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## SPECIAL FEATURE Breakbulk & Heavy Lift Pg. 4



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### VIEW

## **JAXPORT CEO Trend Report**



Brian Taylor JAXPORT CEO

### Trade between Jacksonville and

Puerto Rico traces its roots back to the beginning of containerized transportation to the island in the late 1950s. For more than 68 years, Jacksonville's port has been a life-line to Puerto Rico, delivering basic essentials – food, clothing, shelter and beyond – to its citizens.

As the population on the island grew, businesses began setting up distribution centers and cross-dock operations in Jacksonville, providing the basis to serve this trade for decades.

My family and I lived in Puerto Rico for several years in the late 1990s and I witnessed the difficulties brought on by economic upheaval, hurricanes, political turmoil and even changes in the carriers offering service to the island. Throughout all of their past and current challenges, the people of Puerto Rico remain resilient and they, along with everyone involved in the trade, are looking forward to more prosperous times ahead.

Jacksonville has also remained resilient, retaining its position as a key partner and distribution hub to serve this market. Today, 85-90 percent of all goods moving to and from Puerto Rico do so via Jacksonville. In fact two companies, Crowley Maritime and TOTE Maritime Puerto Rico (formerly Sea Star Line), both major customers of JAXPORT, reaffirmed their commitment to Puerto Rico by signing new long-term agreements with us. In addition, these companies have put more than \$350 million each in new American built vessels fueled by LNG. They are continuing to invest millions in new equipment that will help further streamline the delicate supply chain that keeps product on retail shelves and workers busy producing industrial goods and pharmaceuticals that can be re-exported to the United States.

Today, almost 70 years later, this trade lane remains no less critical to the success of JAXPORT, our customers and our own region's economy. We believe that by helping our customers provide the fastest and most reliable service in the trade that we can in a small way help revitalize the Puerto Rican economy and bring back some of the growth enjoyed by all just a short decade ago.

Along with our cover story on Puerto Rico, we will take an in-depth look at JAXPORT's experience handling complex breakbulk, heavy lift and project cargo with ease (pg. 4), real estate growth in Northeast Florida that's prime for warehouse and distribution center expansion (pg. 6), and how recent JAXPORT newcomer Babaji Shivram Clearing and Carriers is working to launch and cement a strong India-Jacksonville trade relationship (pg. 26).

As always, please let me know your thoughts on any of the topics in this magazine, any issues you'd like to see covered in the future and anything that's on your mind. I look forward to hearing from you.

Brian Taylor CEO, JAXPORT (904) 357-3036



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## FEATURE

## Out of the box: Managing complex shipments with ease

### By Lori Musser

### Not everything fits in a container.

According to Florida Ports Council figures, nearly 7.4 million tons of breakbulk cargo moved in and out of state seaports last year. The port of Jacksonville moved half of those shipments, including roll-on/roll-off, over-dimensional, out-of-gauge, heavy lift, military or general project cargo; it is a clear leader in specialized cargoes.

### Out of the Box

The handling of out-of-the-box cargoes is typically far more complex than handling containers and calls for specialized operations. An effective port terminal operator working closely with the entire supply chain, attention to safety and detail, an understanding of vessel-operating costs, and an eye for providing value-added services are vital.

Frank Camp, JAXPORT Director of Non-Containerized Sales, said, "Our diversified cargo base gives us the know-how to cater to the unique needs of breakbulk and heavy lift customers. With berth space and storage easily available and accessible, breakbulk and project cargo gets in and out quickly, without delay, saving our customers time and money."

Other critical factors impacting breakbulk and project cargo routings include seamless, competitive and efficient inland connections, which JAXPORT's terminals have in spades, with service by three U.S. interstates (I-10, I-95 and I-75), and 36 daily train departures via three railroads: CSX, Norfolk Southern, and Florida East Coast Railway. Global connections by more than 40 ocean carriers, including direct service with Asia, South America, the Caribbean and other key markets, complete the mix.

### Heavy Lift and Project Cargo

The heavy lift cargo berth at JAXPORT's Blount Island Marine Terminal ranks as one of the nation's highest weight-bearing capacity docks, offering up to 1,800 pounds per square foot of load capacity and rail capability up to 78 kips per axle. JAXPORT has the highest and widest cargo clearance available for port access by rail on CSX's national system: 20 feet high and 13 feet wide.

These infrastructure advantages would not mean anything without an expert workforce. Northeast Florida's skilled workforce offers a variety of labor options, including JAXPORT tenant, Portus.



Jacksonville's skilled workforce offers a variety of labor options, including highly trained master riggers specializing in heavy lift and project cargo.

"All of our supervisors are master riggers now," said Portus Director of Customer Service and Business Development John Mullins. "They are especially knowledgeable on project, heavy-lift and military cargo. We can fabricate lifts, assemble and disassemble, too." Not every port can make this claim, but with training, a regular flow of business and a culture of caring, Mullins is confident that the Jacksonville team handles specialized cargoes better than anyone else.

The skill set is important. A cargo owner wouldn't want a novice to cradle, strap and lift a 100-foot yacht onto a waiting ocean carrier. And an owner wouldn't want a shipment of locomotives picked up without careful attention to the loading schematics.

"We are equipped to load and unload anything onto or off of any ship," said Mullins. "We focus on making sure the ships are in port for the shortest time possible. The more efficient we are, the more we contribute to bottom-line cost savings for the ship operator and the beneficial cargo owners (BCOs)."

### **Breakbulk Cargo**

JAXPORT has decades of experience handling fertilizer, metals, forest products, perishables and other breakbulk cargo. The port boasts more than 1 million square feet of on-dock warehousing storage and more than 3 million cubic feet of on-dock refrigerated space, with millions of square feet of additional space located within minutes of port terminals. JAXPORT's equal balance of imports and exports provides backhaul opportunities for importers saving money and maximizing transportation costs.

JAXPORT tenant, Seaonus, has a well-trained workforce comprised of port-qualified crane operators and certified forklift



JAXPORT has been handling metal, fertilizer, forest products, perishables and other breakbulk for decades.

operators, all with extensive experience handling breakbulk, ro/ ro, lo/lo, heavy lift and out-of-gauge cargo. Seaonus has all of the necessary equipment – including a 110-ton whirly crane and heavy forklifts with various handling attachments - to handle any out-of-the-box cargo type

"We at Seaonus depend heavily on JAXPORT's customer service team to help us meet and exceed the complex and fluid customer needs and requirements," said Charles Tillotson, Chief Operating Officer of Diversified Port Holdings, Seaonus's parent company. "Our level of service and delivery is often what differentiates Seaonus's offerings from other competing ports, creating our competitive edge."

In addition to its dry warehouses and storage areas, Seaonus also operates a 2.2 million cubic foot on-dock cold storage facility and an off-port cold storage facility providing 8.5 million cubic feet of racked, refrigerated or frozen storage. Seaonus manages significant inventories of perishable commodities destined for Russia, Eastern Europe, the Middle East, West Africa, Cuba, Puerto Rico, and the Caribbean islands.

Jacksonville is also strategically positioned to handle perishable imports from Australia, New Zealand, Central and South America. JAXPORT recently received approval from the USDA to import select produce from certain South American markets for the first time. (Read more about the program on pg. 27)

"Jacksonville is a perfect location for bringing fresh goods in from South America when compared to the existing locations being utilized in the Northeast," said Seaonus Director of Sales and Customer Service Randy McMaster. "We look forward to this opportunity and the potential growth it will provide for the port."

### **Mixed Cargo Challenges Made Easy**

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## FEATURE

## There's plenty of room to grow in Northeast Florida

### By Lori Musser

### By leveraging its superior

logistical offerings the Northeast Florida region is attracting diverse commercial warehousing and transload facilities. The region is already home to Dr. Pepper/Snapple, Fanatics, FedEx, Georgia Pacific, Mercedes Benz, and many others.

### The Competitive Landscape

Many hubs along the eastern seaboard are facing the dual challenges of land shortages and aging, obsolete warehouses. At the same time, high occupancy levels are expected to strain capacity and push warehouse development further from ports. For cargo owners, that could spell cost increases.



Northeast Florida has nearly 130 million square feet of industrial warehousing in place, 9.6 million of which is currently vacant with competitive leasing rates.

But, while many East Coast ports are facing this 'warehouse crunch' – exacerbated by anticipated gains in containerized trade brought by the Panama Canal expansion and global trade growth – Northeast Florida has plenty of room. There are almost 130 million square feet of industrial warehousing in place including several speculative (spec) buildings, as well as square footage under construction, and innumerable shovel-ready or build-to-suit properties.

### NORTHEAST FLORIDA INDUSTRIAL LEASING FAST FACTS

- Industrial vacancy rate: 7.7%
- Net absorption: 801,187 sf
- Average industrial rent asked: \$4.21/sf
- Average warehouse rate: \$3.84/sf
- More than 637,000 sf industrial under construction
- Market total exceeds 124.8M sf

Source: Colliers International, and CoStar Property Q2 2015

According to Tyler Newman, Associate Director of Global Supply Chain Solutions with commercial real estate services firm Cushman & Wakefield, "Vacancy is trending down," but, he added, there is plenty of inventory right now, and new spec buildings are going up that hold great appeal for companies with insufficient lead time for new construction.

John Richardson is President/Principal with Newmark Grubb Phoenix Realty Group. Richardson said, "We are on the radar screen for big companies." He cites client NorthPort Logistics Center, one of the largest contiguous warehouses in the area, which has 872,000 square feet of cross-dock loading and plenty of container and trailer storage space. He said largescale properties are not easy to find in the southeast U.S., but Northeast Florida can provide them. "Investors are looking in the Jacksonville area now because they can get decent stabilized assets and a higher return."

### **Top Selling Points**

The region's top selling points for site selectors include its labor, proactive economic development climate, exceptional quality of life, excellent transportation services, lack of arterial congestion, low tax structure, zero sales tax on manufacturing equipment, and a good inventory of speculative capacity to complement a vast inventory of build-to-suit sites. Florida is a right-towork state, has strong job training programs, and an excellent reputation for a quality lifestyle. Not to be overlooked, Northeast Florida has very competitive industrial leasing rates.

The region's labor force is a particularly compelling factor. Michael Breen oversees the international division of the JAX Chamber's economic development initiative, JAXUSA Partnership. He said, "The local workforce is 700,000 strong. Our military presence offers us up to 7,000 retirees per year. Some manufacturers have a workforce that is 50 percent

### NEWCOMERS PINPOINT LOGISTICAL ADVANTAGES

Northeast Florida is welcoming a stream of new commercial distribution and warehousing operators. Luxury appliance maker **Sub-Zero Group Inc.**, including its subsidiary Wolf Appliances, Inc., is moving its Atlanta and Orlando distribution facilities to a 120,000-square-foot warehouse space in Jacksonville. The company chose Jacksonville for its central location, competitive lease rates, available building layout, and transportation costs. "We just made a decision to consolidate to one larger warehouse. Jacksonville was logistically the center of that territory," said John Bergquist, President of Sub-Zero Group Southeast Inc. "Logistics made Jacksonville the most economical."

California-based **TruAire** also decided to move its distribution center to Jacksonville. They relocated their air conditioning unit imports from Savannah to a larger, 90,000-square-foot facility near JAXPORT. In an interview with Jacksonville Business Journal, Vice President of Operations Alex Yi said the majority of the company's customers are based in the Jacksonville area. Coupled with growing market share and weekly imports from Vietnam through JAXPORT, the relocation and expansion made sense.

The same advantages that attract distribution centers also captivate manufacturers. **GE Oil & Gas** executives said they chose Jacksonville for their advanced manufacturing facility due to available space, port and intermodal access, and the local talent pool. GE Oil & Gas's decision sends an important signal to the manufacturing community that all of the key factors for business growth are in place.

Area municipalities are sweetening the pot to appeal to even more companies. Green Cove Springs, for example, offers a 50 percent tax break for a \$1-million investment in manufacturing equipment and a workforce of 50 or more. former military." Employers appreciate the traits veterans bring to civilian jobs, which can include precise communication, impeccable execution, accountability, leadership skills and technical expertise.

Hobart Joost, Jr. is Senior Vice President specializing in Commercial and Industrial Real Estate at Colliers International Northeast Florida. He said the port, which he considers a leading industrial driver in the city, Class A rail access and the welltrained workforce are an important combination. Joost said, "We've had a lot of success with multimodal sales, for properties with water to rail and inland needs." His company handled the sale of the 46-acre LaFarge waterfront property and the property purchased by WesPac/Pivotal for future development of a liquefied natural gas (LNG) facility near the port.

### **Regional Brand Emerges**

Northeast Florida wants to build business. It has been able to overcome a relatively small urban base by offering globally competitive logistics and forward thinking. The JAX brand has emerged and manufacturers, cross-dock, transload and other commercial warehouses and distribution facilities are searching, liking, and choosing Northeast Florida to call home.



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## FEATURE

## JAXPORT well positioned for shipments through both Panama and Suez Canals

### By Lori Musser

**Built more than a century ago** to cut thousands of miles off ocean transits, the Panama Canal and Suez Canal needed to expand to serve the new wave of container and other megaships, and better support growing global trade.

### Suez - The Parallel Lane

The \$8 billion Suez Canal project has astonished the maritime industry, opening in August after a build schedule of less than one year. It added a 45-mile long second shipping lane, enabling two-way traffic along the entire length of the 102-mile canal. Carriers and cargo owners will save money because vessels

will no longer be delayed while waiting for other ships to pass.

The new channel will shave approximately seven hours off transit and eight hours off waiting time, accommodate more deep-draft vessels at one time, and almost double capacity to close to 100 vessels per day.

### Panama – Extra Locks

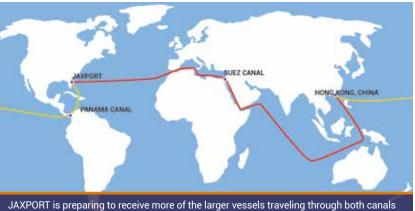
The Panama Canal expansion project, scheduled for completion next spring, includes a third set of locks to create an additional lane for larger ships. The expansion will allow passage by vessels that are more than double the current size — ships with up to 13,000-TEU capacity.

The new Panama Canal will cut vessel transit times from Asia to North America by more than 1,000 miles, approximately four days, depending on the port it is calling. It will reduce carrier dependence on U.S. West Coast ports for cargo originating in and destined for eastern parts of the U.S.

### **The Competition**

The two canals currently support similar TEU volumes, however, the Suez typically handles fewer larger vessels. The canals' market share by vessel size and route is about to be juggled.

The Journal of Commerce reports that the opening of the third set of locks will "overnight unlock the canal to 45 percent of the total container fleet," consisting of more than 1,300 ships already in service or on order and roughly 10-million TEUs of capacity.



JAXPORT is preparing to receive more of the larger vessels traveling through both canals now and in the years to come.

Analysts anticipate that the Panama Canal will be the immediate winner in a fight for container vessels up to 10 to 11,000 TEUs bringing in cargo from North Asia to the East Coast. Although larger vessels of up to about 13,000 TEUs will be served by the new Panama Canal, carriers are likely to delay the switch until East Coast deepening projects are completed.

The new Panama capabilities, coupled with lingering distrust associated with recent West Coast congestion/strike issues, will send more ships through the Panama Canal, improving economies of scale and ultimately benefiting cargo owners in the eastern U.S.

But the Suez Canal's niche will continue to be vital for carriers too. The Suez can already handle the largest container ships afloat and planned, and even after the Panama expansion is completed, the Suez will still be the only canal to handle vessels above 13,000 to 14,000 TEU. The Suez transit was just compressed by the better part of a day. And, although distance is shorter from North Asia to New York via the Panama Canal, analysts say costs are comparable and transit time is longer.

### The Upshot for Jacksonville

"As the larger vessels are put into service, the cascading of the smaller vessels will continue. The U.S. East Coast can expect the 5,000 through 10,000 TEU vessels as the norm depending on the trade lane, with some 12,000 TEU ships as well," said Roy Schleicher, JAXPORT'S Executive Vice President and Chief Commercial Officer. "We are already seeing nearly 9,000 TEU ships regularly here in Jacksonville through the Suez Canal. The East Coast ports must continue to prepare for the future."



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## FEATURE

## Regional trucking interests transcend challenges

### By Lori Musser

**The nation's trucking industry** is facing many challenges. Among them: rising costs, driver shortages, employee retention, wage hikes and the increased use of on-board technologies.

Northeast Florida has a variety of tools at its disposal that are alleviating some of the problems plaguing the rest of the nation. The region recognizes the importance of staying on top of trucking issues, especially with an ICTF coming on line and a strategy in place to attract more megaships that discharge loads in a very narrow window of time.

### **Beneficial Backhaul**

Michael Breen of JAXUSA Partnership is an expert in logistics, distribution and supply chain and transportation. He says that Jacksonville's ace in the hole is its very low backhaul rates.



13845 Alvarez Road, Suite 100, Jacksonville, FL 32218 904.741.4930 • www.airvaninc.com "Trucks are coming into the state from Savannah, Charleston, and as far as California. They serve Florida and Puerto Rico and go back empty," said Breen. Local manufacturers have an opportunity to fill



those empties and send them north and west at excellent rates.

### **Eight-Hour Delivery**

Three major interstates – I-95, I-10 and I-75 – connect the area with every part of the country; the entire southeastern market, 60-million-consumers strong, is accessible within eight hours. Trucking out of Jacksonville can shave up to a day off northbound transits versus other Florida ports.

"We can service everything east of the Mississippi and parts of Texas with an overnight delivery," said Breen. That is a distinct advantage. If a container is offloaded in Jacksonville it can be in Chicago before the northbound ship can sail into Savannah."

### **Cost Savings**

Jacksonville's central location keeps headhaul trucking costs in line too. Service to much of the Southeast is simply less expensive than it is out of Savannah or Charleston. In one recent comparison, Orlando, Atlanta, Memphis and New Orleans all fared much better out of Jacksonville with over-the-road savings ranging from \$105 to \$375 per load. Unloading costs are also lower and the all-important truck turn times are faster at JAXPORT compared to other Southeastern hubs.

### **Innovation at its Best**

Northeast Florida carriers take pride in innovation. Jacksonvillebased AV Logistics' CEO, Art Zimmerly, said that to succeed today a company has to offer far more than trucking services. "We like to think of ourselves as an information management company that efficiently manages the total logistics process for customers." In one case, AV Logistics was able to cut a customer's \$8-million demurrage bill by developing an automated system that captured the events that actuated the per-diem clock for demurrage. Zimmerly said smart drayage solutions can address many supply-chain issues.

### **Forward Thinking**

As the Jacksonville region further develops its natural gas business, myriad opportunities are emerging for trucking services. There is potential for operating-cost savings following powertrain conversion to natural gas, and there will be domestic and export cargo potential as regional fueling stations and liquefaction plants come online.

### TRAINING ADDRESSES SHORTAGES

Joe Lackey is Instructional Program Manager for Florida State College at Jacksonville's (FSCJ) Commercial Vehicle Driving School, one of several trucking schools in Northeast Florida. He said, "We put out 150 good students per year. We teach them everything they need to safely operate the vehicles, and, because a driver is a company's representative, we teach business elements such as customer service, procuring loads and map reading."

Collaborating with an industry advisory committee, the college structures its training to address concerns, trends, needs and technologies. For example, it recently added electronic logging to its curriculum.

It also has a full-motion simulator. "We can make it rain, snow, or be foggy. We can adjust it for the motion that comes with liquid cargo. We can program it for mechanical failures," said Lackey.

Because the biggest cost element for any truckload carrier is labor, finding quality drivers who can expedite moves and build business, even in a small way, can help the carrier's and cargo owner's bottom line.

Getting added value from drivers will be paramount going forward. Industry publications have reported a flurry of driver wage hikes across the nation, in response to a lack of eligible candidates and competition. The American Trucking Associations estimates the shortage at roughly 35,000 drivers, and climbing.

Learn more about FSCJ's Commercial Vehicle Driving School at fscj.edu/5100.



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### ON THE COVER

## Jacksonville and Puerto Rico: Investment, Innovation and Commitment

By Lori Musser



Puerto Rico's diversified economy is often hard to predict, but, undaunted, discerning carriers are making unprecedented commitments and positioning themselves – and the market – for long-term growth.

Jacksonville is the No. 1 U.S. port for trade with Puerto Rico. Its three carriers – TOTE Maritime Puerto Rico (formerly Sea Star Line), Crowley Maritime and Trailer Bridge – handle more than three-quarters of all mainland cargo moving to and from the island.

### **Incomparable Insight**

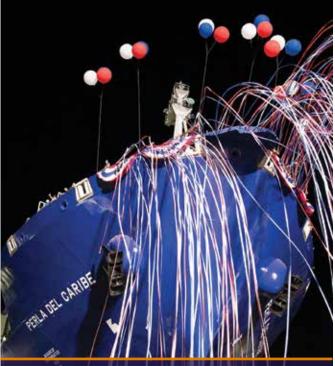
The current state of Puerto Rico's economy may be dire, but Jacksonville and its maritime community are more interested in the future. Yes, the powerful, established freight and tourism ties between the regions might wobble for a period, but there is great depth to this extraordinary market. Business relationships have been in place for so long that they have evolved into friendships. The trade is marked by commitment, loyalty and persistence. As the territory's economic crisis peaks, Northeast Florida's exceptional insight into the Puerto Rican marketplace will undoubtedly serve both regions well, with innovative short- and long-term solutions emerging to address new supply chain and transactional challenges.

The economic situation may precipitate a drop in certain types of Puerto Rican cargo in the months ahead, but, paradoxically, some types of cargo thrive in recessionary markets. JAXPORT has expressed its confidence that Puerto Rico will remain a significant component of the port and Jacksonville's business moving forward.

### The Market

In September, TOTE Inc., parent company of Puerto Rican carrier Sea Star Line and Alaskan carrier Totem Ocean Trailer Express, announced that the two companies would now be known collectively as TOTE Maritime. Jacksonvillebased TOTE Maritime Puerto Rico (formerly Sea Star Line)

### ON THE COVER



On Aug. 29, 2015, TOTE and NASSCO launched Perla del Caribe, the second of two Marlin Class ships built at the NASSCO shipyard in San Diego. These first containerships in the world to be powered by liquefied natural gas will be homeported at JAXPORT.

offers integrated transportation services to and from Puerto Rico with simultaneous roll-on/roll-off (ro/ro) and lift-on/lift-off (lo/ lo) capabilities. TOTE Maritime Puerto Rico President Tim Nolan cites bright spots in the Puerto Rican market. For example, in first quarter 2015, market volumes dipped slightly, but the refrigerated cargo sector experienced 20 percent growth.

Crowley Maritime Corporation, active in the Caribbean and Latin America, as well as Alaska, has been in the Puerto Rican market for more than six decades. The company began the year with growth in volumes. Crowley's Senior Vice President and General Manager of Puerto Rico Liner Services, John Hourihan, said that Puerto Rico has had a downward economic trend since 2006, and

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macro-indicators are still negative. "It continues to be a challenging market," but, one to which Crowley remains committed, he said.

Trailer Bridge has a unique business operating towed barges that transport cargo in 53-foot containers between the U.S. mainland and Puerto Rico and the Dominican Republic. "Trailer Bridge has been servicing the Puerto Rico trade for nearly 25 years and we will remain in the Jacksonville-San Juan trade lane through the continued support of our clients. Customers will continue to need the cost effective barge and 53-foot container option we provide," said Mitch Luciano, the company's president.

### **TOTE Maritime Puerto Rico's Investments**

TOTE Maritime Puerto Rico's market commitment comprises a remarkable series of vessel and terminal upgrades. Nolan said, "With new Marlin Class vessels entering the market later this year, there are nine improvement projects tied to the new vessels. These projects range from terminal and technology improvements to new cranes in Puerto Rico and new equipment builds." The terminal improvements are designed to provide faster turn times and improved operational productivity, and include a new terminal operating system to expedite flows, reduce congestion and enhance safety.

To accommodate the new lo/lo vessel design and larger sized vessels, TOTE Maritime Puerto Rico is investing heavily in new 53-foot dry containers, 53-foot auto frames and three new cranes.

Peter Keller, Executive Vice President of TOTE, Inc., said the new 3,100-TEU ships offer a substantial capacity increase to the trade. Keeping to its twice-weekly sailing schedule from Jacksonville to Puerto Rico, "These ships will allow for growth over an extended period of time. We believe in renewed growth in Puerto Rico." The line's first LNG vessel, christened Isla Bella, launched in April and is scheduled for arrival at JAXPORT in late 2015. A second ship, christened Perla del Caribe, launched in August and will follow in early 2016.



TOTE is no stranger to innovation. It will be incorporating, for example, 12 specially-designed, 8,000-gallon, stainless steel liquefied fructose tanks, primarily for the beverage market, into its new dual-fuel vessels. Keller said, "Each is the size of a 53-foot container and we marry them together with an internal piping system. The sweetener can be pumped on and off the ship, but the tanks are semi-permanent and can also be lifted on and off." In another innovative solution, until a fueling station in Jacksonville is completed, the line will have fuel trucked in via ISO containers and stored underground. "The fuel will be transferred to the ship using a proprietary transfer device designed by our partners. This is not done anywhere else in world. There's a whole bunch of firsts here and this is just another one of them," Keller said.

### **Crowley's Investments**

Crowley's first combination container and roll-on/roll-off (ConRo) LNG-fueled vessel, El Coquí, will be delivered in May 2017, and the second, Taíno, will follow at the end of 2017. Its vessel upgrade program will increase capacity roughly 50 percent, according to Hourihan. He said Crowley's new vessels, in concert with a 30-year lease extension and \$108-million Puerto Rican terminal conversion, 'in one fell swoop' address new environmental regulations and the diminishing returns associated with maintenance of an aging ro/ro fleet. Emissions are reduced, fleet maintenance costs fall, capacity rises, and lo/lo operating efficiencies emerge. To accommodate the switch to lo/lo, Crowley will move from its privately-owned facility in Jacksonville to a 65-acre JAXPORT facility at Talleyrand.

Hourihan said, "We are kicking off 2018 with a whole new mode." It will cut vessel transit time in half – to 2.5 days – and open up market potential for more time-sensitive cargo. He added the company is excited to be supporting American jobs through vessel and terminal construction, and to be playing a key role in building Puerto Rico's economy, industry and markets.

Crowley recently introduced 16 40-foot ISO tanks for LNG to its fleet. They will be used by the company's Carib Energy group to serve customers in Puerto Rico, as well as other parts of the Caribbean



Crowley's Commitment Class LNG-powered ships are being constructed with cargo capacity for approximately 2,400 TEUs and additional space for nearly 400 vehicles in an enclosed roll-on/roll-off garage.

## LNG-POWERED VESSELS: WHY PUERTO RICO?

LNG has gained favor as a marine fuel as enforcement of the International Maritime Organization's North American Emission Control Area (NAECA) approaches. Because sulfur emissions will be limited and the use of bunker fuel banned within 200 miles of the U.S. (and 50 miles of Puerto Rico), natural gas has become a clear favorite as a successor. It improves air quality by decreasing emissions of NOx, SOx, carbon dioxide and particulate matter.

LNG-powered vessels are coming to Jacksonville because:

- 1. New Environmental Standards/Location: Puerto Rico and Jacksonville are both within the NAECA.
- 2. Closed Loop: Jacksonville is the No. 1 U.S. port for Puerto Rican freight, and the vessels that ply the trade essentially travel a closed loop – serving a limited number of ports, in a definitive range.
- 3. Fueling Station Availability: The vessels and their fueling and fuel storage systems can be designed with set travel distances and fuel supply access in mind.

The Puerto Rico trade lane will be serviced through JAXPORT by some of the world's most environmentally friendly containerships, with NOx emissions expected to be reduced by up to 98 percent, SOx by 97 percent, carbon dioxide by 72 percent and particulate matter by 60 percent.

and Central America. Kevin Frantz, LNG Engineer for Crowley Maritime, said, "The 40-foot tanks feature special technology that allows them to transfer fuel faster, improving overall efficiency." He said, "LNG is really the fuel of the future," offering lower emissions and higher efficiencies. "What is really unique about this tank is that it is a high capacity tank. If we have 10,700 gallons of LNG, we can produce over 600 times that amount of natural gas. The customer can realize about a 20 percent reduction in cost over diesel fuel at

> their facility." LNG is expected to be a boon to Caribbean islands hamstrung by exorbitant fuel costs.

### **Trailer Bridge Investments**

Trailer Bridge recently signed a new 10-year lease contract (with two five-year options) with JAXPORT, which Luciano said solidified commitment to the market. The agreement continues the company's operations on a 32-acre parcel at the Blount Island Marine Terminal.

Continued on page 16

## ON THE COVER

Luciano added that Trailer Bridge is "the current provider of the newest fleet in the trade" with numerous recent investments in port operations, equipment, and personnel. "We've ordered three new cranes for our Jacksonville port operations and we expect those new cranes to provide cost efficiencies that we can pass on to our customers. We continue to bring on talented personnel, in all departments, to provide more timely and accurate information to our clients. Our customers know the long term importance of having options in the Puerto Rico trade and with that understanding they have committed to long term contracts so we all can plan for the future."



Trailer Bridge, which recently signed a new long-term lease contract, offers a unique business operating towed barges that transport cargo in 53-foot containers between Jacksonville and Puerto Rico.

### LIQUEFACTION PLANTS ARE ON THE WAY

Liquefying the methane present in natural gas makes transporting the fuel at atmospheric pressure in the form of LNG possible. Natural gas is liquefied by lowering the temperature to -260 degrees Fahrenheit (-160 degrees Celsius). Before LNG can be used as a fuel source, it is heated and returned to its original natural gaseous state.

Although limited due to the number of liquefaction and regasification facilities currently in operation, LNG is gaining momentum and Northeast Florida businesses continue to pioneer the use of this cleaner, safer fuel in the maritime industry.

### WesPac/Pivotal LNG

Last year, California-based WesPac Midstream LLC (WesPac) purchased a \$12-million, 36-acre waterfront site for its LNG liquefaction plant in North Jacksonville. LNG producer and supplier Pivotal LNG Inc. will join WesPac in providing clean burning LNG fuel in Northeast Florida. With TOTE Maritime Puerto Rico as an anchor customer, the new plant will launch with strength.

Kevin Worley, Vice President of Commercial Development for WesPac, said, "We are right on track with permits. The warehouse on the site has been demolished and we are removing the concrete slab. After the site is completely cleared we will begin on piping, the liquefaction plant, and tanks." He said market development is underway and construction will start in the fourth quarter. The plant is expected to be operational in late 2016.

### **Eagle LNG Partners**

Eagle LNG, the natural gas partnership between Ferus Natural Gas Fuels and GE Ventures, has begun its pre-filing review process with the U.S. Federal Energy Regulatory Commission (FERC) for its Jacksonville project. The proposed facility would receive and liquefy natural gas, store the LNG produced, and bunker vessels or load LNG for export to the Caribbean. The company plans to begin by serving small-scale export markets but will address domestic demand as it builds.

Jack Chang, Director of LNG Development for Eagle LNG, said that the company is working diligently and hopes to complete its FERC filing by year end, then initiate construction, pending FERC approval, before the end of 2016. The facility should be ready to produce in the latter half of 2018.

Chang said that the two planned liquefaction plants are very different. He said, "They [WesPac/Pivotal] are focused on domestic and we are focused on export. They are selling marine – and our plan is to service Caribbean islands." To do so, Chang said, the supply chain will involve small LNG vessels with internal tanks.

Eagle's proposed capacity at full build out is 900,000 gallons per day. Chang said that would essentially be a year's supply of LNG for three 'smaller' electric power facilities.

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## GUEST COLUMN

## Florida: The right climate for business

### By Bill Johnson, Enterprise Florida CEO

The world knows Florida as a premier tourist destination. Our beaches, climate and attractions bring nearly 100 million visitors to our state every year.

But as so many of you doing business through Jacksonville already understand, Florida is—and always has been—a premier destination for private business to prosper.

Enterprise Florida, the state's primary economic development organization, works to let global business know that our state is the right place to re-locate, expand or start-up a venture.

Florida's business environment consistently earns high marks when measured by such factors as taxes, regulatory environment and available workforce. In fact, according to Chief Executive Magazine, more than 500 CEOs surveyed voted Florida as the second best place in the nation to do business for the fourth year in a row. And we're gaining on No. 1!

**Pro-business tax policies.** In Florida, there is zero personal income tax and a state constitutional provision guarantees it will stay that way. Coupled with a low corporate income tax (5.5 percent compared to approximately 9 percent in states such as California, New Jersey and Illinois) and numerous industry-specific tax exemptions, your business dollar goes further in Florida.

**Excellent infrastructure.** With one of the most extensive multi-modal transportation infrastructures in the world and billions pledged to enhancing that system during this decade, Florida can move people and products anywhere quickly and efficiently.



Bill Johnson Enterprise Florida

**Global trade center.** Located in the center of the hemisphere and known worldwide as the "Gateway to the Americas," Florida is a leading trade and logistics hub. The state is host to hemispheric and regional headquarters for companies across the globe and is ranked No. 1 in the U.S. for foreign investment.

**Skilled, diverse workforce**. Florida's workforce is deep and culturally diverse. The state has top-ranked universities and colleges providing businesses with a constant flow of skilled employees including those in high demand fields such as information technology, engineering and healthcare.

**Quality of life.** Florida now ranks as the nation's third most populous state. Yet, Florida offers an enviable quality of life and an affordable cost of living. This is a great place to live, work and play.

We invite you to help us spread the word about our competitive advantages and welcoming business climate. Call on us any time for further information on re-locating, expanding or starting up here in the Sunshine State.  $\Box$ 



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## PROFILE

## Q&A: New Captain of the Port discusses role, relationship with JAXPORT

### By Staff

### Captain Jeffrey Dixon assumed leadership of the U.S. Coast Guard Sector Jacksonville in June 2015.

Capt. Dixon, who previously served as Deputy Sector Commander for Coast Guard Sector New York, is a native of Panama City, Fla., and received his commission in 1990 after graduating from the United States Coast Guard Academy. He is the recipient of many high-level meritorious service and achievement awards.



Leadership of U.S. Coast Guard Sector Jacksonville was transferred to Capt. Jeffrey Dixon (right) during a Change of Command ceremony in June.

As Commander of the Sector Jacksonville, Capt. Dixon also holds the title of Captain of the Port (COTP) and oversees the activities of all area active duty Coast Guard personnel, reservists, civilians and volunteers.

JAXPORT Magazine recently caught up with Capt. Dixon to discuss his new role.

## JAXPORT Magazine: For those not familiar, what are the responsibilities of the COTP?

**Capt. Jeffrey Dixon:** I am responsible for enforcing ports and waterway safety and security and marine environmental protection regulations, including regulations for the protection and security of vessels, harbors, and waterfront facilities; anchorages; security zones; safety zones; regulated navigation areas and incidences of water pollution.

One of my more visible public functions is to prepare for severe weather events such as tropical storms and hurricanes. When

Erika looked like it might cause us a problem recently, we convened a Port Coordination Committee call to engage the port and major maritime stakeholders. We heard their concerns, and priorities, both pre and post storm. Our Maritime Transportation System Recovery Unit (MTSRU) activated and began tracking such issues as vessels requesting to stay,



U.S. Coast Guard Sector Jacksonville

heavy weather evasion plans, and other information critical to addressing threats to the port.

### JM: What is your primary focus as a leader?

**CJD:** Taking care of the men and women I am honored to lead, along with their families. Jacksonville is a military friendly region; I hope people understand how much that is appreciated by those of us who serve. To that end, I make it a priority to engage in any venue that makes taking care of military families a priority...we have some great ones here. We are all blessed to be able to call Jacksonville home, no doubt!

I am humbled by the job the men and women of Sector Jacksonville do every day. Anytime I can share their successes, I want to. I want the Jacksonville community to be as proud of these men and women as I am.

## JM: How important is the relationship between the U.S. Coast Guard and JAXPORT?

**CJD:** The Coast Guard/JAXPORT relationship is critical to the success of this entire region. Like JAXPORT, I have to understand the needs of the port and maritime stakeholders that call and do business in this region. If we understand, then we can anticipate issues and work together to resolve them to the satisfaction of everyone involved. At the end of the day, one of my top goals is a safe, prosperous maritime industry, so communications, understanding, and continuous engagement are recurring themes.

## JaxPilots: Expertly guiding ships from sea to berth and back again

### By Lori Musser

**Piloting a large containership** has been likened to steering a skyscraper turned on its side – not an easy feat under any circumstance. Ship captains may visit a hundred different ports per year. It stands to reason that they can't know all the unique aspects and potential hazards of each and every harbor, waterway and port.

Enter the harbor pilots, or in Jacksonville's case, the St. Johns Bar Pilot Association - JaxPilots.

JaxPilots are experts in safely maneuvering ships in and out of the port. JaxPilots hold unlimited endorsements as First Class Pilots and have extensive leadership experience from their prior service at sea. They are among the most intensely trained and experienced mariners in the world, and have indispensable analytical expertise.

Captain Tim McGill, President and CEO of JaxPilots, said, "A ship's captain doesn't have the ship handling expertise for close proximity, confined spaces, and shallow waters. They just don't get sufficient practice."

Navigating the St. Johns River is made particularly challenging by a complex current and tidal situation and draft restrictions. JaxPilots do it on every size, class and type of ship.

Once a pilot reaches a vessel's navigational bridge and exchanges handling, maneuvering, equipment and other information with the masters, the pilot takes control and proceeds up the river and then to the dock. The master, officer of the watch, and helmsman are all critical members of the bridge team and remain on the bridge throughout to follow the pilot's guidance.

Training and technology have advanced to the point that today's pilots are capable of cutting risks dramatically while entering and exiting a port.

"Technology is one of the most important things we have had to embrace. We do simulator-based training for new vessels. We carry independent GPS. Our iPads are equipped with specialized software that collects data from independent sensors, giving us very accurate speed, course, heading and rate of turn, and a physical representation of the ship with radial vectors," according to McGill.



To board a ship, pilots must transfer from the small pilot boat, which is moving alongside the large vessel at about 8 knots, by catching and climbing a ladder up the side of the ship. They do this in all weather conditions, day and night.

JaxPilots serve the interests of the people of the region, and exercise independent judgment to ensure safe operation of the vessel. This protects communities and the environment, and helps preserve economic benefits generated by shipping.

Safety is their first priority, but the pilots do consider customers and address vessel and trade economics. Knowing that a few hours in transit and a few inches of additional keel clearance can determine whether a carrier can profitably call on the port, they are working hand in hand toward channel deepening and other improvements with the port, vessel owners, the U.S. Army Corps of Engineers, and others.

Captain McGill said, "This port is the lifeblood of our economy, so we invest in physical hydrographic modeling, vessel simulations, technology enhancements, and training initiatives to keep commerce moving safely. When the big vessels arrive, we are ready."

Connect with the JaxPilots on Facebook to see photos and videos of their experiences piloting vessels in and out of the Jacksonville harbor: Facebook.com/StJohnsBarPilots.

## PROFILE

## "Clerks and Checkers" keep port operations running smoothly

### By Laura Jane Pittman

**Port operations are famously intricate** – with so many things going on simultaneously that it is often difficult to pinpoint job descriptions. Transportation and logistics professionals known as clerks and checkers – represented at JAXPORT by International Longshoremen's Association (ILA) Local 1593– help keep things running smoothly.

Checkers and clerks handle logistics issues and various cargo related documentation – payroll, ship planning, cargo, and many other tasks for a number of port vendors. "Casual" workers start out on the docks and work their way up through a series of certifications, with four levels to achieve before obtaining the designation of qualified regular.

ILA Local 1593 currently has 87 qualified regulars and 60 to 70 casuals.



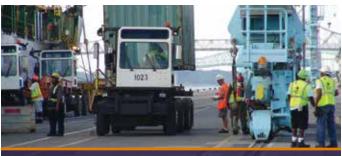
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The Checker (in orange) compares the information on the container to the Customs document to ensure the right cargo is being moved.

"There is a tremendous amount to know, with different information for each company a clerk is working for," said Mark Ortega, President of ILA Local 1593. "It is a multi-faceted job that uses a variety of applications, mostly computer-based. Experience dictates everything."

Ortega is a third-generation logistics worker. His grandfather was a rail engineer, back in the days when the docks were made of wood. His father was a clerk and checker and also former president of ILA Local 1593.

Ortega started at age 17 on the docks, graduated from college and worked for a time at UPS, and then returned to the industry and became a qualified regular in 1990. His son is a casual, and even his 12-year-daughter is showing a strong fascination in her dad's business.

"A lot of us are multi-generational workers, and my father charged me with maintaining the highest standards like he did," said Ortega. "He is a great mentor. He and I still talk business, and he understands the challenges of the industry and the intricacies of the ILA leadership."

ILA Local 1593 has reached out to the University of North Florida to educate and attract students in the school's transportation and logistics program. There are opportunities, said Ortega, for students to get work experience and learn the industry.

"I would tell anyone who is going into the field that there are really good jobs and career opportunities on the labor side," said Ortega. "We are excited about the growth at the port, our strong relationships with management, and the strong, young, welleducated generation that we are seeing in the workplace. The future is bright."

## Small Business Profile: Construction & Engineering Services Consultants, Inc.

### by Laura Jane Pittman

JAXPORT recently awarded a multi-year Construction Management and Inspections Services contract to minorityowned and operated Construction & Engineering Services Consultants, Inc. (C&ES). Founded in 2007 by Steve Davis, C&ES offers professional construction management, inspection and engineering services to municipal, government and private clients.

"Having opportunities open to all has a proven, positive impact on the economic health of our community and that's a crucial part of our work here at the port."

Although firms certified under the Jacksonville Small and Emerging Business (JSEB) program have served as sub-contractors in the past, this agreement marks the first time that a JSEB has been selected as a prime contractor for port projects.



Davis served as a president of the project and construction management firm CMTS, Inc. for 11 years, first in Portland, Ore., and then Jacksonville, before opening C&ES in 2007. C&ES provides such services as construction services and management, design work for roadways, site grading, water and sanitary sewer utilities, environmental remediation, debris management services, project cost control and inspections.



JAXPORT Board Chairman Dr. John Newman congratulates Construction & Engineering Services Consultants, Inc. (C&ES) Owner Steve Davis on the new contract

Davis has grown the company to 10 full-time and seven parttime employees. His senior staff has more than 65 years of combined experience in civil and environmental engineering. The company has partnered with a number of public and private sector clients, including the local electric and transportation authorities, Florida Department of Transportation, Jacksonville University, and numerous engineering and construction firms.

Under the JAXPORT contract, C&ES Consultants will perform routine facility inspections as well as management services as-needed during all phases of construction for JAXPORT's capital improvement projects.

"The opportunity to work for JAXPORT means a lot to me and my organization," said Davis. "There is a lot of pressure in this business, but I truly love what I do. I can't wait to see what we will be involved in at the port and to be part of its vision for the 21st century."

"Contracts like this ensure that everyone has access to what I see as the American Dream: to make a real contribution and prosper," said JAXPORT Board Chairman Dr. John Newman. "Having opportunities open to all has a proven, positive impact on the economic health of our community and that's a crucial part of our work here at the port."

## PORT NEWS

## SSA Cooper handles Maersk, MSC and CMA CGM at JAXPORT

### By Laura Jane Pittman

**SSA Cooper – a subsidiary of SSA Marine,** the largest cargo terminal operator in the world – has been contracted to handle full-service stevedore operations for Maersk Line, Mediterranean Shipping Company (MSC) and the CMA CGM Group at the former APM Terminal at Blount Island.

JAXPORT welcomed TP10, a new service offered by the alliance between the U.S. East Coast and Northern China and South Korea, in July. The carriers provide weekly direct service from Jacksonville to Xingang, Qingdao and Shanghai in China and Busan in South Korea.

SSA Cooper is a joint venture between Cooper/T. Smith and SSA Marine and provides stevedoring services throughout the South Atlantic region. SSA Cooper, which has had a presence at JAXPORT since 1989, is experienced in container, breakbulk, automobile, cruise and ro/ro handling.





The first vessel of the new TP10 service called on JAXPORT's Blount Island Marine Terminal on July 16, 2015.

"We are a very diverse company and appreciate being involved in so many aspects of JAXPORT," said Frank McBride, Vice President of Florida Operations for SSA Cooper. "Our relationship with the port is wonderful, and we have tremendous mutual respect for each other."

SSA Cooper credits its employees for its success, touting people as its number one asset. The company prides itself on quality supervision within the company, encouraged by internal promotions, and a large number of long-tenured employees.

"We have been family owned for a long time, we treat our employees like family, and that translates and is passed on in customer relations, as well," said McBride. "We are excited about the port's growth and about future developments such as the deepening of the harbor. We plan to continue the work we are doing at JAXPORT and to expand right along with it."

### SSA COOPER

Shippers can log onto SSA Cooper's website to track, trace, check releases and vessel schedules for cargo through Blount Island at: https://bij.tideworks.com/fc-BIJ/

For more information, contact Pat Schulz at (904) 665-0411 or Pat.Schulz@SSAMarine.com.

## First rail lines placed at JAXPORT's new intermodal facility

### By Staff

JAXPORT marked a project milestone in August as construction workers placed the first rail lines for the new Intermodal Container Transfer Facility (ICTF) at Dames Point. The facility will complement existing on-dock rail at JAXPORT's

Talleyrand and Blount Island Marine Terminals and further enhance the competitiveness of the adjacent TraPac Container Terminal.

The ICTF will be operational by early 2016 and will allow the direct transfer of containers between vessels and trains, speeding up the shipment process and reducing the number of trucks on the road. The ICTF will allow for



two unit trains each day (one inbound and one outbound) carrying up to 200 containers each.

The facility will provide existing and future customers with enhanced intermodal connections, including direct access to CSX-owned rail lines and the U.S. Interstate System, including I-95, I-10, I-295 and I-75 via I-10.

In addition, an effort to develop a cross county rail connector on Jacksonville's Northside is gaining momentum. The proposed connector will link to JAXPORT's ICTF, as well as Blount Island and Dames Point, and help facilitate the flow of goods by saving time and bypassing congested areas of the city. The North Florida Transportation Planning Organization is championing this project.

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### PORT NEWS

## Babaji Shivram establishes Jacksonville/India connection

By Laura Jane Pittman

Babaji Shivram Clearing and Carriers, a relative newcomer to the JAXPORT scene, has been steadily increasing its presence and its consignments since arriving nearly a year ago. The India-based company provides freight forwarding, customs clearance, marine logistics and warehousing, among others services.

Founded in 1976, Babaji Shivram is one of the oldest and largest providers of end-to-end logistic solutions in the Indian market. Babaji Shivram's Mumbai headquarters employs more than 700 workers and manages 65,000 TEUs annually, with 3 million square feet of warehouse space. The company entered the international market in 2000 and has since established a global network in 80 countries, catering to more than 15 industry sectors with upwards of 250 multinational clients, including Fortune 500 companies.

Seeing a unique opportunity to launch and cement a strong India-USA relationship through JAXPORT, Babaji Shivram opened a Jacksonville office in December 2014, headed by Executive Director Ridhi K. Davada, whose grandfather started the company.

"Since coming to Jacksonville, I have been working to establish our presence here by partnering with local logistic companies in an effort to increase opportunities between India and the U.S.," said Davada. "Babaji Shivram sent its first shipments in June 2015 and we have been steadily growing volumes over the past



few months. We have also developed key relationships with local logistic players such as Crowley Maritime, Pilot Freight Services and Spectrum Logistics, among others."



Ridhi K. Davada Babaji Shivram

Davada also notes that there is an already growing presence of Indians, local Indian-run businesses and India-based corporations in Jacksonville, particularly in the pharmaceutical, banking, retail and IT sectors. "Corporations in India are becoming more aware of the Jax/India connection. We have received encouraging feedback from senior logistic managers across our client base and they are now considering JAXPORT as a viable and sustainable alternative."

### "...Senior logistic managers across our client base are now considering JAXPORT as a viable and sustainable alternative."

JAXPORT's ongoing investments in major growth projects including harbor deepening, rail facilities, updated cranes, berth enhancements and other terminal infrastructure improvements underscore the port's commitment to future growth for its customers and contribute to its appeal.

"JAXPORT has many distinctive benefits including state-ofthe-art port facilities, excellent road/railway connectivity, low impact from weather variances, no port congestion and other economic benefits, making it a uniquely attractive frontier for business expansion," said Davada. "Throughout the past year, JAXPORT's staff has provided exceptional support and we are very positive about continuing to increase trade flow between India and Jacksonville."

### **BABAJI SHIVRAM CLEARING & CARRIERS**

Ridhi K. Davada, Executive Director (904) 258-1800 ridhi@babajishivram.com • BabajiShivram.com

## JAXPORT joins cold-treated produce pilot program

### By Staff

**JAXPORT has received approval** from the federal government to import select cold-treated produce from certain South American markets for the first time.

Starting Oct. 1, 2015, Jacksonville will begin participating in this pilot program run by the U.S. Department of Agriculture, U.S. Customs and Border Protection, and the Florida Department of Agriculture and Consumer Services.

JAXPORT tenants and customers will have the ability to import apples, grapes, blueberries, pears and citrus from Peru, Uruguay and Argentina. These perishables have traditionally been imported through northern U.S. ports and trucked to the Southeast. The expanding pilot program in Florida will mean fresher produce on the store shelves for consumers and will help reduce transportation costs throughout the supply chain.

For more information, visit JAXPORT.com/reefer.



### PERMIT SERVICES AND QUESTIONS

Michael Mulligan, State Operations Coordinator, USDA (352) 313-3047 Michael.J.Mulligan@aphis.usda.gov

## Porsche selects JAXPORT as Southeastern U.S. hub

### By Staff

**Porsche Cars North America, Inc. (PCNA)** has announced its selection of JAXPORT as its port of entry for new Porsche vehicles bound for dealers in the Southeastern United States, effective October 2015.

"Porsche conducted an extensive bid process and found JAXPORT and the selected processing company, AMPORTS, offered the optimum combination of efficiency, quality, and service," PCNA Vehicle Logistics Manager Howard Chang said.

In February, Volkswagen Group of America announced the move of their import facility for cars and SUVs and its Southeast U.S. distribution operations to Jacksonville. Porsche vehicles travel on the same vessels as Audi, Bentley, and Volkswagen vehicles bound for the region. "Our goal is to ensure every waiting Porsche customer receives the car they want as fast we can get it to them," Chang noted.



"We are grateful for Porsche's confidence in us and we are proud of the work done by our tenants, partners and employees," said JAXPORT CEO Brian Taylor. "All of us at JAXPORT are dedicated to reinforcing our reputation for vehicle-handling each and every day and announcements like this are the reward for our continued commitment to excellence."

## CONNECT

## JAXPORT's Schiappacasse has big plans for International Propeller Club

### By Laura Jane Pittman

**Rick Schiappacasse,** JAXPORT's Director of Latin America Sales, has big plans for his term as president of the



Rick Schiappacasse JAXPORT

International Propeller Club of the United States. Schiappacasse has been active in Propeller Clubs for many years. He served as President of the Baltimore chapter, joined Jacksonville's club after coming to JAXPORT in 2013, was elected First Vice President of the International Club and has served as liaison to the European Association. The Propeller Clubs concept began in the early 1920s with chapters, including Jacksonville's, formed during that decade. The first overseas club started in 1932. Today, there are more than 80 Propeller Clubs, including 30 in foreign cities. Members represent a wide cross-section of the maritime industry working to educate legislators and the public on the importance of waterborne commerce and international trade.

Schiappacasse has clear goals as head of the international club, including developing a more active web presence with special advantages for members, strengthening clubs with fluctuating memberships, working on membership retention and improving communication between members and leadership.

"We have a tremendous international presence, with more than 6,000 members worldwide, and I am looking forward to leveraging our relationships – particularly with the European division," said Schiappacasse. "We believe better web access will provide our members with resources they need."

Schiappacasse says he plans to address membership retention and chapter growth by tapping the expertise of members who have previously held local board position. He would like to encourage the formation of an advisory council to give seasoned members the opportunity to share their knowledge with others.

The U.S. organization is also focusing on student outreach and has partnered with student boards to increase future membership. Area clubs contribute toward local charities and college scholarships.

"Propeller Club members have so much to offer—they are pilots, maritime attorneys, port executives, freight forwarders and more. Our board members have tremendous energy and passion. We plan to capitalize on all of that to build value for each and every member and benefit the entire maritime industry."

Learn more about the International Propeller Club of the U.S. at PropellerClubHQ.com  $\hfill\square$ 

### **CONNECT WITH RICK**

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## COMMUNITY

## JAXPORT donated equipment shaping future workforce...

### By Staff

**Two diesel engines donated by JAXPORT** are now being used for training students enrolled in the Diesel Technology program at Jacksonville-based Jones Technical Institute (J-Tech). J-Tech is a non-profit educational institution that equips graduates with the skills needed for in-demand careers in the automotive and transportation industries.

The donated Caterpillar brand engines are scrap parts from equipment used at JAXPORT's Talleyrand Marine Terminal. J-Tech students took the engines apart before reconditioning them to factory specifications. The previously inoperable engines are now running like new and are used as models to help teach students how to diagnose, troubleshoot and repair complex engine parts.

J-Tech's hands on laboratory uses donated equipment and spare parts to allow students to practice fixing and maintaining diesel-powered equipment of all types.

"Hands-on learning provides invaluable experience for students," said Jim Baird, J-Tech Director



of Education. Baird has particular expertise in this area: before joining J-Tech he served as a mechanic and crane technician at Talleyrand Marine Terminal for 15 years. "We are very grateful to JAXPORT for demonstrating this commitment to J-Tech and to the next generation of service technicians who will help keep the transportation industry moving forward well into the future."

## ...And enhancing lives of local veterans

JAXPORT also recently donated a Ford Windstar to Jacksonville's Five Star Veterans Center. Currently home to 28 veterans, Five Star is a non-profit dedicated to making a positive impact on the community by offering transitional housing, job placement, financial counseling and other assistance to veterans in Northeast Florida.

The donated van previously transported equipment parts for repair work at JAXPORT's marine terminals. Five Star Veterans Center directors now use the van regularly to pick up and deliver supplies, and to transport residents to work, classes and medical appointments.

Michael Martinez, U.S. Army Veteran, who served in Desert Storm, was a resident at the center while working towards obtaining his commercial driver's license (CDL). In July 2015, Martinez began the driving portion of his training, with plans to join the Northeast Florida trucking force upon completion. He credits the van with making it easier to attend his classes. "This is an example of what can happen when people get together and work to take care of those who have a need," said Five Star Veterans Center CEO Col. Len Loving, USMC



(Ret.). "It really is a godsend because we have so many needs. I deeply appreciate the support we received from JAXPORT."

"Helping Northeast Florida's veterans is something that's very near and dear to our hearts at the port," said JAXPORT CEO Brian Taylor. "About a third of JAXPORT's employees are also veterans so we are honored to give back to those who have sacrificed so much to serve our country."



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## COMMUNITY

## ILA Local 1408 helps area students pursue higher education

### By Laura Jane Pittman

**Since 1995,** the International Longshoremen's Association (ILA) Local 1408 Scholarship Fund has awarded hundreds of thousands of dollars to area high school and college students, furthering one of the union's priorities: providing educational opportunities to the future workforce of Northeast Florida. ILA Local 1408 supplies labor including mechanics, warehouse workers and stevedores for JAXPORT and has connected more than 1,200 workers with jobs.

In August, ILA Local 1408 awarded more than \$23,000 in scholarships to 24 deserving students – including University of North Florida senior Tinesha Spencer. Scholarship award requirements included having a GPA of 3.0 or better, showing evidence of community service and writing an essay on how the transportation industry has benefited the region's economy.



INTERNATIONAL LONGSHOREMEN'S ASSOCIATION #1408

> 2040 East 21st Street Jacksonville, FL 32206 (904) 358-1314 www.ila1408.org President: Vincent Cameron

ILA 1408: "The Professionals" "Keeping the flow of goods and Services moving around the world"

### CATCH THE ILA WAVE!





Scholarship winner Tinesha Spencer with ILA Local 1408 Scholarship Fund Chairman Charles Spencer

Spencer, a two-time scholarship winner, focused her essay on three main points relating to the city's infrastructure: the dredging and deepening of the shipping channel, Jacksonville's accessibility to major highways and its proximity to the coast.

Deepening the harbor to

47 feet wrote Spencer, will create "an array of jobs for the city and boost Jacksonville's economic expansion." Spencer's father works for the ILA, and she also credited the transportation industry with helping her family to have basic necessities.

For Spencer, winning a scholarship was one of the motivations she needed to continue with her education, after nearly giving up on school.

"I have a four-year-old daughter, so I have a lot of responsibilities outside of school. Then my mom passed away two years ago of stomach cancer," said Spencer. "I helped take care of her, and it was a very difficult time. I thought about not going back to school, but the opportunity to apply for the scholarship motivated me to continue. It has been my parents' dream for me to graduate college. I want to do it for my daughter, and to make my mom proud."

Spencer is majoring in public health at UNF and plans to become a health educator working with teenagers.  $\Box$ 

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For more information about how we can serve your company, contact:

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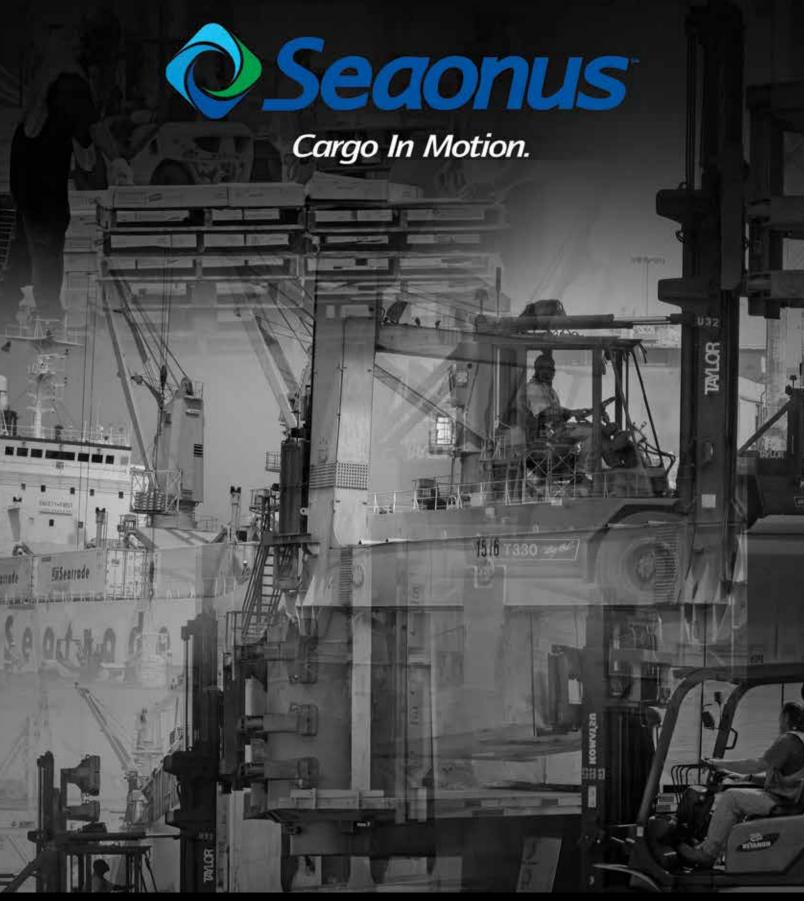
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Suwannee County is "open for business" and offers some incentives and amenities worth considering:

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- CSX mainline rail access direct to JaxPort
- Low tax rates and no impact fees
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- 500-acre regional industrial park with I-10/90 frontage-on-site rail
- 177-acre industrial sites with I-10 frontage—rail spur
- Located within Foreign Trade Zone
- Perfect location for warehousing, manufacturing, logistics and assembling products to be shipped
- Federal HUB Zone
- State & local incentives available to qualified companies
- Municipal airport and aviation facilities
- Natural gas availability
- Communiy Redevlopment Area (CRA)





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