep, he said.

Los Angeles-Long Beach is unique among US ports because 80 to 100 percent of each vessel is discharged and reloaded before the vessel heads up to Oakland. This creates container exchanges of 10,000 or more with each vessel call. Vessel stays at most US ports are one to two days because vessels call at several ports, although container exchanges are growing at other ports as well, such as New York-New Jersey (https://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/ny-nj-port-handling-larger-ships-bigger-payloads_20190514.html). However, although operations may be less complex elsewhere, shippers and truckers face similar problems of congestion and a lack of container visibility at many US gateways, speakers at DrayTech noted.

Many pain points

Trucker and shipper pain points in the international supply chain are many: a lack of in-transit visibility, congestion (https://www.joc.com/trucking-logistics/drayage/disconnects-hamper-drayage-digitalization_20190620.html) at marine terminals, a lack of visibility within the terminals, and diminishing dual transactions (https://www.joc.com/technology/logistics-finally-ready-apis_20190312.html) that result in “deadhead” backhauls for truckers. Issues also include terminal operators refusing, without notice, to accept the return of empty containers (https://www.joc.com/port-news/us-ports/port-los-angeles/la%E2%80%99s-seroka-urges-immediate-action-appointments-chassis-storage_20190516.html) because of yard congestion; chassis spread throughout marine terminals, rail hubs, and at distribution warehouses; and outdated or sloppy business practices that even technology cannot fix.

“It’s not the technology. It’s a behavioral issue,” said Than Seeds, CEO of American Intermodal Management.

For example, when marine terminals are overwhelmed with imports, such as occurred late last year due to front-loading of 2019 shipments (https://www.joc.com/port-news/us-ports/port-los-angeles/la-lb-container-dwells-edge-toward-normalcy_20190424.html) during the US-China trade war, terminals, on very short notice or with no advance notice at all, refused to accept empty containers until the yards were cleared. That not only limited truckers’ dual transactions, but it further delayed re-entry of the chassis that were carrying the empties into the Southern California market.

However, supply chain experts say this problem cannot be blamed solely on this past year’s events. “Terminals can change instructions in the middle of a transaction. It’s really difficult for drayage companies to do last-minute changes, and it’s even worse if it’s the last day before free time expires,” said Alexandra Griffon, CEO of BlueCargo.

Chassis environment increasingly complex

The chassis environment is quite complex, especially in Southern California, which has 65,000 chassis in the pool of pools (https://www.joc.com/port-news/us-ports/port-los-angeles/worsening-la-lb-port-congestion-stalls-recovery-further_20190208.html) serving 12 container terminals and five rail yards, said Dave Arsenault, chief strategy officer at Direct ChassisLink, Inc. The job of the intermodal equipment providers in Los Angeles-Long Beach in ensuring equipment is where it’s needed is made even more difficult because more than 50 percent of the equipment is returned to terminals other than where the inbound container entered, he said.

The ability of drayage operators to optimize drivers’ hours of service is compromised by how rapidly appointment slots fill up (https://www.joc.com/port-news/us-ports/port-los-angeles/la-lb-terminals-backlog-will-ease-mid-january_20190104.html) in Los Angeles-Long Beach, said Lidia Yan, CEO of NEXT Trucking. Drayage dispatchers attempt to route drivers to achieve optimum efficiency at both the marine terminals and at the warehouses or rail depot locations, but the inability to secure appointments at the particular terminals where the container enters makes supply chain optimization difficult, she said.

It’s all about sharing data

Technology providers said there are a number of platforms available today to address these pain points, but it all starts with data, according to Brian Hill, senior product manager at GE Transportation.

“I want to see more marine-terminal level data,” Hill said.

The main problem that technology providers have in the international supply chain is the siloed nature (https://www.joc.com/port-news/us-ports/port-long-beach/long-beach-port-optimizer-decision-raises-data-questions_20190313.html) of the reams of data that exist because stakeholders are hesitant to share it outside of their companies.

“Sharing data will not be the death knell of your company,” he said.

If terminal operators more freely shared data on container availability with beneficial cargo owners (BCOs) and their truckers, drayage operators could engage in “dynamic scheduling” of drivers to optimize their trips, Thomas said. Improved data flow would also help in locating the right chassis for the move, he said. For example, in New York-New Jersey, efforts are under way to link the chassis with the container so that when an appointment is made, the trucker is asked, “Do you need a chassis?” Thomas said.

Tracing chassis is also becoming easier as GPS sensors (https://www.joc.com/trucking-logistics/drayage/widdows-brings-bcos-cargo-flow-info-chassis_20170222.html) are placed on the equipment, Seeds said. In addition to providing real-time chassis locations, tagging aggregates information over time so that truckers can measure the rate at which truckers are able to achieve dual transactions at particular terminals, Seeds said. “Scoring a single transaction is a possible missed opportunity for a dual transaction,” he said. Also, by geo-fencing a large area around a terminal, BCOs and truckers have real-time information into chassis locations and traffic conditions at roads leading to terminals and at the marine terminals so they can better judge when and where to dispatch drivers, Seeds said.

While existing technology can make all of this data available to all members of the supply chain, stakeholders must come to an agreement on who pays for these services and who benefits from them, Thomas said.

Yan suggested that venture capitalists can be one source of money. “Venture capital is ready for this. It’s a \$60 billion opportunity,” she said.

Contact Bill Mongelluzzo at bill.mongelluzzo@ihsmarkit.com and follow him on Twitter: [@billmongelluzzo](https://twitter.com/billmongelluzzo) (<http://www.twitter.com/billmongelluzzo>).

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