

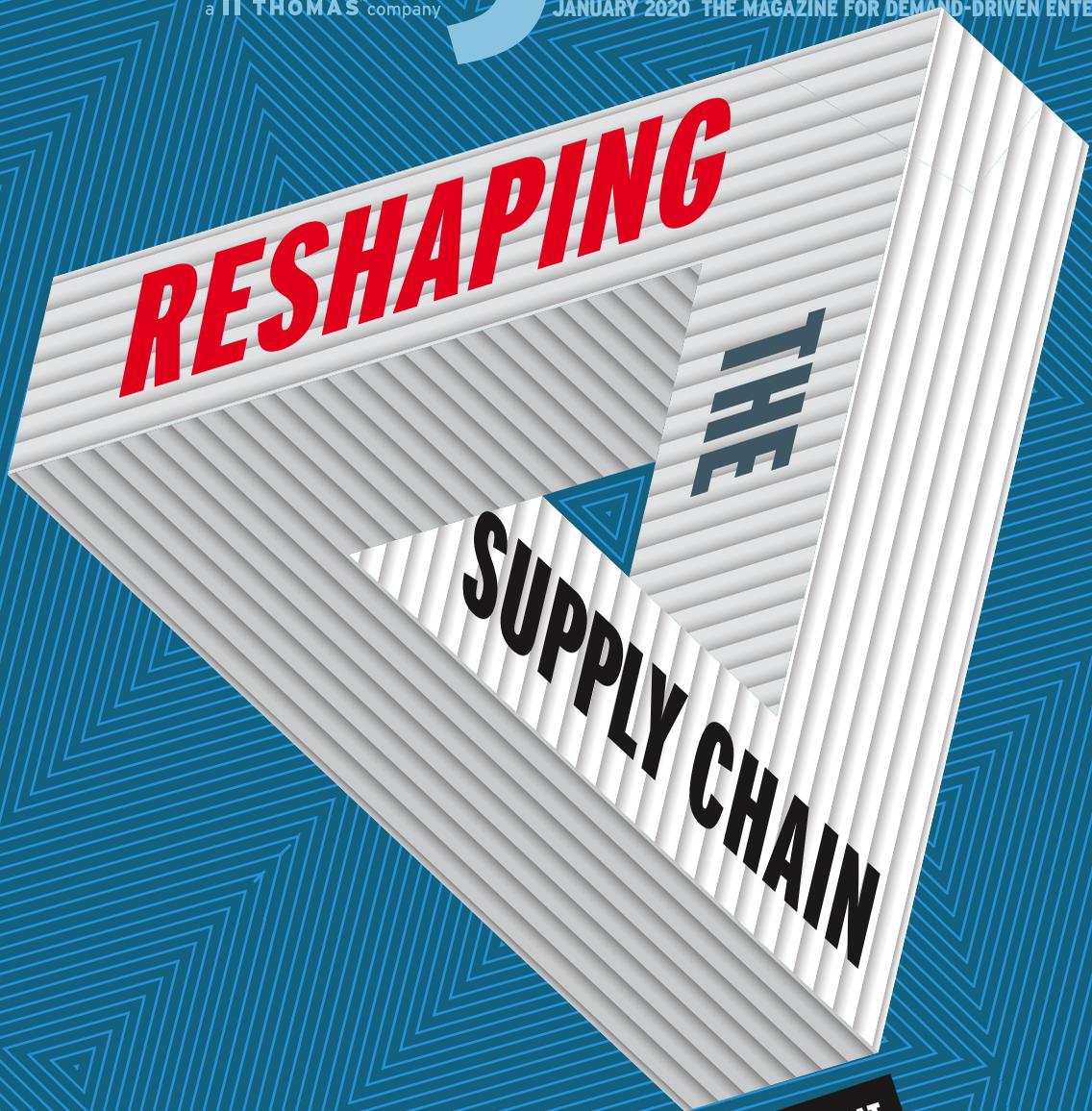
SPECIAL EDITION

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**CHANGE THAT
NEVER ENDS:
MANAGING YOUR
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SMALL PORTS BIG BENEFITS

SMALLER, LESSER-KNOWN PORTS OFTEN DELIVER SUBSTANTIAL BENEFITS TO SHIPPERS, LETTING THEM BYPASS CONGESTION WHILE LEVERAGING ADVANCED TECHNOLOGY. HERE ARE SEVEN REASONS TO CONSIDER THESE LESS-TRAFFICKED CARGO DESTINATIONS.

BY SANDRA BECKWITH

Ask a shipping professional to name alternative, lesser-known ports, and they might mention Savannah, Houston, or Philadelphia.

But ask them about Chester, Gulfport, or Tampa, and their response might be, “Hmmm...”

North America’s smaller ports might not be top of mind with shippers, but they do quite well, thank you very much.

“Look at the Great Lakes ports,” says Walter Kemmsies, chief strategist at Chicago-based real estate and investment management services firm JLL. “They handle some agricultural exports, but they also bring in a lot of steel.”

These less-talked-about ports usually serve their region’s industries. In the Great Lakes area, ports typically import goods for nearby industrial manufacturing while in Florida, imports to smaller ports often support the state’s tourism industry.

And while the less-trafficked ports offer advantages the larger ports can’t, they also have some disadvantages, such as the size of the vessels they can handle. These aren’t destinations for the new 20,000 TEU ships—they’re better suited to handle feeder vessels.

In the end, shippers often base port decisions on a macro view. “Where is the product being shipped from and where is the end of the supply chain? That dictates what shippers will do,” says Steve Pastor, vice president of global supply chain and ports/rail logistics for commercial real estate services firm NAI James E. Hanson in New Jersey.

Still, shippers that overlook smaller ports thinking that they extend delivery time or aren’t cost effective might be surprised to learn that these ports can save time, lower costs, and provide superior customer service.

Like other smaller ports, the Port of Oshawa, Ontario, Canada, is flexible and innovative when helping shippers and carriers find solutions.



Here are seven advantages of using ports that are off the beaten water path:

1 SMALLER PORTS ARE LESS CONGESTED THAN LARGER COASTAL PORTS.

Less congestion applies not only to berths, but to rail and truck access as well. “When a container comes into a large East Coast port, for example, it might sit in the container yard for two to three days, then go to a railyard and sit again,” says William Friedman, president and CEO, Port of Cleveland. “But our port is fluid and cargo moves quickly.”

2 SMALLER PORTS ARE COST EFFECTIVE.

Marine transportation is less expensive than intermodal, so the longer the freight stays on water, the more cost effective it will be. A Port of Cleveland analysis of the cost of shipping from Europe to Cleveland shows that keeping freight bound for Ohio and beyond on the water via the St. Lawrence Seaway is less expensive than a combination of marine and intermodal transportation from the coast (*see sidebar*).

3 SMALLER PORTS CAN CONTRIBUTE TO SHIPPER AND CARRIER SUSTAINABILITY GOALS.

Transporting freight by water is an environmentally friendly alternative to intermodal transport. “It’s not only more cost effective to keep cargo on the water longer, it also reduces greenhouse gas emissions and congestion on highways,” says Ian Hamilton, president and CEO of Canada’s Hamilton-Oshawa Port Authority.

4 SMALLER PORTS CAN MOVE FREIGHT THROUGH CUSTOMS MORE QUICKLY.

The customs process in smaller ports often moves more smoothly because fewer people are involved.

“By using a smaller port, it’s easier for me as a customs broker to make sure I’m talking to the correct person,” says Gretchen Blough, LCB customs brokerage manager at third-party logistics provider Logistics Plus Customs Broker *continued on page 196*

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WATERLESS PORTS

If there's no water, is there a port? Turns out there is. Several waterless, intermodal "inland ports" located far from oceans and seas help reduce over-the-road traffic by moving it to eco-friendly and cost-efficient rail.

Construction of the **Central New York Inland Port** in Syracuse began in fall 2019 with a summer 2020 targeted completion date. The New York State Department of Transportation has committed \$21 million to expand the existing CSX rail yard so that 30,000 containers per year can move into the region from ships at the Port of New York/New Jersey.

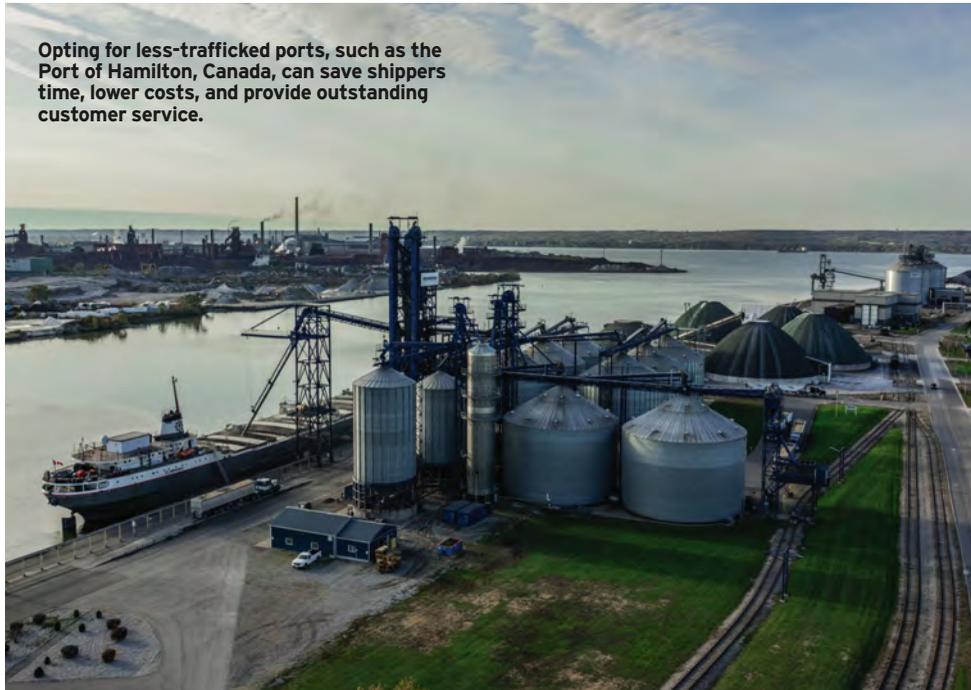
The **Midwest Inland Port**, a multimodal transportation hub midway between Chicago and St. Louis, offers users domestic and international flexibility by connecting the Midwest to the East, West, and Gulf Coasts. It gives shippers less-congested access to one of the country's heaviest trucking and railway traffic flows that includes four rail networks. The port's airport has a U.S. customs office, a fixed-based operator, and runways capable of handling large aircraft.

The **Logistics Park Kansas City**, southwest of the metropolitan area, is a distribution and warehouse development served by BNSF Railway. The park has more than 7 million square feet of new distribution facilities and capacity for 17 million square feet total. BNSF's only full-service logistics park in the country, the development offers domestic container and trailer intermodal service, international container intermodal service, and direct-rail/carload service.



Logistics Park
Kansas
City

Opting for less-trafficked ports, such as the **Port of Hamilton, Canada**, can save shippers time, lower costs, and provide outstanding customer service.



Solutions in Erie, Pennsylvania.

"Dealing with a larger port is like calling any big company—you get put in an option menu," Blough adds. "Smaller ports tend to answer the phone directly, which means problems are solved without delay and freight moves more quickly."

A less intense environment facilitates processes, too. "Because smaller ports are less congested, customs tends to release freight faster if you have exams or documentation reviews," adds Mollie Bailey, vice president, international, for Transplace, a transportation management services provider in Texas.

5 SMALLER PORTS WELCOME SHIPS BEING CROWDED OUT OF LARGER PORTS.

As ships steaming into larger ports increase in size, smaller ships get nudged aside. "Look at the major airports as an example," says Kemmsies. "Smaller airplanes will always fly into them, but fewer are doing so. They're going to smaller airports instead."

Lesser-known ports are also an alternative for ships re-routed because of extreme weather or labor strikes.

While these ports can't handle the volume that moves through Long Beach, Norfolk, or Miami, they're an essential part of many supply chains.

"As the world continues to globalize, there will be demand for narrowly focused ports," says Kemmsies. "Just because it's not the Port of Los Angeles doesn't mean a smaller port doesn't serve an important purpose."

6 SMALLER PORTS OFFER PERSONALIZED CUSTOMER SERVICE.

"We can give more attention to each shipper and shipment and work closely with the terminal operator," says Friedman.

"Cleveland has a strong sense of customer service," Blough adds. "That's the kind of attention you want."

7 SMALLER PORTS CAN BE MORE FLEXIBLE.

Smaller ports tend to be more entrepreneurial when solving problems. "Generally, we'll be more flexible about trying to find solutions because we're smaller and more nimble," says Hamilton. "We're more innovative when finding ways to do things." ■