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US drayage frustration sparks call for better tech, cargo-handling

Bill Mongelluzzo, Senior Editor ([/users/bill-mongelluzzo](#)) | Oct 24, 2018 1:00PM EDT[Print \(https://www.joc.com/subscribe-print?width=500&height=500&iframe=true\)](https://www.joc.com/subscribe-print?width=500&height=500&iframe=true)

Chassis dislocations are a major glitch in the transportation supply chain. "The trouble with chassis is that the business model is bad," said Jon Slangerup, executive chairman and CEO of American Global Logistics. Too many chassis either sit idle at receivers' warehouses. Photo credit: Shutterstock.com.

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OAK BROOK, Illinois — Logistics experts are challenging marine terminal, railroads, and equipment providers to use technology and improve cargo-handling processes so their facilities will no longer be bottlenecks in the transportation supply chain for drayage operators.

Drayage companies, like over-the-road truck companies, are experiencing challenges in [retaining drivers](#) (https://www.joc.com/trucking-logistics/inland-distribution-2018-news-intelligence-analysis_20181022.html). When drivers waste hours in line at a congested marine terminal or intermodal rail yard, or the facilities do not have the [chassis](#) (https://www.joc.com/port-news/us-ports/la-lb-struggles-chassis-shortages-empty-container-returns_20181002.html) that drivers need to complete a job, they are tempted to leave the industry. "If they have one bad day, they quit," Patrick Maher, executive vice-president of Gulf Winds International, told the JOC Inland Distribution Conference on Tuesday.

Owner-operator drivers are normally paid by the trip, so time is money. Time wasted sitting in line at a marine or rail facility, or driving to a second location to pick up the correct type of chassis, may turn a profitable day into a money loser. In a booming economy, drivers are saying enough is enough. "There are a lot of options for these guys," Maher said.

[Congestion](#) (https://www.joc.com/port-news/us-ports/port-los-angeles/us-shipping-industry-awaits-data-sharing-portal_20171222.html) is probably the major challenge that drayage operators face at ports and inland hubs. Lawrence Gross, president and founder of Gross Transportation Consulting, said his [drayage demand index](#) (https://www.joc.com/trucking-logistics/us-drayage-demand-rising_20180615.html) shows that at a number of locations in North America, "conditions are still tight, but easing." Problem locations include Columbus, Minneapolis, and Charleston. Tighter-than normal locations include Atlanta, Boston, Chicago, and Vancouver, Canada. Detroit, Dallas, Houston, Jacksonville, and Los Angeles are improving, Gross said.

Required [roadability inspections](#) (https://www.joc.com/port-news/us-ports/daggett-ila-won%E2%80%99t-yield-chassis-inspections_20150625.html) by longshoremens at East Coast ports, as well as chassis availability issues, continue to plague drayage operators in those locations, said Alfred Iannelli, founder and president of Polaris International.

Mike Burton, president and CEO of C&K Holdings Acquisition, said drivers regularly spend 30 percent of their service hours each day at ports or rail yards. Improve turn times by just 10 percent and productivity can go up enough to make an unprofitable day a profitable one, he said.

Chassis dislocations – a major supply chain glitch



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Chassis [dislocations](https://www.joc.com/trucking-logistics/us-truckers-shippers-frustrated-chassis-splits-shortages_20180530.html) are a major glitch in the transportation supply chain. "The trouble with chassis is that the business model is bad," said Jon Slangerup, executive chairman and CEO of American Global Logistics. Too many chassis either sit [idle at receivers' warehouses](https://www.joc.com/port-news/port-equipment/la-lb-chassis-supply-said-be-adequate-peak-season_20170714.html). Marine terminals in the same port complex oftentimes have a chassis surplus at one facility while a neighboring terminal has a dangerous deficit, based solely on where vessels are calling in a particular day. "When we figure this out, and manage it properly, we can eliminate this problem," he said.

Slangerup, who served as executive director of the Port of Long Beach from 2014 to 2016, said an automated facility such as Long Beach Container Terminal's Middle Harbor is driver friendly, with turn times consistently among the best in Southern California. However, automated terminals are quite costly to build — as much as \$1 billion — so that is not an option at most ports.

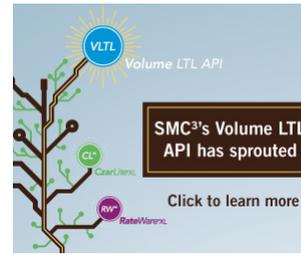
However, linking seaports by rail to [inland terminals](https://www.joc.com/technology/haven-offers-free-booking-all-freight-transport-modes_20181024.html), such as Savannah and Charleston have done, relieves gate pressures by moving several hundred containers per train that would otherwise moved by trucks at congested terminal gates. Los Angeles-Long Beach, like a number of other ports today, are expanding their [on-dock rail](https://www.joc.com/port-news/us-ports/port-los-angeles/la-lb-aspires-amazon%E2%80%99s-efficiency-tesla%E2%80%99s-innovation_20180125.html) operations, which have a similar productivity impact if unit trains can be built on dock to high-volume destinations.

Technology providers have developed a number of programs that [geofence terminals](https://www.joc.com/trucking-logistics/drayage/shippers-truckers-tap-mobile-app-la-lb-port-congestion-updates_20160830.html) to alert drayage operators to congestion problems in real time, or make it easier to improve trucker turn times by building [container peel-off piles](https://www.joc.com/port-news/port-news/port-productivity/tech-driven-drayage-peel-expands-la-lb-port-complex_20180806.html) or [matching empty containers](https://www.joc.com/trucking-logistics/edray-service%E2%80%99s-goal-getting-cargo-shippers-quicker_20180305.html) with exporters in a region so the exchange can be completed outside of the harbor area.

In some cases, changing long-standing practices such as the shipping line designating which intermodal equipment provider must provide chassis for container moves [controlled by the carrier](https://www.joc.com/port-news/us-ports/port-long-beach/la-lb-hits-milestone-joint-chassis-pool-reducing-truck-turn-times_20181012.html) in favor of allowing truckers to determine which chassis is the most convenient to use, truckers said. "We absolutely want trucker choice," Maher said.

Although logistics experts and trucking company executives acknowledged the costly efforts underway at many ports to improve throughout velocity, there are measures terminal operators, railroads, and equipment providers can implement immediately to improve productivity, Burton said. "Railroads and ports are spending billions of dollars for infrastructure. All of that that is great, but let's focus more on what is needed to get drivers into and out of the port. Railroads should look at their in-gates and out-gates. Most of the delays occur in the queue lines," Maher said.

Contact Bill Mongelluzzo at bill.mongelluzzo@ihsmarkit.com and follow him on Twitter [@billmongelluzzo](https://twitter.com/billmongelluzzo)



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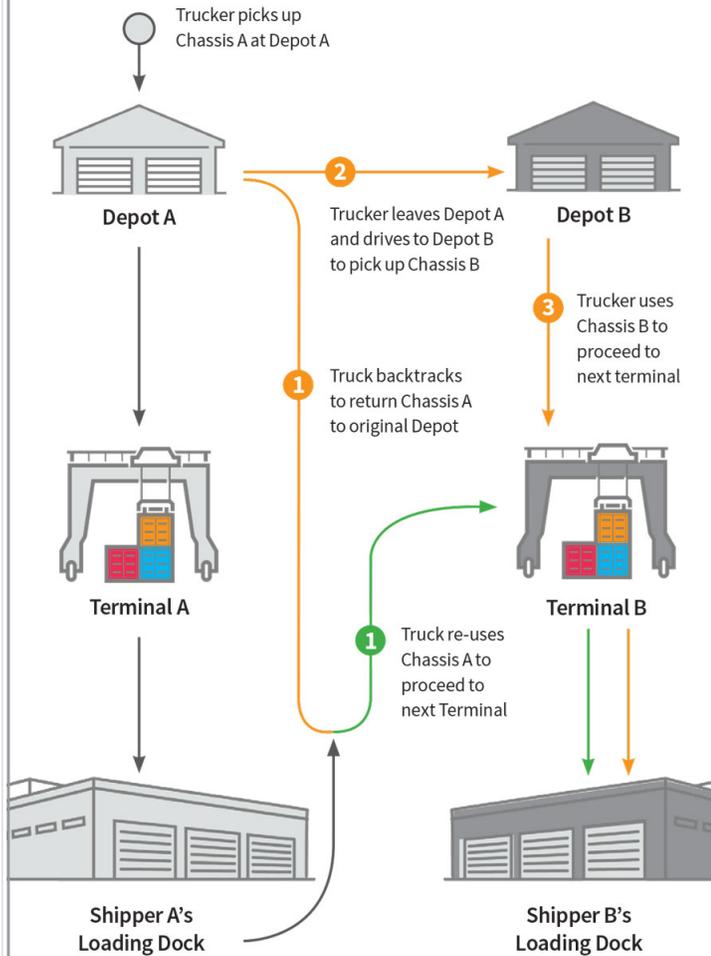
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Chassis Splits: An Unnecessary Detour

A chassis split (in gold) creates two extra stops for truckers, wasting their on-duty hours, reducing asset productivity, and restricting available capacity to shippers.



What can shippers do to eliminate chassis splits?

- Thoroughly examine the pros and cons of **carrier haulage versus merchant haulage**. Can you collaborate with your ocean carrier and draymen to find a solution that works for everyone?
- Talk to your partners about the advantages and disadvantages of **gray pools** and let your voice be heard.
- **Time equals money**. Shippers who respect a driver's time will get better rates than its competitors, and also get a truck first when capacity is tight.

Source: IHS Markit

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