



Key IANA Initiative: Building for the Future

To nourish and build an organization that will thrive in the future, EXPO provided a blend of expert commentary from industry veterans who shared their accumulated wisdom and offered events for those new to the industry.

College of Charleston Experiences

One group, undergraduate students from the College of Charleston, displayed the resourcefulness and skill needed in the freight industry in two ways. The college is one of seven IANA scholarship schools that sent a team to compete in the annual Academic Challenge.

The Charleston team, accompanied by Prof. Kent Gourdin, first overcame the challenge of Hurricane Florence, whose evacuations and flight cancellations upended travel plans. They arrived in time to compete in, and win, the Student Academic Challenge, which this year took the form of a railroad cost and operations exercise.

The students, and their advisor, took a few minutes shortly after EXPO to describe their experiences.

"It's a testament to these guys that they stuck with it through everything," Gourdin told Insights. "I'm really thrilled that hard work and willingness to be flexible with the travel paid off. The EXPO was a once in a lifetime opportunity to immerse them in intermodal transportation."

EXPO's special value, he explained, is the tight focus on transportation, rather than the broader subjects such as supply chain and logistics that comprise much of the academic program.

For Brenden Cornell, who spent his summer interning at a Charleston area drayage carrier, EXPO was an opportunity to build on the first-hand experience.

"It was eye-opening for me," said Ashley Markow, an economics student who's "really enjoying" her initial exposure to the transportation industry. She particularly mentioned the magnitude of the port at Long Beach, the second largest U.S. port, and its contrast with Charleston.

"The competition was really useful, to look at real-life scenarios," she said. "The [EXPO] panel regarding the Panama Canal was great."

Patrick Miller said the trip solidified his interest in logistics and transportation and provided valuable networking with attendees and students from other schools.

Scott Ingram offered a similar message, saying the EXPO experience reinforced his focus on a career in transportation that is in sync with his long-time interest in the world of cars, trucks, airplanes and trains.

"Overall, the logistics program is a great way to connect with people at the Port of Charleston and all around the industry," said Alejandro Vega, including the opportunity to meet CEOs and other knowledgeable industry people.

“The coolest part is that everyone in the industry likes to get together and discuss new topics.”

Future Leaders

Also during EXPO, nearly three dozen people took an active role in the Future Leaders program. As part of that initiative, new members, first-time attendees and others networked at a reception with Future Leaders program participants.

Additionally, as part of the educational program at EXPO, two Intermodal University sessions offered an opportunity for these next generation leaders to learn first-hand from industry experts about intermodal chassis and ocean carrier alliances, two of the more complex and important elements of the industry.

Intermodal University – Intermodal Chassis

Rob Cannizzaro, vice president of equipment operations for CMA CGM America, tackled what he called the “very crucial subject” of chassis. He described the various types of equipment and their characteristics, while making it clear he didn’t have all the answers for how the chassis evolution will end up.

“We can’t consider where we want to be, without considering where we are,” he told attendees, focusing on the presence of approximately 500,000 marine chassis that remain in use.

Cannizzaro proceeded to sketch the different approaches to chassis supply and pool structures, including leasing and ownership approaches.

Among the challenging questions that operators will have to resolve are situations where marine operators control some pool structures, but leasing companies own nearly all of the assets in the pool. Another challenge is how much control ocean carriers will want to exert over the U.S. delivery portion of their international cargo.

“There clearly is no right answer,” Cannizzaro said, for the chassis provisioning model. The one approach he believes is needed is that for every party with a vested interest to work together collaboratively.

Intermodal University – Ocean Carrier Alliances

Veteran maritime industry executive Ron Widdows, executive chairman of American Intermodal Management, tackled another topic by zeroing in on one reason – economics – that drove ocean carriers to form the alliances.

“Demand drives how partnerships come together,” he explained, as companies look for more profitable ways to move their goods.

Unfortunately, according to Widdows, all the efforts to achieve better financial results through alliances haven’t worked at all.

“The ships are very full, but not making any money,” he said, describing the present freight market. In this



Cannizzaro



Widdows

[maritime] sector, consolidation doesn’t equal profit. It may eventually lead to pricing power. So far it has not.”

Dialogue Box Experiences

As a complement to the educational sessions, learning opportunities also were found in the dialogue box sessions on the show floor.

Most of the activity there was a series of intermodal problem-solving presentations by suppliers. The products highlighted covered a wide range of solutions. On the equipment side, one company outlined how hydrogen can be used to reduce truck fuel costs and emissions. Another described new brake push rod features. Still another explained how data accumulation and its use can transform freight markets. On the technology side, multiple vendors presented tracking and other telematics technologies.

Inside Stories

The final dialogue box event was a chat between two Silver Kingpin recipients and industry stalwarts – James Hertwig and Greg Stefflre.

Hertwig retired last year from the CEO position at Florida East Coast Railway, capping a carrier career that also included CSX, Carolina Freight, ABF Freight and Landstar. He now runs his own consulting firm.

Stefflre is vice chairman and co-founder of Rail Delivery Services, an intermodal trucking company. An attorney, Stefflre’s intermodal endeavors also include a rewrite of the Uniform Intermodal Interchange & Facilities Access Agreement.

Their careers spanned the years before deregulation transformed trucking and railroads, starting in 1980. Stefflre described how the intermodal business evolved after he and his wife Judi formed the company. Technology and innovation intervened shortly after deregulation with the introduction of double-stack trains, supplanting the familiar trailer on flat car arrangement.

The Future Also Matters

“My biggest concern is who is going to drive the train, and the truck,” said Hertwig, noting the challenges in recruiting crews. “I think we do a poor job of getting to where the kids are. We have to find the right schools.”

A handicap is the 21-year old minimum age for interstate truck drivers.

“These are good jobs. They pay well,” Hertwig added, though the lifestyle and parental focus on a college education instead of a trade are discouraging candidates.

Stefflre agreed, saying, “the only way to get [drivers] is to get them before they adopt another path. We spend the time and effort and dollars so that [drivers] stay with us for a long time.” RDS owner-operators average 10 years affiliation.

Stefflre tackled one other topic, recounting a response to a customer who asked how to make drivers like the shipper.

“Process them fast. Don’t waste time. Do it safely,” Stefflre said. “The faster you move, the more they will love you.”