Ocean carriers are taking a beating on trans-Pacific rate contracts, but savvy BCOs are looking to the day when the tables might turn.

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TRADE AND TRANSPORTATION

BEYOND DEEPER WATER
Jacksonville Port Authority has experienced year-over-year growth for nearly a decade and a half. 2015 marked 14 years and counting. “Two of our key commodity groups, automobiles and containers, were both up. We budget aggressively every year, and we’ve historically been successful in meeting our goals,” Roy Schleicher, Jaxport’s executive vice president and chief commercial officer, said.

This success is owed, in no small part, to ongoing carrier and shipper outreach highlighting the port’s viability as a distribution epicenter. Doug Wheeler is president and CEO of the Florida Ports Council, an advocacy organization that attempts to direct public policy and secure strategic seaport funding at the state and federal levels. Outlining the area’s benefits for shippers, he said, “aside from our advantageous geography, Florida ports are unique in that they can handle any cargo, from containers to breakbulk, bulk and roll-on, roll-off. Our state has also invested historic amounts of
funding into seaboard infrastructure and connectivity to other modes, making our ports ready to assist businesses in achieving success.”

Jaxport is at the forefront in communicating this message, of course. Aggressive social media and advertising campaigns are directed toward key constituencies: shippers, carriers, beneficial cargo owners, third-party logistics providers and government entities. “Most importantly, we deploy global cargo experts/sales representatives who travel the world. Our marketing team comprises specialists in key commodity groups such as automobiles, containers and non-container freight. Additionally, their targets include specific geographic areas, growth commodities, major shipper accounts and potential foreign trade zone users, for example,” Schleicher said.

One measurement of Jacksonville’s growing international visibility has been the proliferation of distribution operations and warehousing in and around the city. Combined marketing efforts by the state, port, Chamber of Commerce and local development entities have convinced many shippers and logistics-support enterprises that the area offers a viable, cost-effective option for distribution and consolidation operations.

Up the coast, the ports of Savannah, Georgia, and Charleston, South Carolina, have enjoyed rapid growth largely attributable to their ability to attract distribution centers and the carriers that deliver their inventories.

Florida is home to 15 seaports that deliver seamless and efficient movement for a broad assortment of freight, as well as passengers. They serve a diverse consumer market within the state (and across the country) and are champions of both international trade and domestic cargo movement. Florida is also the closest connection between Latin America and Caribbean trade partners and the U.S. Midwest and Northeast, offering access to the Gulf of Mexico and Atlantic Ocean. Each year, Florida increases its connections to Asian and European trade lanes.

Together, there is no business or cargo Florida ports can’t handle. Its ports system is well-equipped with the infrastructure, waterway access and stable workforce to help businesses succeed. They plan to be the seaports of choice for every business in Florida, and for more and more shippers in the United States and around the world.

Florida seaports have state leadership to thank for an extraordinary level of financial, and other, support. The focus on the role of the ports in capturing international trade and improving freight mobility is due to recognition of their critical position in the supply chain by Florida Governor Rick Scott, the Florida Legislature and the Florida Department of Transportation. Cooperation at the state level has become a reliable reality, and the ports are also working with federal leaders in this important effort.

Florida seaports reap vast economic rewards for the state that continues to grow. Cargo and cruise activity currently support nearly 700,000 jobs in Florida. Ports contribute $96.6 billion of output to the state’s economy, equivalent to approximately 13 percent of Florida’s gross domestic product.

Florida’s seaports are creating momentum around economic vitality. They are achieving it by improving global competitiveness and increasing mobility for people and freight. They have enhanced the diversity and flexibility of their assets, and are creatively optimizing how those assets are used. Florida ports are prioritizing capital investments and maximizing the use of scarce resources.

Florida’s seaports are proud to connect local businesses to international markets and global businesses to nearly 20 million residents and 100 million visitors a year. Florida is where your ship (and business success) comes in.
In Florida, we’ve invested billions of dollars to increase efficiencies in our multi-modal freight delivery network of seaports, airports, highways and rail lines.

We can reliably handle your cargo volume with diversified options, less congestion and more connectivity to markets in the Southeast and beyond, resulting in greater performance for you.

When you think business success, think Florida first.
Jacksonville is already capitalizing on the same phenomenon and has the physical resources in place to accelerate their growth curve. “According to the Costar Industrial Marketing Report, Jacksonville has 120 million square feet in distribution centers and domestic/international warehousing, both in use and available. This compares with 51 million square feet in Savannah and 68 million square feet in Charleston. This speaks volumes as to our desirability as a location for these types of operations,” Schleicher said.

Already boasting the widest channel among Southeast ports, Jacksonville will shortly initiate an ambitious deepening project. “All of the elements are lining up. We’re on the verge of signing the port and U.S. Army Corps of Engineers agreement to put things in motion. If things go as scheduled, we could begin dredging in the first quarter of next year,” Schleicher said. The project consists of four different sections totaling nearly

for the past 30 years, Seaonus has provided customized port, terminal and warehouse solutions driven by collaboration, innovation and creativity. The company is headquartered in Jacksonville, Florida, and has additional operational facilities in the ports of Mobile and New Orleans. Its trusted, professional team provides stevedoring and terminal services, along with dry, frozen and temperature-controlled warehousing, as well as supporting logistics transportation solutions.

Seaonus has extensive experience in handling breakbulk; bulk; roll-on, roll-off; lift-on, lift-off; heavy-lift; and out-of-gauge cargoes. Seaonus specializes in handling all types of forest products such as paper, lumber and pulp, as well as steel products and project cargo.

Seaonus Mission
Seaonus provides customized port, terminal and warehouse solutions driven by collaboration, innovation and creativity.

Seaonus Core Competencies
Provide access to the following markets:
- Breakbulk, bulk and container stevedoring services.
- Cold storage and warehousing services with automation solutions.
- Container freight station and cross-dock services with automation solutions.
- Drayage and transportation services.

In Jacksonville, Seaonus operates the largest dockside facility in the United States. Standing at 553,000 square feet, the warehouse has a 1,500 pound-per-square-foot-capacity and is designed to control humidity to protect cargo. The company has the ability to load or unload vessels and handle the cargo to and from conventional rail cars, intermodal equipment and traditional trucks all from their dockside facility. The building is primarily used for forest-related products.

Seaonus continually evaluates and invests in its system capabilities to provide its customers with the latest technology to keep their cargo in motion. Seaonus has recently invested in upgrading and expanding its terminal operating system to meet the current demands of customers and assist with future growth opportunities. The company provides its customers with real-time, accurate information they need to manage their business. ■

No matter the challenge, Seaonus can find a resolution. We welcome the opportunity to partner with clients to develop innovative supply chain solutions to improve performance levels and growth opportunities for them. We stand ready to manage the full spectrum of operations required to get shipments to or from anywhere in the world. True to our mission, we are determined to deliver solutions with collaboration, innovation and creativity.

Contact us today to learn more about how Seaonus can solve your cargo handling needs. www.seaonus.com • info@seaonus.com 904-786-8038
13 miles, with full completion slated for 2021. “Ultimately, we will be taking the channel down to 47 feet,” he said.

Elimination of the bottleneck at the Mile Point intersection of the intracoastal waterway and the St. John’s River is another critical channel project. Due to the tidal effects at this junction, the largest vessels calling the port can currently only transit the river during two four-hour periods each day. A reconfiguration will correct crosscurrents that prevent larger ships from using the channel on ebb tide. Phase 1 of the project should be completed this fall, with Phase 2 beginning the following year and focusing on marshland restoration. The state of Florida stepped up with $43.5 million for design and construction.

A channel with greater depth and improved navigability bodes well for a port eager to take advantage of increased trade flows through an enlarged Panama Canal. Headquartered in Jacksonville, Portus is one of the premier heavy-lift and container stevedore and marine terminal operators in Florida, with a specialty in project cargo, including out-of-gauge and heavy-lift. John Mullins, director of customer service and business development, believes Jacksonville can capitalize on the expanded canal by building its carrier roster.

“Additional services for existing and potential future ocean carriers are always a plus. More freight volume equals more prospects to the entire port community, and the efficiency realized by ocean carriers will dictate how much volume will be dedicated to Jacksonville,” Mullins said. “Everyone will be positively impacted by the channel deepening, offering additional freight volumes that will drive additional cargo-handling opportunities.”

Schleicher expects East Coast harbors will continue to see some migration of the cargo that historically moved via the West Coast and Panama Canal. “The West Coast isn’t just going to give up its freight without a fight. The railroads and those ports will do all they can to retain their business. But even if there is only a 10 percent shift of freight, this translates to about 3 million containers a year,” he said.

Previous issues with labor stoppages, congestion and inland connectivity have forced many shippers to shift distribution operations eastward to places like Jacksonville. In many instances, what began as a backup plan has increasingly become standard operating procedure as the inherent transit and cost advantages are realized.

Gauging the potential impact of the canal expansion on Jacksonville is a matter of simple mathematics, Schleicher said. “Within the consortium serving the East Coast, each player has a fixed number of slots. The positive that we see is that bigger ships equal more slots per partner, which equals more potential capacity for Jacksonville shippers,” he said.

August 1 is the official opening date for Jaxport’s new $30 million intermodal container transfer facility. The ICTF will serve TraPac Container Terminal at Dames Point and Blount Island Marine Terminal, both on the port’s north side. Connecting to the CSX main line, the facility can accommodate two, 200-car unit trains daily.

“Previously, containers were moving between the terminals and a ramp across town. The new ICTF is across the street from Dames Point and a few miles from Blount. This equates to cheaper, easier rail access and improved productivity for our local dryage operators. As a result, we project substantial growth in our number of intermodal moves. We would like to see a 10 percent increase to start,” Schleicher said.

Wheeler applauded Jacksonville’s rail initiative and reported that a dry run has already taken place. “Like many ports around the state, Jaxport has focused on expanding its rail and road access. The Jaxport ICTF welcomed its first trains in April for a special military exercise and will be available for commercial cargo later this year. This ICTF will greatly enhance the direct transfer of containers between vessels and trains,” he said.

OTE Maritime Puerto Rico, headquartered in Jacksonville, Florida, offers integrated transportation services to and from the United States, Puerto Rico and the U.S. Virgin Islands. With the world’s first liquefied natural gas powered containership and state-of-the-art lift-on, lift-off capabilities, TOTE Maritime Puerto Rico vessels are the most advanced in the trade. Company operations are certified to ISO 9001, ISO 14001, ISO 28000 and Green Office standards.

For more information, visit www.totemaritime.com.
CONNECTING
PUERTO RICO & U.S. VIRGIN ISLANDS
For the military training, Jaxport partnered with multiple U.S. Army units in exercises aimed at expediting the movement of ocean-going military cargo, rehearsing the capabilities of the personnel involved as well as the new terminal. The undertaking involved movement of some 800 pieces of cargo — including vehicles, containers and equipment — onto a military vessel. Jaxport is one of 17 U.S. strategic seaports on call to move military cargo. The port authority is currently investing $100 million — funded by an infusion of federal and state funds — in capital improvements at the Blount Island and Talleyrand terminals. Included are upgrades to wharves, on-dock rail and terminal pavement areas.

At Blount, the recently completed Berth 32 wharf rehabilitation project involved removal and replacement of 990 feet of marginal wharf, with a new ballasted deck wharf structure designed to accommodate the 100-gauge cranes of the future.

Currently underway, the Berth 35 project involves complete demolition of approximately 1,275 feet of existing wharf and associated buildings. Reconstruction of new wharfage will follow, to provide for increased capability capacity for 100-gauge crane operations. Completion is slated for 2017.

An integral feature of the Blount Island upgrades is the refurbishing of Berth 31 to serve as a focal point for heavy cargo operations. Heavy-lift specialist company Portus is keenly interested in this facility enhancement. “Blount Island’s berth was recently reconstructed to become the United States’ heaviest dock at 1,800 pounds per square foot. Add this to direct Class I rail service with CSX and Portus’ highly skilled labor force, and you have a project manager’s best-case scenario for a high-velocity operation,” Mullins said.

By October, the port will have in operation three new super-post-Panamax cranes at Blount Island, each boasting outreach of 22 containers. The units were purchased at a cost of $13 million apiece from Shanghai Zhenhua Heavy Industries. Jacksonville’s long-term strategic plan calls for the total purchase of 10 new 100-gauge cranes.

“We have become the pioneering port for liquefied natural gas power by welcoming the first LNG ship to be home ported anywhere in the United States,” Schleicher said. TOTE Maritime is a leader in the use of natural gas as a preferred fuel source. Each of the carrier’s two new LNG-powered vessels have capacity of 3,100 TEUs, making them the largest dry cargo ships fueled by LNG. The first of the vessels is already operating between Jacksonville and San Juan, Puerto Rico, with the second scheduled to enter service before the end of the year.

By 2017, another major player in the Jacksonville-Puerto Rico trades will be entering the LNG arena. Crowley Maritime will deploy two LNG-powered combination container/ro-ro vessels. The ships, built by VT Halter Marine of Pascagoula, Mississippi, will...
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replace the towed triple-deck barge units that Crowley has used to service the U.S.-Puerto Rico trade since the early 1970s.

Jaxport’s immediate role will be to support the fueling requirements of these early adopter companies, which are long-time customers of the port. Longer term, the port authority is also looking at opportunities for LNG as an export commodity.

A commitment to environmental stewardship is further evidenced by the fact that the port’s new container cranes will be electric instead of diesel, generating substantial reductions in air emissions.

Though it already boasts 36 trains per day, Jacksonville is far from content to rest on its laurels in that regard. The port community is currently engaged in planning designed to facilitate future growth by improving northbound rail. “In conjunction with the local transportation planning organization, development interests, the Chamber of Commerce and rail carriers, Jaxport is involved in a community-wide effort to utilize enhanced rail as a means to expand its viable hinterland,” Schleicher said.

JAXPORT IS INVESTING IN THE FUTURE

As the owner and manager of Jacksonville’s public seaport terminals, Jaxport is committed to the ongoing enhancement of port infrastructure and facilities. A number of major growth projects in and around the port are currently in progress.

Jaxport and the U.S. Army Corps of Engineers have two projects currently underway to improve the commercial viability and economic competitiveness of the St. Johns River harbor: Mile Point, a project removing a navigational restriction, and the Jacksonville Harbor Deepening Project, a federal program aimed at deepening the harbor and allowing Jaxport to become the first and last port of call for the industry’s larger ships.

The Mile Point project—to correct a navigational hazard and ensure larger ships can travel the channel more efficiently—is expected to be completed by the end of this year. The federal project to take Jacksonville’s harbor to 47 feet is also in progress with construction beginning as early as the end of 2016.

Construction of the Intermodal Container Transfer Facility at Dames Point, home to the MOL/TraPac Container Terminal, is now complete. The ICTF opens to commercial customers later this year and will facilitate the direct transfer of containers between vessels and trains. The new facility complements existing on-deck rail facilities at Jaxport’s Talleyrand and Blount Island terminals and further enhances the competitiveness of the adjacent TraPac Container Terminal.

Adding to the larger cranes already in use at Jaxport’s TraPac Container Terminal, three new state-of-the-art 100-gauge container cranes will be operational at Blount Island Marine Terminal by the end of the year. The new cranes will have a reach of 22 containers across a ship’s deck, up from the 16-container reach of Blount Island’s current 50-gauge cranes, and will significantly increase the terminal’s cargo-handling capability.

Jaxport is continuing a comprehensive infrastructure revitalization program to rebuild docks and rail at both Blount Island and Talleyrand Marine Terminals. This well-designed, phased reconstruction allows operations to continue while fortifying the facilities for future growth.

Increasing capacity for handling automobiles and other rolling stock is also being pursued. Early discussions regarding construction of a new auto terminal at Dames Point are underway, Schleicher said. If negotiations come to fruition, the timeline for the project would be within the next two years.

For the future, he is confident in Jaxport’s ability to continue its 14-year record of business expansion. “We will definitely continue to grow, and when deep water becomes a reality, we will fare even better,” he said.

Key to the future for all ports will be the outcome of carrier realignments. “We’re all anxiously awaiting the conference shakeouts—who ends up where. Once carriers determine the final composition of their partnerships, then the port assignments will follow,” Schleicher said.

Notwithstanding carrier deliberations, Schleicher believes that Jacksonville port interests have been successful in conveying its strategic advantages to the global trade community. “We’ve made inroads in terms of letting people know we have no terminal congestion issues, enjoy superior service connections, have cost- and transit-favorable access to large and growing markets and offer unparalleled cross-terminal turnarounds,” he said.

A key growth driver is also the advocacy of Florida’s Governor Rick Scott and the level of state investment in terminals, infrastructure and highways, Schleicher added.

“Florida has and must continue to make significant investments in freight infrastructure,” Wheeler said. “We need to identify marketing targets and inspire confidence in Florida supply chain logistics. In addition, we must continue to work with state leaders to identify and implement competitive incentives for potential importers, manufacturers and producers who reliably and profitably meet global demand.”

Contact John Powers at john@bottline.com
JAXPORT IS INVESTING FOR YOUR FUTURE

DEEPER WATER
The federal project to take Jacksonville’s harbor to 47 feet is well underway and will increase the region’s competitive edge.

NEW ON-DOCK RAIL FACILITY
JAXPORT’s Intermodal Container Transfer Facility serves the Blount Island and Dames Point Marine Terminals.

REVITALIZED TERMINALS
A multi-million dollar program to enhance docks, berths, rail and terminal areas continues to position JAXPORT for growth.

NEW 100-GAUGE CRANES
Three state-of-the-art container cranes will soon be operational at Blount Island, complementing the existing lineup of post-Panamax equipment at the TraPac Container Terminal.

STATE INFRASTRUCTURE FUNDING
Nearly $1.5 billion has been invested in transportation projects at JAXPORT and around the region, with another $1 billion pledged for the future.

JAXPORT. It’s just smart business.
JAXPORT.COM/PROJECTS