

## **ADVISORY COMMITTEE ON SUPPLY CHAIN COMPETITIVENESS**

### **PORT CONGESTION RECOMMENDATIONS: FREIGHT SUBCOMMITTEE DRAFT**

#### **SYNOPSIS OF RECOMMENDATIONS (v. October 2 2015)**

##### **Ocean Carriers**

- Ocean carriers, through their associations or a third-party data service, should assemble shippers' volumes and provide this data to gray chassis pool operators on a scheduled basis, to allow the pool operators to plan capacity and usage especially at peak shipping periods.

##### **Port Authorities**

- Port authorities, working together with ocean carriers, terminal operators, and shippers, should look at ways to reduce the level of free time granted to shippers so as to enable cargo to move more effectively through the terminals
- Port authorities and terminals should consider moving to a licensed system whereby trucking companies would pull containers off a stack and take them to a specific customer, similar to a taxi program.
- Port complexes should implement integrated scheduling programs and appointment systems at major terminals, in order to improve information and data sharing, forecasting, and cargo flow.
- Port authorities and terminal operators should re-evaluate their physical layout, design and governance structures, including but not limited to consolidation, restructuring, and improving infrastructure access, in order to more efficiently handle megavessels, carrier alliance impacts, and current and future market needs.
- Port authorities and terminal operators should work with Federal/state/local authorities to achieve changes in trust agreements as needed to permit consolidation into fewer but larger terminals.

##### **Seaport Terminal Operators**

- Terminal operators and operating port authorities should consider adopting operating practices, including free-flow container stacks, that allow for a faster, more efficient flow of cargo in and out of their facilities.

## **Truck and Rail Carriers**

- Motor carriers that provide port service should be encouraged to acquire and use their own chassis, with initiatives and assistance from industry partners to help financially constrained truckers to purchase or lease such equipment.
- Driver compensation needs to be made commensurate with driver effort, and turn times need to be improved, to prevent drivers from leaving the industry and to attract more drivers.
- Better efforts must be made by the trucking industry and supported by others to recruit more drivers, including first generation immigrants, to the trucking industry.

## **Federal Government**

- The Federal Government, including the Federal Maritime Commission, should give port authorities, terminal operators, trucking associations and shippers the authority to create port-level working groups to discuss how to improve operational productivity and efficiencies.
- The Federal Government, including the Federal Maritime Commission, should provide the legal and regulatory framework and approval needed to facilitate the establishment of gray chassis pools at ports that do not already have them in place.
- The Federal Government, including the Secretary of Commerce, should reach out to the port labor-management groups on each coast to resolve any jurisdictional questions regarding gray pool chassis maintenance.
- The Department of Transportation should work with state governments to ensure that state and local freight plans are able to accommodate changes in shipping trends and surges in truck and rail traffic from the increased size of vessels and the increased cargo flow from vessel-sharing agreements.
- Federal Government prioritization of Federally-funded discretionary freight projects should be headed by a central, multimodal office in the U.S. Department of Transportation and based on the greatest payback or benefit to the supply chain.
- Federal Government prioritization of Federally-funded discretionary freight projects should be done in partnership with state/local agencies, with freight movement data and other supply chain trend input provided by a third-party data service that can provide aggregated information on market trends/volumes to assist in the prioritization process.
- Goods movement projects of greatest national significance should be identified in advance and specifically prioritized within the Department of Transportation's annual appropriations law.

- The Department of Transportation needs to re-establish the Office of Intermodal Transportation, or create a similar consolidated function charged with cross-modal performance.
- Federal freight-generated revenue programs (e.g. the Harbor Maintenance Tax and Merchandise Processing Fee) should have “lock boxes” around them to prevent diversion of these revenues to non-freight or non-goods-movement uses.
- For pending port infrastructure projects, all reviews by Federal agencies, including the Army Corps of Engineers, should be completed and fast-tracked within 12 months of submission.
- For new port infrastructure projects, all reviews by Federal agencies should take no more than three years to complete, from date of submission to date of completion.

### **State and Local Government**

- Port authorities should work in conjunction with municipal planning organizations, and incorporate the viewpoints of stakeholders, to find ways to improve port-related cargo flow and to more fully utilize existing assets.

### **Other**

- A third-party data service should be established to serve as a central repository for information on freight flow and market trends. This service would aggregate and anonymize data from shippers and ocean carriers on freight flows and market trends for use in short and long-range planning and freight fluidity purposes.
- User fees should be employed to generate additional funds for Federally-funded goods movement infrastructure, with all users of the system contributing.
- The expanded use of public private partnership-friendly municipal bonds should be considered for freight infrastructure projects.
- Infrastructure investment and policy planning must be equally oriented towards imports and exports in order to reduce port congestion.
- Efforts to reduce port congestion should help to support and facilitate the flow of containers to inland U.S. locations to alleviate export delays.