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VIEW

JAXPORT CEO Trend Report



Manufacturers and cargo owners

are constantly looking for efficiency improvements — to lower costs, shorten lead time to market, create value-added offerings — and they often look at new distribution center placement as a key opportunity for these operational and economic enhancements. The strategic placement of new DCs provides better retail distribution but also allows for the implementation of critical value-added services, such as consolidation/ deconsolidation, longer-term warehousing, storage, assembly, finishing and a variety of other services.

Where these warehousing and distribution zones flourish is built upon a set of advantages mostly related to the availability of land, short drayage distances to and from ports, the ability to better utilize container assets and, ultimately, proximity to producers and consumers.

Why are so many companies bringing their distribution focus to Northeast Florida?

- Florida is now the 3rd most populous state in the nation. Northeast Florida provides efficient access to residents and tourists in the Sunshine State, as well as in states directly to our north and west.
- Trucking costs here are among the best in the nation.
- There is an abundance of affordable land available for development, along with more than 120 million square feet of distribution space already in place.
- Our workforce is comprised of 750,000 people, a young and dynamic talent pool for prospective employers.
- A growing, vibrant seaport connects customers with unsurpassed highway and rail connectivity.

This last point is critical; the development of DC and logistics activities is strongly related to the level of port activity, since the port is the main connection to global supply chains. The port and logistics relationship becomes self-reinforcing as the growth of the port's business stimulates the establishment of logistics activities, which in turn contribute to the growth of port volumes and services.

Our region has greeted many new — and expanded — DCs recently, but at JAXPORT we are particularly gratified to have Amazon choose Northeast Florida as the home for its newest Southeastern U.S. center. When a company the size and stature of Amazon selects this area, other companies are sure to take notice!

Along with our location, room to grow and global connections, I have long said our special ingredient for success is our people. Apparently, readers of *Logistics Management* magazine agree: a reader poll recently garnered JAXPORT a top award for excellence in customer service in the South, and the highest score of any port in the nation. Thanks to those of you whose votes earned us this distinction, and to the men and women of the JAXPORT community whose dedication is on display each and every day.

I leave you now to this issue of *JAXPORT Magazine*, including an update on LNG in Jacksonville (pg. 10), a look at the latest on the world's major shipping alliances (pg. 12), and the story of a program aimed at matching port employers with those re-entering the workforce (pg. 34).



Brian Taylor JAXPORT CEO (904) 357-3036

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FEATURE

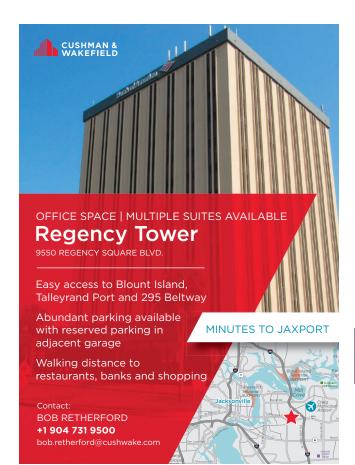
JAXPORT voted No. 1 for customer service

By Staff

JAXPORT has been voted No. 1 in customer service in the South by readers of *Logistics Management* magazine. The port earned the highest score in the nation in the publication's annual survey, as readers rated U.S. ports on ease of doing business, value, ocean carrier/intermodal network and quality of equipment and operations.

JAXPORT's dedicated team and port partners offer customized shipping solutions tailored to the efficient handling of a variety of cargo including containers, automobiles, ro/ro (roll-on/roll-off, such as recreational boats and construction equipment), dry and liquid bulks, breakbulk, oversized, heavy lift, military and specialty cargoes.

Jacksonville's intermodal connections include three U.S. interstates (I-10, I-95 and I-75), and 36 daily trains via three railroads: CSX, Norfolk Southern and Florida East Coast Railway.





The JAXPORT team, tenants and partners make customer service a No. 1 priority.

The port offers worldwide cargo service from dozens of ocean carriers, including direct service with Asia, Europe, Africa, the Middle East, South America, the Caribbean and other key markets.

JAXPORT'S INFRASTRUCTURE IMPROVEMENTS

JAXPORT has invested \$600 million in recent infrastructure improvements in everything from cranes to docks to rail and a newly authorized project to deepen the federal shipping channel. Learn more at JAXPORT.com.



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FEATURE

LNG expands in Jacksonville

By Kathy A. Smith



The Maxville LNG facility being built by Eagle LNG Partners LLC is expected to be fully operational by mid-2017.

Northeast Florida, and the Jacksonville region

in particular, is pioneering the use of LNG in the maritime marketplace. To that end, two new LNG facilities are being built, each currently in different stages of development.

JAXLNG

The JAXLNG facility is now under construction in the Dames Point area of Jacksonville by Pivotal LNG, a wholly-owned subsidiary of AGL Resources Inc. and WesPac Midstream LLC, is expected to be operational by the end of the year. Its primary function will be to supply LNG for TOTE, Inc.'s two new dual-fuel Marlin-class containerships — the first LNG-powered containerships in the world. The 764-foot Marlin vessels, *Isla Bella*, which began service late in 2015, and *Perla del Caribe*, which entered service in January of this year, each have the capacity to carry 3,100 TEUs and are setting a new trend in environmentally-responsible operations.

Both vessels are currently receiving LNG trucked in from Pivotal's Macon, Georgia liquefaction facility. Once the



JAXLNG facility is constructed and operational, the TOTE vessels will be provided with fuel from this facility either by waterside bunkering barge – a new specialty barge will be ready soon – or by landside fueling from trucks. Beyond serving TOTE's ships, JAXLNG will be able to serve other customers in the region, with the potential for exporting to the broader Caribbean market.

The use of LNG-powered vessels along the Jacksonville to Puerto Rico trade route is important as these ships ply much of the U.S. Emissions Control Area (ECA) requiring them to burn low sulfur fuel. Earlier this year, TOTE became the first marine company to successfully transfer LNG onto a containership. The operation was completed on the *Isla Bella* at JAXPORT's Blount Island.

MAXVILLE LNG

In May, construction began on the new Maxville LNG facility, being built by Eagle LNG Partners LLC (Eagle LNG), a whollyowned subsidiary of Ferus Natural Gas Fuels LP. The plant is located west of downtown Jacksonville, convenient to JAXPORT's Talleyrand Marine Terminal. Full operations are expected to begin by mid-2017.

The facility will support two Crowley Puerto Rico Services LNG-powered Commitment Class ConRo ships. The Jones Act vessels, *El Coquí* and *Taíno*, currently under construction, are slated to be in service in the second quarter and fourth quarter of 2017 respectively. The ships are expected to reduce CO² emissions by 38 percent per container.

The Maxville LNG plant will initially have a capacity of 87,000 gallons per day, growing to a maximum of 200,000 gallons

HEARD AROUND THE PORT

"JAXPORT is American Honda's No. 1 North American export port. JAXPORT, AMPORTS, Trailer Bridge, Höegh, and all of our suppliers out of Jacksonville form a great partnership. We couldn't service our customers around the world without partnerships like these."

- Charles Franklin, Honda Manager of Export Logistics: Export Sales Division



of LNG per day. A fuel depot, expected to be fully operational in the third quarter of 2017, is also being built at the Talleyrand Marine Terminal for waterside bunkering for the new ships.

Eagle LNG's Dario Alvarez says that LNG will eventually be available for domestic clients in the Southeast. "We've had incredible support from the community of Jacksonville. Crowley is also a fantastic partner," said Alvarez. "Northeast Florida is certainly becoming a leader in terms of the adoption of LNG."

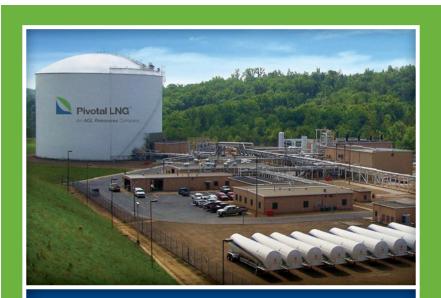
The Jacksonville region has become the new U.S. LNG energy hub.

LNG fuels new business

Crowley, through its subsidiary Carib Energy (USA) LLC, has secured a five-year contract to provide the supply and transportation of commercial LNG to Molinos de Puerto Rico, which has manufactured wheat and corn flour for industrial and retail markets since 1958. On-road transportation of 40-foot ISO containers will carry approximately 10,000 gallons of LNG to Crowley's shipping terminal in Jacksonville Pivotal I NG is the supplier for the contract. Crowley will be transporting the LNG from the mainland to Puerto Rico using its current tug and barge liner operations until the new LNG-powered vessels are in service.

"Adding Molinos as an LNG fuel supply customer will boost containerized Jones Act shipments by Crowley to Puerto Rico," says Matt Jackson, Crowley Vice President, LNG business development. "It also increases the island's use of cleaner burning, alternative fuel and will provide U.S.-sourced natural gas to Molinos, where previously, other foreign-sourced fuels may have been used."

It's clear the Jacksonville region is poised for a boon in economic growth as the new U.S. LNG energy hub, with JAXPORT and its partners leading the way. \Box



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FEATURE

More carriers, bigger ships, deeper channel = clear potential

By Lori Musser



JAXPORT recorded healthy growth in the first 10 months of the fiscal year, registering an 8 percent increase in the Asian container trade.

Survival in a container shipping industry

beleaguered by rock-bottom shipping rates requires allies. Three major carrier alliances are emerging from the rate rubble of the last year, and they are all calling on JAXPORT.

In an industry characterized by 30 percent oversupply of vessels, according to UK-based shipping consultant

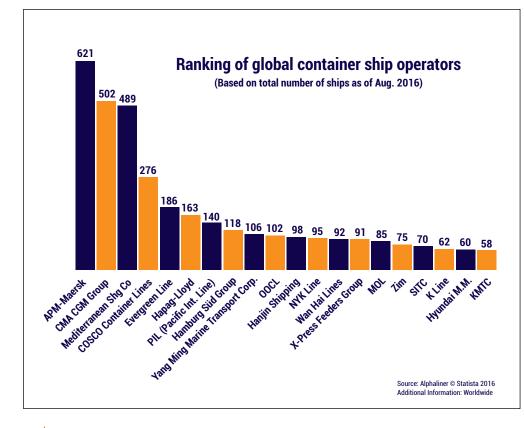
Drewry, carrier membership in an alliance is the best bet for competitive positioning. Alliance partners, which share vessels and port calls and various supply chain links, are able to shave hundreds of millions of dollars off annual costs.

Beneficial cargo owners (BCOs) will benefit.

The Trio

Keeping up with the reshuffling of the alliances takes a bit of work. Last year there were four but following a merger and an acquisition, three of the four had to break up. The result will be three alliances – 2M, Ocean Alliance and Transport High Efficiency (THE) Alliance – all calling JAXPORT.

In the most recent developments, Hyundai Merchant Marine announced it will join Maersk Line and Mediterranean Shipping Co. in the 2M Alliance and THE Alliance (Hapag-Lloyd/UASC, "K" Line, Mitsui O.S.K. Lines, NYK, Hanjin* and Yang Ming, with several additions anticipated) was formed and is expected to start in April 2017. THE Alliance



represents 18 percent of the global fleet, or about 620 ships and 13.5 million TEUs. It will cover all East-West trade lanes. Ocean Alliance members include CMA CGM, China Cosco Shipping Lines, APL, Evergreen Line, and Orient Overseas Container Line.

Alliances of this scale offer BCOs an outstanding product with faster transit times, higher reliability and higher frequency sailings. There is a noticeable shift in focus among the three new alliances toward cost and operational efficiencies instead of the very volatile revenue streams.

The alliance developments are welcomed by JAXPORT. "The port is well-prepared for these changes and ready to take new surges of cargo," said JAXPORT Vice President/COO Roy Schleicher.

JAXPORT recorded healthy growth in the first 10 months of the fiscal year, registering an 8 percent increase in the Asian container trade. Schleicher said, "The lines are committing to Jacksonville. This is a good place to grow. We have more and more distribution centers in the area, we are finishing up a terminal rebuild, our ICTF is ready, and the last piece of the puzzle, the channel deepening, is falling into place."

Because larger ships bring in a vast volume of cargo in a short window of time, the port has worked hard to anticipate choke points inside and outside its gates. "We are staying well ahead of it. The rail service and road capacity is in place. I have to give the inland providers and Florida Department of Transportation a lot of credit. And our strategic plan calls for further densification of Blount Island," said Schleicher.

The Sway of the Panama Canal

The simultaneous revamping of carrier alliances and the Panama Canal expansion is no coincidence. In fact, the 2M Alliance just weeks ago announced it will now reroute one of its Far East-to-U.S. East Coast services eastbound via the Panama Canal instead of the Suez, getting goods to importers more than a week faster. The appeal of the expanded Panama Canal will continue to attract container strings with larger vessels, and the number of slots allotted per East Coast port called by the carriers should rise.

Container importers and exporters alike will benefit from the new alliance services and the upsizing of vessels through the Panama Canal. Schleicher sees an important advantage moving cargo over the East Coast versus the U.S. West Coast. He said that while, on paper, the East Coast isn't as fast, you can better control the congestion: "If you have a hot box to get to Columbus, for example, you will prefer the East Coast because you can prevent delays. These days, reliability is often more important than speed." JAXPORT offers efficiency, stability and reliability, as well as all the same carriers as busier ports to the north. And JAXPORT offers faster Panama transit. These factors continue to drive cargo through Jacksonville, to the benefit of BCOs. "There is still a lot of Florida cargo that goes through out-of-state ports. Using JAXPORT would allow those customers to save as much as \$400-\$800 in trucking costs versus other ports," said Schleicher.

* As of press time, THE Alliance member Hanjin has filed for receivership.

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FEATURE

Cleaner fuel trucks helping future look bright

By Kathy A. Smith



Initiatives to reduce the amount of petroleum used in Northeast Florida transportation and at JAXPORT have culminated in two important outcomes: federal recognition for a clean fuel effort and a clean truck program helping small and independent truck owners upgrade to cleaner equipment.

The North Florida Clean Fuels Coalition, a non-profit organization staffed and supported by the North Florida Transportation Planning Organization (TPO), recently received the Department of Energy's (DOE) designation as an official coalition under the DOE's National Clean Cities program.

"What the designation has done in many ways has just validated what we've been doing for the last seven years," said Jeff Sheffield, TPO's executive director. "That seal of approval says that we have been fulfilling the function of the Clean Cities initiative, and it has really positioned us to continue in the direction we've been going."

The national Clean Cities program began in 1993, and has resulted in a reduction of petroleum use by over 7.5 billion gallons. Under the program, there are six defined alternative fuels: propane, electric, liquefied natural gas (LNG), compressed natural gas (CNG), hydrogen and biofuels. The North Florida Clean Fuels Coalition currently includes 38 stakeholders – comprised of businesses, government and non-profit organizations that are actively involved in petroleum-reduction activities – and plans to grow that number during the next three years.

TPO Takes Action

The TPO has been using federal funds to support the program and the new designation will bring additional funds. Sheffield said the designation helps support the Jax Chamber in its efforts to establish potential business relationships with corporations that have sustainability policies and want to move to a cleaner, greener environment. "For the Chamber to be able to say that we're officially declared under the U.S. Department of Energy as a Clean Cities area is helping them in that sales pitch for companies to come in and invest here," he said.

Over the past few years, the TPO has funded several alternative energy initiatives that have included supporting St. Johns County's CNG Fleet and Public Access Station with a new \$732,000 CNG fueling facility, providing \$2.75 million to the Jacksonville Transportation Authority Fleet and Public Access CNG stations, as well as supporting JTA's purchase of 100 CNG buses, and providing financial incentives to truck owners totaling \$162,000 for cleaner-burning vehicles that are used at JAXPORT.

JAXPORT/TPO Clean Truck Program

Those TPO incentive dollars will be used to kick off JAXPORT's new Clean Truck Program, aimed at helping small, independent truck owner/operators upgrade their trucks to cleaner energy fuels. As part of the initiative, more than 150 local trucking companies that call on the port were invited to take part in the online survey about their equipment. Getting the word out to the trucking community about available funding for newer, cleaner equipment is the next step in this multi-phase project.

Jacksonville-based Maudlin International Trucks, which sells new and used trucks, has a large number of customers who operate in and around JAXPORT. Maudlin is helping its owner/operators get involved in the Clean Truck initiative. "Anytime you have pieces of equipment out there that are 10, 15, 20, sometimes 25, 30 years old, there's a higher risk of equipment failure," said Mark McElmurry, sales manager. "Anything that can get them into new emission technology is going to be greener for Jacksonville."

As JAXPORT and the region continue to grow, these clean, environmental sustainability initiatives are taking center stage as another crucial factor positioning Northeast Florida for increased business opportunities.

FEATURE

Latin America carriers enhance customer offerings

By Staff

JAXPORT-based Latin America carriers are continually investing in this vital trade lane with new services, enhanced infrastructure and equipment upgrades.

Crowley adds service to Costa Rica

Jacksonville-based Crowley Maritime has launched a new, weekly, fixed-day container shipping service between JAXPORT's Talleyrand Marine Terminal and Costa Rica.

The two container ships in the service will make port calls in Jacksonville on Thursdays and arrive in Puerto Limón, Costa Rica, on Wednesdays.

"With our warehousing and cross-dock operations in Jacksonville, we are well situated to funnel cargo originating outside Florida to Costa Rica, saving customers time and reducing their overall landed costs," said Frank Larkin, Crowley senior vice president and general manager, logistics. "We can swing loads from trailers to ocean containers here, reducing equipment repositioning expenses, and save the additional inland transportation costs that come with the traditional movement of cargo to South Florida."

Northbound, Crowley will sail from Costa Rica on Fridays, which is an attractive end-of-the-work-week sailing for perishables shippers.

TOTE upgrades Puerto Rican service

TOTE Maritime Puerto Rico and INTERSHIP have teamed to form what they call one of the largest, most experienced and most advanced terminal operating companies serving Puerto Rico. TOTE offers twice-weekly sailings between JAXPORT and San Juan, Puerto Rico.

The joint venture called Puerto Rico Terminals (PRT), includes \$38 million worth of existing assets at the Puerto Nuevo terminals near San Juan. The new PRT property covers 122 acres and includes eight newly renovated cranes, as well as eight inbound/outbound lanes and RORO/LOLO cargo handling.

"We've taken two transportation and logistics companies with more than 80 years of combined experience serving Puerto Rico and blended their complimentary assets to form a partnership that will lead maritime operations in the commonwealth," said Anthony Chiarello, President and CEO of TOTE. "This exciting move comes at a crucial time, and provides tremendous benefits to our customers and the people of Puerto Rico."

TOTE Maritime Puerto Rico has also begun implementation of major equipment upgrades aimed at keeping its fleet the youngest in the Puerto Rican trade market.

JAXPORT's Latin America carriers are continually investing in this vital trade lane.

Trailer Bridge expands Dominican Republic service

Trailer Bridge recently expanded its service from Jacksonville to the Dominican Republic and now offers two sailings per week out of Santo Domingo via San Juan, as well as northbound and southbound service with Puerto Plato. The additional sailings provide customers with increased capacity and improved frequency of sailings for the South Ports and Santo Domingo market. In addition, Trailer Bridge offers weekly service from Jacksonville to the U.S. Virgin Islands and Tortola via San Juan.

Trailer Bridge has also started an exclusive joint service offering with J.B. Hunt Transport, Inc. providing customers with access to more than 80,000 containers throughout the United States and a continuous throughput to Puerto Rico.

Together, the companies will operate the largest 53-foot ocean container fleet in the Caribbean.

"This joint service offering creates an enormous advantage for our current and future clients," said Mitch Luciano, President and CEO of Trailer Bridge. "We are very excited to work with J.B. Hunt to provide our clients with improved transit times, the optimal equipment fleet, and reduced costs."

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NORTHEAST FLORIDA DISTRIBUTION FOR



Northeast Florida has more than 120 million square feet of warehousing and distribution space Pictured: Suddath

WAREHOUSE AND NETWORK PRIMED GROWTH

Warehouse and distribution centers are popping

up all over Florida, especially in the Northeast. They are positioning themselves to become irreplaceable links between producers and consumers.

Retailers Lead Logistics

Much of Northeast Florida's logistics center growth has been driven by major retailers choosing to streamline supply chains, prevent delays and eliminate unnecessary handling of shipments. As they ultimately reduce logistics costs, their customers are happier.

The fast-growing population of Florida and the U.S. Southeast, with its escalating consumption patterns, is at the root of the development surge.

Warehousing and logistics developments include many household names such as GE Oil & Gas, Bridgestone Firestone North America Tire LLC, Bacardi, Samsung, Michaels,



Samsonite, Coach, Sears, Walmart and 1-800-Flowers, all in the Jacksonville area. There is a similar boom in Central Florida, with companies such as Trader Joe's, LG and Havertys making headlines. With its expanding roster of container lines, JAXPORT serves these companies with a substantial cost advantage versus out-of-state ports — in some cases the savings exceed \$800 per TEU, according to JAXPORT Vice President and Chief Commercial Officer Roy Schleicher.

While each DC varies in nature, size and complexity, all benefit from Jacksonville's geographical advantages, and its commitment to the business of efficient logistics. For example, 1-800-Flowers.com's fulfillment center network includes a 135,000-squarefoot DC in Jacksonville that supports its BloomNet and Napco brands. BloomNet is an international floral wire service that provides products and value-added services to professional florists. Jacksonville-based Napco Marketing Corp. supplies catalogers and retailers with globally sourced floral and gift items. "Jacksonville is a good location for us and we enjoy the proximity to the port of Jacksonville, a talented workforce that has a lot of logistics and supply chain personnel and solid quality of life," said Don LaFrance, Vice President of logistics and supply chain for 1-800-Flowers. "We take advantage of JAXPORT as much as possible and are very happy with their services and their focus on customer satisfaction and new and innovative thinking."

The Newsmakers

Jerry Mallot, President of the JAXUSA Partnership, recruits business to Northeast Florida. He describes broad-based site selection advantages, underpinned by a talented workforce, the reasonable cost of doing business, an exceptional transportation network, and a pro-business attitude. He said that the latest wave of announcements for distribution centers and similar facilities packs a lot of punch.

Amazon: The big news for the Jacksonville region is Amazon, with the online retail behemoth set to build a mammoth \$200-million, 1,500-job fulfillment center.

An attractive incentive package helped seal the deal. It included funding for roadway realignment and other improvements to make the site work. "This is the largest single jobs announcement in our city's history," JAX Chamber President Daniel Davis said in a statement. "It is great news for our entire community and another example of what we can accomplish if we are working together."

Particularly important to the region's workforce, Amazon's employment will be across pay grades, according to JAXUSA's Mallot. He said, "They use a lot of high-tech equipment such as robotics to access products."

Amazon will be able to serve multiple states from the new location, not far from the port, airport and interstates. Mallot said Amazon's business model is predicated on the location of its DCs and speed to a customer's door. The new facility is one of a national network of fulfillment centers that includes

ON THE COVER

four in Florida. "They have been looking at us for several years, examining population density and the region to be served," according to Mallot, who added that a rapid permitting procedure also helped entice Amazon.

The project should be completed in 2017.

BMW: BMW's Jacksonville center distributes parts throughout the southeastern U.S. and to Puerto Rico. The company has outgrown its 200,000-square-foot facility and plans to relocate into a new 500,000-square-foot building by the end of 2017. "More than doubling the previous space, the development will bring additional jobs, wages and spending to the area," said Mallot.

NORTHEAST FLORIDA'S TOP SELLING POINTS FOR DCs

- Workforce the right talent, initiative, availability and cost;
- Reasonable cost of doing business overall recognition of the corporate need for profit;
- A distribution system that is hard to beat outstanding interstate access giving same day access to 20 million people in Florida, and all the way to the Carolinas and Mississippi, three railroads, and an excellent airport;
- World-class seaport with access to any product or market around the globe;
- Available low-cost, large footprint sites as built, spec or build-to-suit, many along the interstates, with strong site prospecting and selection support;
- Outstanding quality of life dynamic area growing at twice the national average;
- Consolidated government in Jacksonville with an accelerated planning and permit process that reduces risk and expedites site to market;
- Modest taxation and no state income tax for employees;
- A pro-business attitude the region wants new business;
- Incentives for the largest projects, including occasional state inducement;
- Training at state, local and college level pre-training in advance of company's needs.

Source: JAXUSA

The new facility will continue to import German-made parts and send them along to dozens of BMW and Mini dealerships.

Calavo Growers: Calavo is a California avocado distributor. The company serves food distributors, produce wholesalers, supermarket retailers and restaurant chains worldwide. It has taken a 200,000-square-foot refrigerated facility in Clay County for use as a bagging, ripening and distributing base.

Although the company had established relationships with Florida 3PLs, in recognition of the fast-growing market, it chose to secure a permanent DC for itself and its subsidiary businesses. Bill Garrison, President of the Clay County Economic Development Corp., said the lease rate was an important site selection factor, but perhaps even more important was the business-friendly climate.

Hans-Mill Corp.: Hans-Mill is a New Jersey-based company with roots in Chinese manufacturing. In an innovative twist on near-sourcing, it plans to manufacture stainless steel trash cans in a highly automated environment in a 150,000-square-foot redesigned inventory building. It will sell and distribute to big box stores and others.

The company anticipates 80 percent of its product will be made in Jacksonville. The higher American wage base will be offset by automation, and the company will be ahead because it won't be shipping "air" all the way from Asia in its highvolume, low-weight product line, according to Mallot.

Hans-Mill's choice of sites was reportedly influenced by client encouraged American-content goals.

It will bring in raw materials through JAXPORT, and anticipates exports as its overseas markets develop, according to Mallot.

Havertys Furniture Company: Havertys Furniture Company has expanded its Lakeland, Florida, distribution center. It plans to import more of its coastal-style merchandise directly to Florida, bypassing its North Georgia distribution center, which historically has been the main storage facility for Florida. CEO Clarence Smith noted that the change helps reduce incoming freight cost, especially from Asia, and allows the company to serve its 25 stores in the growing Florida markets much faster.





FTZ No. 64 allows businesses to defer, reduce or eliminate U.S. Customs duties on imported products. *Pictured: North Florida Warehouse FTZ*

"We are increasing our square footage by about 100,000 square feet, so the new DC will be about 300,000 square feet after expansion," he wrote. "We plan to bring in more containers through JAX... These are shipments we would have brought into SAV [Port of Savannah] if not for this expansion."

What It Takes

As the regional transportation system hones its competitive edge, the upcoming channel deepening is becoming increasingly critical. The demand for warehouses and distribution centers will continue to grow, and as square footage goes into play, JAXPORT's ocean carrier volume will grow in sync.

Where JAXPORT lies along a beneficial transport route between any two members of a supply chain, it is in the running to earn more cargo. And it does. The port's access to excellent road, rail and ocean service, its revitalized terminals and efficient new cranes, and its industrious port partners all work together to provide the kind of fast, reliable hub that captures the attention of global supply chain managers.

Cargo owners want excellent infrastructure, unparalleled customer service, carrier choice, velocity, and perhaps more than anything else, they want reliability, according to Schleicher. Last month, JAXPORT was recognized as having all those advantages, when readers of *Logistics Magazine* voted it best in the South. (See page 8)

Schleicher said that in the first ten months of Fiscal Year 2016, JAXPORT has seen a surge of container cargo, with Asian trade up 8 percent. The port is on track for its 15th consecutive year of growth.

Synchronized Assets

This growth is happening in tandem with the rise of the region's – and the U.S. Southeast's – distribution center network. The region's strategic location allows shippers and retailers to move any type of cargo over a selection of

IN PRAISE OF DCs AND WAREHOUSES

Port area and inland logistics and distribution centers play a crucial role. In the not-too-distant past they were often overlooked by site promoters, in favor of manufacturing plants and corporate headquarters. But the rise of fast freight and direct-to-consumer shipments has brought about great demand for new DCs, and greater understanding of their role in the economy. Distribution centers create valuable jobs across a range of wages, have large footprints and therefore large property tax contributions, spur additional growth in ancillary business, and serve as catalysts for road and other infrastructure improvement.

The Northeast Florida/Jacksonville region is home to a strong base of distribution centers and warehouses of all types. They perform consolidation, warehousing, packaging, de-stuffing or other value-added services. Some offer temperature control or light manufacturing including cleaning, labeling or assembly. They are dependent on excellent transportation access, which makes locations near a port important.

DCs focus on more short-term storage and are more demand-oriented, whereas warehouses are typically designed to store goods for longer periods of time and can be more supply-driven. A DC might be termed a retail distribution center (focusing on distribution to retail stores), an order fulfillment house/center (distributing directly to consumers), a cross-dock facility (eliminating the storage and focusing on redistribution of goods to onward destinations) or any combination. Some organizations comingle their DCs and a retail outlet or headquarters. Regardless of the labels, DCs are vital to the order fulfillment process and serve as a foundation of a supply network. They allow a single location to forward a vast number of products quickly.

port terminals to reach a market of more than 60 million consumers within a one-day truck drive.

Northeast Florida still boasts available land parcels for buildto-suits and some appealing leaseholds and spec buildings. It has well-established industrial parks, logistics services and unmatched highway and rail connections. Lisa Diaz, Manager of Foreign Trade Zone No. 64, said that the Alternative Site Framework — which allows the zone to extend into eight counties and more than 5,000 square miles within Northeast Florida — is another important advantage.

Currently, there is more than 120 million square feet of warehousing and distribution space in Northeast Florida. \Box

GUEST COLUMN Commitment, partnerships grow global reach

By Dan Desoto, President, Global Logistics, Suddath



Northeast Florida is

more than just a place with a fantastic climate and beautiful beaches. We are a thriving community poised for significant expansion. What makes this region great is our community's can-do spirit, deep pool of experienced workers and commitment to expand and adapt to an ever-changing global environment.

Jacksonville and the surrounding counties are growing at a rapid rate and helping lead this charge is JAXPORT, in partnership with select local companies, including The Suddath Companies.

JAXPORT has helped Suddath expand our global reach. We take logistics personally — understanding that all cargo is precious and every step matters. Suddath is a 97-year-old family company, born and bred in Jacksonville, Florida, and we've grown from one spirited entrepreneur with a cart and two mules to a global company moving people, businesses and products. Our relationship and the continual support we receive from JAXPORT have been essential to our growth.

The Suddath-JAXPORT connection has continued to progress with our participation in Foreign Trade Zone (FTZ) No. 64. The FTZ allows us to show our clients the value that JAXPORT provides versus a larger east coast port. We can prove to freight forwarders and manufacturers how they can save time and money by shipping with Suddath through JAXPORT. This collaboration brings customers all the benefits of a larger port without the congestion.

JAXPORT is well-positioned to serve all of Florida and other high demand states. Being the most westerly port on the U.S. Atlantic coast is a major benefit to our business and to our clients. The drive time to high-demand inland locations is shorter, saving time, mileage and money and reducing carbon footprint. It is important to note that as Suddath reduces costs, those savings are passed on to our customers.

As global trade expands, Northeast Florida's distinctive advantages, such as providing efficient services with fast turn times and room to grow, enable Jacksonville and the region to stand toe-to-toe with major port cities. These advantages, plus the thriving and easy to use FTZ, have already attracted an influx of large clients to the area.

Suddath stands ready to continue to grow right along with JAXPORT, the region and your business. \Box

About the author

Dan DeSoto, President, Global Logistics, Suddath, has more than 30 years of supply chain experience. Throughout his career he's developed expertise in international freight forwarding, domestic transportation and freight management, warehousing, distribution and fulfillment, and both domestic and global supply chain management. With his enthusiasm for new industry tools, techniques and strategies, he's worked quickly to build out Suddath FF&E, transportation management, contract logistics, international forwarding and trade show, and event logistics capabilities.



PROFILE IDO brings manufacturer-direct to Jacksonville

By Lori Musser



JAXPORT and IDO executives met recently to discuss the many benefits the port and Foreign Trade Zone No. 64 have to offer.

Jacksonville-headquartered International Décor Outlet (IDO) is the first direct-to-consumer outlet for manufacturers and retailers of interior decor and home improvement materials in the U.S. IDO is developing roughly 10 million square feet of retail space across the nation as manufacturer-direct storefronts for, primarily, international producers. The first locations are in Darien, Georgia, and Jacksonville, Florida.

Bill Connerly, IDO's Chief Operating Officer, said, "As restaurants and manufacturer mall suites get completed, we will open the malls for business. We expect the Jacksonville grand opening to come about later this year, once phase one renovations are complete."

Those renovations are underway at IDO's site at Regency Square Mall. Connerly said the company is setting a high standard for design, to attract high-quality international manufacturers.

Domestic firms won't be left out. "We just recently began recruiting local and domestic manufacturing and restaurants. Although foreign manufacturers are eager to take part in our venture, IDO recognizes that U.S. manufacturers must be part of a true international outlet," said Connerly.

The location near JAXPORT was important to the project. The IDO plans to create a Foreign Trade Zone that would allow international manufacturers to set up assembly and storage facilities and streamline clearance. "Many of our manufacturers have expressed interest in assembly and manufacturing in the U.S. The FTZ will provide the means for both foreign and domestic manufacturers to build and/or warehouse products at a location convenient to an international port, thus allowing the ability to supply both IDO outlets and global markets with products," said Connerly. "The IDO is a transformational project," said JAXUSA President Jerry Mallot: "It introduces the concept of direct sales from the manufacturer to the end-user. Anything can be sourced for your office, home or business."

As many as 50 companies from Asia, Latin America and other regions will be part of the IDO. The products will concentrate on construction and housing materials — flooring, siding, ceiling, cabinetry.

START SAVING THROUGH FTZ NO. 64 TODAY!

Download the FTZ No. 64 Handbook and watch our new video at JAXPORT.com/FTZ-64. Contact Lisa Diaz, Manager, Foreign Trade Zone No. 64 & Northeast Florida Sales, at (904) 357-3072 or Lisa.Diaz@JAXPORT.com for a personalized consultation.

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JAXPORT MAGAZINE 2016 21

Georgia-Pacific values JAXPORT's carrier options

By Lori Musser

A southeastern U.S. company with 90-year-old roots is a rarity. Georgia-Pacific (GP), which started out as a lumber wholesaler, has evolved into one of the world's leading manufacturers of building products, tissue, packaging, paper, pulp/cellulose and related chemicals. It now has 35,000 employees in more than 200 locations and is a subsidiary of Kansas-based privately-owned Koch Industries — the No. 2 container exporter in the U.S.

Koch exported 261,800 TEUs through U.S. ports last year, according to the Journal of Commerce PIERS data.

Georgia-Pacific's household brands include Brawny paper towels, Quilted Northern® bath tissue and Dixie cups and tableware. Its construction products include engineered lumber, gypsum panels and other building materials.

GP has a major presence in North Florida with plants in three towns including a cellulose plant in Perry, a paper mill in Palatka and an OSB facility in Hosford. The company employs almost 1,600 people in the state.

It also has 19 facilities in Georgia, seven each in Alabama and South Carolina, six each in North Carolina and Tennessee, and eight in Mississippi.

In the very competitive pulp and paper sector, GP blankets the U.S. Southeast. GP Cellulose operates four world-class wood pulp mills, one cotton linters pulp mill, and one cotton converting plant, all within a day's drive of JAXPORT.

While its business consists of three main segments: consumer products; building products and packaging; and cellulose, it is





the export cellulose business that crosses JAXPORT's docks regularly, according to Carter Noland, Supply Chain Director for GP Cellulose.

GP Cellulose is a producer of fluff pulp used in products such as diapers, and market pulp used for papermaking. Its cellulose mill in Perry produces specialty fibers, mostly from southeastern slash pine. The plant was acquired by GP three years ago, and its products are now delivered worldwide. Its fibers, which also impart strength and viscosity, can be found in everything from clothing and filters, to food casings and industrial rayon cord, and even tires and concrete.

Using an expert in-house supply chain division for its cellulose products, GP ships large volumes through JAXPORT, in part due to excellent outbound rate structures offered by a wide choice of ocean services. "Success with logistics comes with flexibility and diversity of shipping options," said Noland. "JAXPORT's location and assets make it a strategic resource for our Southeast locations needing to get product to Asia."

GP moves other cargo through the port as well, including specialty over-dimensional freight on occasion. For example, last December it imported nine pulp and paper plant evaporator vessels - weighing up to 280,000 pounds each. They were moved from China, through the Panama Canal, to JAXPORT, where they were loaded onto deck barges using the ship's gear. They were tugged to the Palatka River, then trucked piece by piece over a week-long period to the nearby plant. GP spokesperson, Terry Hadaway, said the movement went exceptionally well. GP worked with county and state policing, transportation and other officials to minimize public inconvenience of temporary roadway closures and to ensure safe delivery. Hadaway said, "I expected my phones to light up but didn't receive a single call. People were more interested in seeing the shipment than the inconvenience. The key to success was early, thorough coordination."

Small Business Profile: Giovanni Transport

By Laura Jane Pittman

Giovanni Transport is a trucking company specializing in dry freight that has been servicing its Southeastern clients – many of whom use JAXPORT – since 2006. Owner Shatise Carr runs the 16-employee company with husband Jamie, a former trucker.

When Carr first set out to run a business, she thought she was ready. She had five years of experience working for Blue Cross Blue Shield and always had a heart for entrepreneurship, whether it was selling candy in high school or designing a T-shirt line. Between her experience and Jamie's and other family members' trucking backgrounds, how hard could it be?

When "the bottom fell" out in 2008, said Carr, the fledgling company certainly felt the effects of the global economic meltdown. Instead of giving up, however, she was determined to survive.

"I heard about the transportation and logistics program at the University of North Florida (UNF) and I thought it would teach me about trucking — but it turned out to be so much more," said Carr, who served as President of the UNF Transportation and Logistics Society while a student. "It was very challenging, and I learned a tremendous amount about the transportation industry and about business. It gave me a foundation that I was able to turn right around and translate into our company."

Carr graduated in 2011 with a Bachelor of Business Administration in transportation and logistics and a minor in economics, all the while continuing to run Giovanni Transport. Armed with new knowledge and a trained head for numbers, she and Jamie have steadied the ship, forged a very successful partnership and watched Giovanni Transport grow over the past five years. The company celebrated its 10-year anniversary in August.

"Jamie loves to say that he is the operations and I am the brains. I discovered I have a passion for this kind of thing, and learning about economics and business management really got us through the rough patch," said Carr. "Numbers are incredibly important in trucking. When I give a quote, I have to be absolutely sure that it will be right."

As a minority-owned and woman-owned business, Giovanni Transport is considering applying for small and emerging business certification through the City of Jacksonville. Yet while Carr encourages slow growth for the company, she wants to be



Giovanni Transport is a small business with a big focus on customer service.

cautious and careful (always keeping an eye on the numbers) to stay manageable so she can offer the best in client service.

"I'm not looking to have a huge footprint in the industry," she said. "Part of the beauty of our company is that we customize needs for each client. When someone calls saying they need something shipped by a certain date, they don't necessarily have to know the number of trucks or the load capacity. We are good at what we do and can figure that out for them."

For more information, visit www.giovannitrans.com.



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Jamie Shelton joins JAXPORT Board of Directors

By Laura Jane Pittman



Jacksonville businessman

Jamie Shelton has been appointed as the newest member of the JAXPORT Board of Directors. Shelton brings more than 22 years of accounting and financial management expertise to the board, in addition to strong community service and leadership experience.

A graduate of David Lipscomb University with a Bachelor of Science in accounting and University of Memphis with a Master of Business Administration in finance, Shelton spent eight years at Arthur Anderson in Memphis, Tennessee, before moving to Jacksonville to serve as vice-president of Regency Centers. Shelton joined bestbet as Chief Financial Officer in 2009 and has served as president of the company since 2013.

Shelton brings a wealth of experience as a community leader. He is active in and has served on the boards of many community organizations, including Jacksonville University, the JAX Chamber, Jacksonville Sports Council, Leadership Jacksonville, Sulzbacher Center and Jacksonville Civic Council.

"I believe my attributes in listening, evaluating and decision-making have served me well over the course of my professional career and these are strengths that I plan to bring to my work as a board member for the port," said Shelton. "I look forward to engaging with the region's maritime/ transportation and logistics community."

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JAXPORT Board of Directors

The JAXPORT Board of Directors unanimously selected an updated slate of officers for 2016-2017. The following officers will each serve a one-year term ending Sept. 30, 2017:

- · Chairman: James Citrano
- Vice Chairman: Ed Fleming
- Treasurer: John Falconetti
- Secretary: John Baker

James Citrano is the retired Managing Director of CBRE Group's Jacksonville office; Ed Fleming is retired CEO/ President of Atlantic Marine Holding Co, LLC; John Falconetti is the President of Drummond Press and John Baker is Executive Chairman of FRP Holdings, Inc.

Other members of the JAXPORT Board of Directors include immediate Past Chairman Dr. John Newman, Senior Pastor, The Sanctuary at Mt. Calvary; Jamie Shelton, President, bestbet of Jacksonville and Joe York, CEO, AT&T Florida, Puerto Rico and U.S. Virgin Islands.

Citing JAXPORT as a crucial factor in the future of the city, Shelton feels very optimistic about where Jacksonville is headed.

"Jacksonville is a great city, and I am most proud to call Jacksonville home," he said. "Many cities, like Nashville as one example, have taken parts of their history and have embraced it, promoted it, built on it and monetized it. I believe Jacksonville is very similar, and I believe it can create something very special in the near future."

HEARD AROUND THE PORT



Q&A with COMTO Jacksonville President Aisha Eccleston

By Laura Jane Pittman



Aisha Eccleston,

JAXPORT's Senior Coordinator for Southeast Sales and Service Provider Relations, was recently elected president of the Jacksonville chapter of Conference of Minority Transportation Officials (COMTO).

What is COMTO, and what does the Jacksonville chapter provide its members?

COMTO is in its fourth decade as the nation's only multimodal advocacy organization for minorities women, African Americans, Hispanics and members of other minority groups. Jacksonville is the organization's 23rd chapter. We educate through programs relating to innovative transportation initiatives, and also provide a national network for members.

COMTO encourages members, giving them confidence in themselves and their industries. It also does amazing work in the communities it represents.

After joining COMTO in 2013, you quickly got involved in the organization. What paved the way for your involvement?

I was fortunate to have amazing mentors in COMTO recognize my passion for the maritime industry, and shortly after I joined, I was named the first maritime advisor to the national board. I took the advice of people who had confidence in my abilities and who gave me opportunities that I did not always think I should take — and that has helped me grow so much, personally and professionally.

What are some of the benefits you have gotten out of being active in the organization?

I have been able to expand my role educating about the maritime industry, and COMTO has been great for my business development efforts at JAXPORT.

I also bridge the gap among different transportation areas represented by COMTO. When people think about transportation, trucking and rail come to mind. But I like to say that there is not much difference between moving



Eccleston (far right) recently met with club leadership to discuss ways to create and expand opportunities for COMTO Jax members.

people and moving goods. You are still looking for the most efficient way.

You have already turned chapter meetings into valuable network opportunities for members. What are your other goals?

I have a three-fold approach: 1) small business development; 2) professional development; 3) workforce and job opportunities. I have created committees for these areas, and our monthly meetings will focus on these categories. I also plan to create partnerships with other transportation agencies.

Transportation and logistics is the heartbeat of this country and the world. COMTO has done a great job nationally. I would like to grow the organization's efforts internationally, as well.

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PORT NEWS

Investing for your future: JAXPORT growth project roundup

By Kathy A. Smith

JAXPORT continues its major infrastructure

improvements for increased capacity, efficiency and economic growth.

100-GAUGE CRANES



JAXPORT's ongoing investment in building the port of the future was on clear display in August, as the port's three state-ofthe-art 100-gauge electric container cranes cruised in on the St. Johns River to JAXPORT's Blount Island Marine Terminal. The \$39 million cranes, purchased in part with a Florida Department of Transportation \$15 million grant are expected to be fully operational by the end of 2016. JAXPORT's longterm strategic plan calls for the purchase of a total of ten new 100-gauge cranes.

BLOUNT ISLAND'S BERTH 35



As part of big ship-ready activities, JAXPORT has also invested \$50 million in the Berth 35 Wharf Rehabilitation Project in order to safely support the new cranes and to accommodate increased Post-Panamax vessel traffic expected to call via the Suez Canal and the recently-expanded Panama Canal. Berth 35's new electrical system includes an on-site transformer substation and \$1 million switchgear building to feed each crane's power needs. The berth's improvements increase energy efficiencies, reduce emissions and enhance night-time operations through new high-powered LED lighting.

JAXPORT'S ICTF AT DAMES POINT



Working in conjunction with the rebuilt dock and stateof-the-art cranes, JAXPORT's newly opened Intermodal Container Transfer Facility at Dames Point provides on-dock rail transportation solutions for both the Blount Island and Dames Point marine terminals.

The U.S. Dept. of Transportation awarded JAXPORT a \$10 million grant toward the development of the facility, and the State of Florida Department of Transportation allocated \$20 million to fund the project. Ceres Terminals is responsible for managing the day-to-day operations and maintenance of the facility.

CRANE FACTS

- Each of the three, new 100-gauge cranes can lift up to 65-tons and reach across 22 containers stored on a ship's deck.
- 100-gauge cranes have 100 feet of distance between the legs and the rails on which the cranes maneuver.
- Once fully installed on the dock, the new cranes will stand 220 feet tall.
- Each electric crane will work on regenerative power, consuming power during the lifting of containers and creating energy as they lower.

TALLEYRAND'S BERTH 7 and 8

Berths 7 and 8 at JAXPORT's Talleyrand Terminal are also undergoing upgrades. Among other businesses, these upgrades will help support Crowley Maritime's new LNG-powered ConRo vessels that will be delivered in 2017. These ships are helping usher in a new era of LNG utilization as a marine fuel. The *El Coquí* and *Taíno*, Crowley's Commitment Class ships, set to service the Mainland to Puerto Rico route, will homeport at JAXPORT and be fueled with locally-sourced LNG (see page 10). In addition, JAXPORT is designing a new gate system to support Crowley's inbound and outbound cargo.

HARBOR DEEPENING

The Jacksonville Harbor deepening project will take the federal channel along the St. Johns River from 40 to 47 feet, preparing for today's and future customer needs. Headed by the U.S Army Corps of Engineers, Jacksonville District, the initial engineering and design work is complete for Phase 1, and construction is set to begin early next year. JAXPORT is the non-federal sponsor.

MILE POINT

JAXPORT and the U.S. Army Corps of Engineers have also partnered on the Mile Point Training Wall Reconfiguration to remove a navigational restriction at the St. Johns River and Intracoastal Waterway juncture. The relocation of the existing



training wall will remove the restriction and provide for an efficient flow of commerce for ships with a transit draft greater than 33 feet inbound and 36 feet outbound. The project is also restoring the Great Marsh Island habitat and creating improved channel flow in Chicopit Bay.

In a strong showing of its commitment to both the changing needs of customers and forward-looking environmental initiatives, JAXPORT is investing \$100 million in building the port of the future.

New Infiniti QX30 models move through JAXPORT

Wallenius Wilhelmsen Logistics (WWL) has moved the first shipment of all-new 2017 Infiniti QX30 premium active crossovers for distribution in the Southeast United States through JAXPORT's Blount Island Marine Terminal.

Approximately 1,000 QX30 vehicles arrived at JAXPORT via the MOL vehicle carrier *Serenity Ace* from Infiniti's manufacturing facility in Sunderland, England. The vehicles are being processed at WWL's on-terminal vehicle processing facility at Blount Island before being distributed to dealerships throughout the region.

"Jacksonville's convenient location in the heart of the fast growing Southeast U.S. market is just one of the many advantages JAXPORT offers our customers," said Frank Camp, JAXPORT Director of Non-Containerized Sales.



"Completing all processing on the terminal ensures vehicles are handled as efficiently and cost effectively as possible, adding up to significant supply chain savings."

HEARD AROUND THE PORT

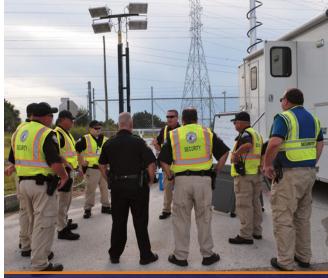
"Jacksonville is at the leading edge of utilizing natural gas shipping fuel. There are few places in the world where investments are being made like here. Jacksonville is a leader and is building upon it."

- Tom Crowley, CEO, Crowley Maritime in the Jacksonville Business Journal

PORT NEWS

Public Safety – JAXPORT standing ready

By Kathy A. Smith



JAXPORT's Public Safety team holds regular security briefings with staff and other safety partners.

What would happen to daily JAXPORT operations if nature unleashed its fury on the port or a terrorism threat occurred? Even in a crisis, maintaining business as usual is paramount. One key emergency management component JAXPORT is continually refining is its 24/7 interoperable communication system, which enables its emergency stakeholder partners to communicate, despite having disparate systems.

The system allows all JAXPORT tenants, private terminals, shipyards, tug operators, pilots, U.S. Navy, U.S. Coast Guard, local, state and federal law enforcement, fire rescue as well as the City of Jacksonville Emergency Operations Center and the state of Florida to communicate effectively through the Motorola First Coast Radio System. "This capability remains critical to our ability to handle a myriad of threats, both manmade and natural, ensuring we get ahead of potential problems early," said Charles White, Director of Public Safety, "If impacted, we are able to recover quickly and rapidly resume normal operations for our customers."

Recently, the Federal Emergency Management Agency (FEMA), a component of the Department of Homeland Security (DHS), announced final Fiscal Year 2016 funding allocations for various grant programs, including nearly \$800,000 for JAXPORT. This is one of many grants that JAXPORT receives for security, safety and emergency preparedness related initiatives. The combination of public, private and grant money is critical for the success of JAXPORT's overall safety and security program.

PROTECTING A POPULATION OF 30,000

JAXPORT has a tenant and supporting stakeholder direct work force population of more than 30,000 registered personnel. The area includes three non-contiguous terminals — the Blount Island, Dames Point and Talleyrand terminals — spread over 14 miles of the Jacksonville Harbor, which creates unique challenges in achieving command and control as well as domain awareness.

"We are able to support our customers, regardless of any potential threat."

JAXPORT's Continuity of Operations (COOP) plan provides exact protocols for every single department and business unit should the unthinkable happen. "It's an absolutely key plan, and it not only addresses a hurricane as a potential threat, but it addresses a weapon of mass destruction, and it addresses loss of power," said White.

JAXPORT has also been hardening security and safety around LNG operations. "We create a safety zone and work with our tenant customers who operate the vessel and the cargo within that safety zone, to put in additional controls," adds White. "We continue to make investments that assist the port authority in enhancing security and building resiliency, so that we are able to support our customers, regardless of any potential threat."

WHITE NAMED STATE SECURITY COMMITTEE VICE CHAIR

JAXPORT Director, Public Safety Charles White has been appointed to serve on the Florida Seaport Transportation and Economic Development Council (FSTED) Seaport Security Advisory Committee as vice chair of the committee.

The committee will address issues of national and state security, and prepare for security threats to the state's maritime industry. Other members of the committee include Florida port security directors, U.S. Coast Guard, U.S. Customs and Border Protection, and local law enforcement representatives.

White is also Chairman of the Northeast Florida Area Maritime Security Committee, as well as an active member of the Jacksonville Maritime Transportation Exchange.

JAXPORT begins new Panama Canal era...

By Staff

On July 12, the MOL Majesty made history at JAXPORT as the first containership to arrive at the port through the new, expanded locks of the Panama Canal. The ship docked at TraPac Container Terminal at Dames Point where crews unloaded and loaded cargo.

The 991-foot *Majesty* has a maximum capacity of 6,724 TEU (containers) requiring 46.5 feet of water when fully laden. The federal project to increase Jacksonville's harbor to 47 feet to accommodate larger container vessels fully loaded is moving into the construction phase.



"The arrival of the MOL Majesty through the new locks is a reminder that this is a time of great growth potential for JAXPORT and Northeast Florida," said JAXPORT CEO Brian Taylor.

... Marks two firsts with Iris Leader

JAXPORT welcomed the NYK Iris Leader

on July 11, marking two important milestones. Jacksonville is the *Iris Leader's* first ever port of call in the United States and it is also the first ship to call on JAXPORT after passing through the new, expanded locks of the Panama Canal.

The *Iris Leader*, newly built, is 15 feet wider than previous NYK ro/ro ships. The vessel's extra width required the width of the new Panama Canal locks for safe passage. The extra width also increases the ship's capacity by 1,500 cars.



To mark the occasion, JAXPORT CEO Brian Taylor presented Captain Shinzo Hata with a plaque.

... And welcomes 2 millionth cruise passenger

Amid a flurry of leis, calypso music and excitement, in July, Carina Alejandro of North Carolina became the 2 millionth passenger to sail from the JAXPORT Cruise terminal.

First time cruisers, Alejandro and her family were treated to gifts and VIP treatment during their four-day voyage to the Bahamas.

The JAXPORT Cruise Terminal opened in 2003 and is currently home to the *Elation*, a 2,054 passenger ship offering 4- and 5-day cruises to Freeport, Nassau and Half Moon Cay.

Find out more about cruising from JAXPORT at JAXPORT.com/cruise.



CONNECT

Panel topics announced for JAXPORT'S 2017 Logistics & Intermodal Conference

By Staff

Organizers released the list of panel topics to be discussed during JAXPORT's biennial Logistics & Intermodal Conference, which will be held March 20-22, 2017, at the World Golf Village Renaissance Resort in St. Augustine, Florida.

The 2017 conference will feature these five panel discussions sharing insights, solutions and successes:

The Shake Out from Shifting Ocean Carrier Alliances

Panelists will reflect on the recent ocean carrier realignments and how the new alliances will impact U.S. ports, shippers and cargo transportation providers.

The New Political Landscape and its Impact on the Maritime Industry

How will the new U.S. President and new faces in Congress, along with the evolution of the EU and other political forces, influence the world of cargo transportation in the next few years?

Big Data and Emerging Technologies in Transportation & Logistics

Join our panelists for a review of advances in supply chain technology and practical application for shippers, ocean carriers, rail, trucking and logistics providers.



Disruptions in the Finished Vehicle Supply Chain

The panel will share thoughts on how automakers and their transportation partners continuously work to reduce or eliminate disruptions in the auto supply chain – and why these challenges persist.

Outlook on Caribbean Trade

This panel will discuss Caribbean trade with the United States with a focus on Puerto Rico and Cuba.

More information about the conference is available at www.jaxportconference.com. $\hfill\square$

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COMMUNITY Local longshoremen's union awards more than \$26,000 in scholarships

By Staff

Local 1408 of the International Longshoremen's Association (ILA) recently awarded \$26,800 in scholarships to 35 Northeast Florida high school seniors and college students, the largest group of recipients to date. The scholarship recipients were announced during a ceremony at JAXPORT.

Applicants submitted essays discussing how current events will impact Jacksonville's overall economy, JAXPORT's growth and the funding necessary to deepen the St. Johns River.

Scholarship recipient Riley Despres is the daughter of longshoreman Jeff Despres, who has served the industry for 27 years. Her essay focused on the potential of a deeper river to secure current jobs and create new opportunities. "Deepening the St. Johns will help even more people like my dad have quality jobs and support their families."

Established in 1995, the ILA scholarship program has awarded more than 800 scholarships totaling nearly half a million dollars. Originally developed to help longshoremen's children pursue higher education, the program has since evolved to



include other community students as the organization focuses on encouraging area youth.

Students were also required to have a minimum 3.0 GPA and complete community service activities in addition to submitting an essay.

ILA Local 1408 helps connect more than 1,200 longshoremen and dock workers with jobs at JAXPORT. Opportunities for these members continue to grow along with the port. \Box

Downtown campers turn JAXPORT publications into works of art

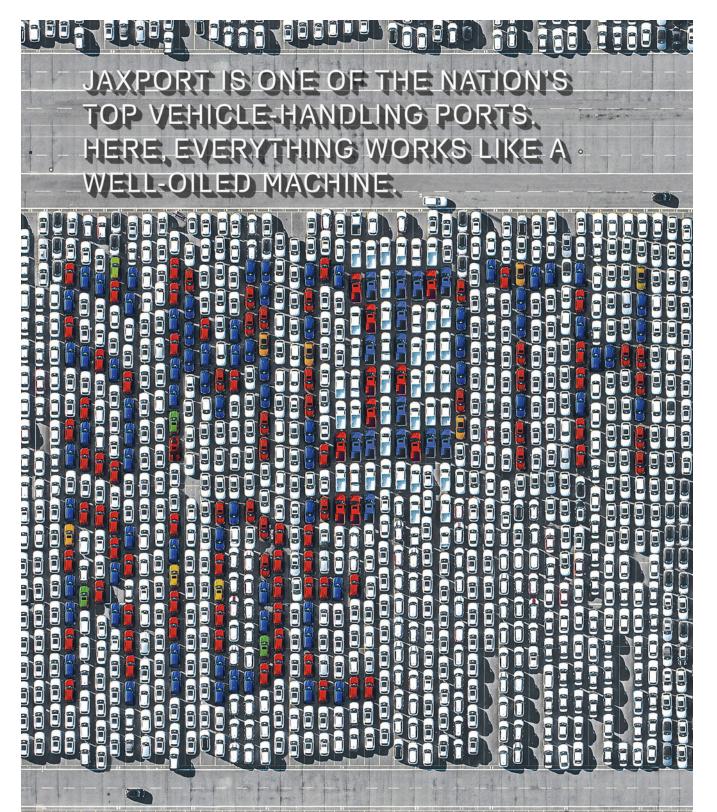
By Staff



Summer campers at City Kids Art Factory in downtown Jacksonville near JAXPORT's Talleyrand Marine Terminal have turned outdated JAXPORT publications into works of art. The donated publications were used by the children to create various paper crafts including birdhouses, sea creatures, hats and even a replica of the White House.

The information in the surplus publications is outdated, making the books no longer useful in their existing form. Donating the publications provided an ecofriendly way to dispose of them, while providing free art materials for the campers.

City Kids Art Factory is a non-profit organization that works to bring the community together by fostering interest in the visual arts starting from a young age. Camp is provided at no cost throughout the summer.



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COMMUNITY

JAXPORT Academy connects workers seeking re-entry with jobs

By Laura Jane Pittman

Operation New Hope, a nationally recognized non-profit that helps non-violent offenders re-enter the workforce, is partnering with JAXPORT to help bridge a needed gap between employers and a readily available source of potential employees. Founded in 1999, Operation New Hope has placed 4,500 employees at more than 100 companies. The success of its Ready4Work program, which carefully vets and trains participants in workplace readiness and skills, is reflected in the nearly 75 percent job retention rate for its graduates.

Operation New Hope's founder and CEO Kevin Gay first got the idea for a JAXPORT Academy Program during a 2015 Leadership Jacksonville tour of the port.

"The folks we help, who have had previous legal troubles but who have re-entered society and their communities, are typically very eager to re-enter the workforce. We are always seeking to expand the opportunities

we can give them," said Gay. "Seeing the growth of the port, we began exploring avenues to discuss workforce needs and began creating initiatives to tap into different training platforms to provide port employers with skilled workers."

Operation New Hope representatives have met with port clients to discuss needs, and the organization recently sent a letter to all port employers, co-signed by JAXPORT CEO Brian Taylor, asking for feedback on skillsets employers are seeking. The JAXPORT Academy will be tailoring its training platforms to best serve employers by focusing on the most-needed skills. "Operation New Hope, with its ability to vet and train potential employees and take that pressure off employers who participate, has our full support in addressing the need for a growing workforce," said Doris Leach, JAXPORT Coordinator of Government and External Affairs. "As our economic development drives expansion and opportunities at the port, we want everyone who wants those opportunities to be able to find their niche."

Gay, who left the corporate world to start Operation New Hope, sees providing opportunities for citizens in some of Jacksonville's most marginalized and underutilized areas

> as a means to not only stabilize those communities, but also to help the city grow as a whole.

"We see a different story that needs to be told. When these residents get support and encouragement and have employment to

anchor their families, it is a great reconnector and can be a game-changer," said Gay. "We have strong support from the City of Jacksonville and the mayor's office, and we are excited and committed to investing our time and energy to bringing qualified and trained employees to JAXPORT — one of the gems of this city."

Port employers interested in participating in the JAXPORT Academy Program or providing Operation New Hope with feedback on the types of training needed can contact Doris Leach at (904) 357-3097 or Doris.Leach@JAXPORT.com.

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