



The Re-Berth of North Charleston Terminal

Dockside renovation gives new life to NCT and adds new benefits to customers.

BY MARION BULL

NORTH CHARLESTON TERMINAL HAS BEEN REBORN. The SCSPA has spent more than three years and \$26 million to make significant alterations to the dock, pilings, crane rails, fender system and dredging. The work on the wharf at NCT is one part of a multi-faceted upgrade to the entire facility.

"The refurbishment of the North Charleston terminal is being manifested in several key areas," said Fred Stribling, vice president, marketing and sales. "First, in 2004-2005 we added the YMS terminal operating system which reduced truck turn times even as volume of business increased. The just completed new berth facing and support system allows the completion of our port's dredging to -45 feet at mean low water providing much deeper drafting and larger ships access to the North Charleston terminal. The arrival next March of two super post-Panamax cranes will provide an excellent array of four post-Panamax and two SPP cranes to accommodate ships over 6,000 TEU in capacity."

Other upgrades of a more operational type are being implemented in the container yard. "We will be converting some of the former wheeled operating area into RTG pads allowing loaded and empty containers to be stacked," Stribling said. "This will both increase the

yard storage capacity and the throughput capabilities of the terminal. In addition, NCT will receive five RTGs in the early spring of 2007 as new services from the Evergreen group; the Indus Express and Mediterranean Shipping bring new and growing cargo customers to the North Charleston terminal."

"These capital investments support our commitment to productivity and throughput enhancements as we continuously seek to provide safe and efficient services through our marine terminals. The North Charleston terminal continues to be a strong gainer of business growing over 8 % year over year," Stribling said.

The initial demand for the project was because the pilings supporting the dock were not embedded deeply enough to safely allow dredging of the depth alongside to -45 feet. The 2,450-foot long berth was dredged to at least -40 feet MLW and constructed at different timeframes from the late 1950's and continuing with improvements through recently 2001. The facilities were constructed to handle a mix of both break bulk and containerized cargo.

"The wharf enhancement project included several different components designed to extend the life of the structure for the next 20-25 years," said Tim Sherman, engineering project manager. Specifically

the improvements included selective demolition of the front portions of the waterside slab and crane beam to allow the front face to be straightened and a new waterside crane beam for 1,509 feet; installation of 2,460 feet of a pile supported 100-foot gauge landside crane beam with tie-beams for future new container cranes; installation of a new underwater cantilever steel sheet pile toe wall for deepening; a new steel HP fender system to protect the wharf and vessels as well as the new toe wall; strengthening of portions of the existing 50-foot gauge landside crane beam for crane wheel loads, new mooring hardware for larger vessels; and a few other miscellaneous items. It was a significant project and a major investment for the port.

The work, accomplished by two contractors in five phases which essentially involved making portions of berths unavailable while work was ongoing. Phase one involved closing more than 600 feet of the main berth. Phase two involved 481-feet, followed by subsequent phases of 451-feet, 250-feet, and 600-feet.

"It was not an easy process," said Keith Nell in the SCSPA berthing office. "We were running a one or one-and-a-half berth terminal for a while there when the work was happening in middle area of the dock. There were times when we could not accommodate two large vessels at the same time. Working around the situation required us to remain in very close communication with our customers, more even than we normally are."

North Charleston is home to Evergreen, MSC, the Indamex service, the Indus Express service, the Victory Bridge service and the AMEX service.

"We established a communications group to get everyone

advance notice of ship arrivals and plan how we were going to handle scheduling. The team was great. We worked well together. No one was happy about the inconvenience, but everyone understood the long-term benefit," Nell said.

The new fender system was a timely addition to the project. Since so much other work was being done on the face of the dock replacement of the old timber system was given high priority. The change will be a benefit to vessel operators and the port.

"We went from a high-maintenance timber system of fenders to a maintenance free system," said James Petit, terminal manager. "The new fenders are more forgiving to the ships because there is a rubber cone between the fender and the ship to absorb shock. With the old system the wooden fender was basically sacrificial; hit it hard and it would break. That was a big maintenance problem. I believe our carriers will really find this new system much more beneficial than the old one and it will certainly cut down on our maintenance expense."

SCSPA Joins Chassis Pool

The Port of Charleston, known for its high productivity and quick truck turnaround time, recently took a big step toward increasing both. Last month, the port announced a partnership with the Ocean Carrier Equipment Management Association (OCEMA) and the Georgia Ports Authority to create the South Atlantic Consolidated Chassis Pool (SACP).

Initially, the SACP will cover the ports of Charleston, Savannah and major inland hubs in Atlanta and Charlotte.

In the new chassis pool truckers will be able to keep the same chassis through multiple moves, reducing turnaround time for the trucker and minimizing delays brought about when receiving an unroadworthy chassis when forced to switch, as under the old carrier-owned chassis arrangements. By allowing the neutral chassis to be paired with containers owned or leased by any of the pool members, the trucker, carrier and the port experience increased convenience, and total

chassis inventories on the port terminals can be reduced, always a goal of the terminal operators.

Under the agreement, members are allowed to discuss, negotiate and agree upon the establishment and operation of the chassis pool. Proper papers have been filed with the Federal Maritime Commission on behalf of the 18 OCEMA members, the GPA, and the SCSPA. The pool is expected to be operational in the first quarter of 2007.

Bernard S. Groseclose, Jr., SCSPA president & CEO, noted that the SACP was created in an effort to improve terminal efficiencies and to realize economies of scale. Truckers will be able to keep the same chassis, which reduces turnaround time, and it also aids terminals by reducing lane space.

"U.S. container ports and other intermodal facilities are facing the tremendous challenge of meeting America's ever growing international trade needs," Groseclose said. "This joint effort by two major U.S. ports and their carrier



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partners will represent an unprecedented step forward in this regard.”

“We look forward to working with key south Atlantic ports in making this effort a success for all stakeholders in U.S. international ocean trades,” added Peter I. Keller, OCEMA chairman.

OCEMA Executive Director Jeff Lawrence is scheduled to speak at the 2007 Port Productivity Conference in Charleston on February 23.

OCEMA is an association of major U.S. and foreign flag international ocean common carriers. OCEMA provides a forum for its members to discuss operational, safety, and related matters per-

taining to the intermodal transportation of ocean freight within the U.S. Included in its scope are equipment-related operational, safety, and regulatory activities such as participation in industry forums, educational sessions, regulatory proceedings and legislative matters.

OCEMA members operate worldwide and serve all major U.S. ports and inland locations, moving cargoes primarily in containers. As a regular part of intermodal transportation services provided to U.S. manufacturers, importers, retailers and others, OCEMA members interchange cargo to be carried to and from U.S. inland locations via motor carriers and railroads. An

essential element of these inland operations involves the movement of containers on intermodal chassis and rail cars.

OCEMA's activities are authorized under the U.S. Shipping Act, as amended. The OCEMA Basic Agreement is filed with the Federal Maritime Commission.

SCSPA Supports Panama Canal Vote

The SCSPA applauded Panama's recent decision to support a \$5.25 billion, eight-year improvement plan for the Panama Canal, which will enable the canal to handle larger ships and more vessel transits.

Charleston itself has invested

in several projects that allow it to handle post-Panamax ships, including a new \$635-million bridge over the main channel, harbor deepening to -45' at mean low water and new super post-Panamax container cranes. But currently the Port of Charleston only handles post-Panamax ships in the trans-Atlantic and trans-Suez services.

“With an improved canal, the options expand—both for us and for our customers,” said Bernard S. Groseclose, Jr., SCSPA president & CEO. “The Port of Charleston sees the Panama Canal expansion proposal as a very aggressive and a very positive plan.”

Charleston's business through the Panama Canal consists of pre-

dominantly of ships calling from Asia in all-water services across the Pacific, as well as ships in the West Coast of South America trade. As the Panama Canal expands, it will allow larger ships to traverse the canal, giving shippers more options for U.S. East Coast port calls.

Katoen Natie Opens Charleston Distribution Center

Logistics provider Katoen Natie (KTN) has expanded into the Charleston area with a new location on North Rhett Boulevard, in the 500,000-square-foot Blackhawk warehouse complex.

"We started operating in Charleston for one of our international customers and will expand our footprint significantly in the short term for diverse logistics operations for plastics and other chemical customers," said Rob Martens, a KTN spokesperson.

KTN's worldwide network offers an integrated range of services, including logistics, semi-industrial and high-tech operations, storage, packaging, distribution, customizing, quality control, and assembly. KTN also carries out design, engineering, implementation and maintenance of entire plants, with or without operational follow-up.

"To better serve our customers, we continually invest in state-of-

the-art facilities, equipment and information systems," Martens added. "It is thanks to the initiative, enthusiasm and skills of our people that we are able to offer a better, more efficient and cost-effective total concept to the industry."

KTN can be reached at 5801 N. Rhett Ave Extension, Hanahan, SC, 29406. Email: info@ktnusa.com. The web address is www.katoennatie.com

Charleston Ranks #1 in Customer Service

In a recent report from World Trade Magazine, supply chain executives ranked the Port of Charleston first in customer satisfaction across North America.

The magazine for supply chain decision makers asked more than 5,000 subscribers how ports figure into their transportation strategies. Charleston had the highest percentage of respondents saying that they were "very satisfied" with the port.

Of the respondents using the Port of Charleston, an impressive 46% gave the port the highest mark possible. In the "very satisfied" category, Charleston edged out Norfolk by 13 points, Seattle by 11, and Montreal by eight.

"It's an honor, a privilege, and a huge responsibility to be recognized as one of the world's leading ports," said Bernard S. Groseclose,

Jr., SCSPA president & CEO. "This ranking shows the confidence our customers have in us. Every day, the Charleston waterfront works hard to earn it—the truckers, stevedores, labor, brokers, and forwarders...everyone."

World Trade also found that importers and exporters are becoming more selective, with more than 60% changing ports either last year or this year. Nearly 70% said that avoiding port congestion was their primary reason for changing ports.

Charleston's antidote for congestion has been constant productivity improvement through new equipment, technology and effective management.

"Charleston has improved utilization and productivity in the face of growing volume," said Groseclose. "To reach new productivity highs in the face of record volume is no easy task, but Charleston has the team for the job."

Charleston's vessel productivity in the first quarter topped 41 moves per crane per hour.

Groseclose Delivers State of the Port Address

SCSPA President & CEO Bernard S. Groseclose, Jr., delivered his 10th State of the Port Address November 14. During his annual speech to the Propeller Club of the Port of Charleston,

Groseclose pointed to the waterfront's many successes over the last year and laid out several goals for 2007.

First, Groseclose discussed investments in new equipment. The SCSPA purchased 16 new container stacking cranes, or RTGs, for \$24 million. Four new super-post Panamax container cranes, costing \$38 million, are due to arrive March 1.

Next, Groseclose reviewed key operational changes in 2006. First, the port moved from a wheeled operation, where each slot on the terminal held one container, to a grounded operation, where containers stack up to seven high. Then, the SCSPA extended gate hours. Next, the port deployed a computerized container yard system. Finally, the SCSPA implemented new rules and fees to ensure containers don't sit at the terminals for long periods.

As a result of these changes, the SCSPA cut bad equipment inventory by more than two-thirds. Dwell time—how long containers sit at the terminals—dropped between 40 and 80 percent, creating immediate space.

"This space translates into higher productivity for the ocean carrier and for the trucker...that means new capacity," Groseclose said. "Crane productivity has also reached new highs, surpassing 41 moves per hour per crane in the first quarter."



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Groseclose then recognized state and local development agencies for many industrial and distribution center successes, including the expansion of BMW and Michelin, DaimlerChrysler's decision to make its Sprinter vans in South Carolina, and new distribution center announcements by QVC and Foodhandler.

Groseclose also had good news on the financial front. SCSA revenues, volumes and earnings hit all-time records last year.

"While we have created capacity for the near-term, South Carolina must expand its port system," Groseclose warned. "If we don't, we will lose the edge on one of our state's most important tools for business attraction and economic development."

Groseclose reiterated that the SCSA is moving forward on expansion project in Charleston and on the Savannah River in Jasper County.

Groseclose closed by asking state officials to help the SCSA improve its road infrastructure, the only major issue standing between South Carolina and port expansion.

"The state, as it committed in 2002, must fund the new Port Access Road linking the proposed terminal to I-26, and it must provide whatever improvements are necessary on the interstate. Holding port expansion hostage is not an option," Groseclose said.

Maersk Optimizes Transatlantic Service

Maersk Line announced that it has moved its eastbound port call to Charleston from the TA2 service to its revised TA3 service to better meet customer demand.

In an effort to optimize its transatlantic network, Maersk Line has replaced its TA3 (Newark Shuttle)

and TA6 (Oceania Pendulum) services with a revised TA3 service. In combination with the TA1/TA2, the new TA3 service will offer direct coverage from the main load ports in Europe to all main US East Coast ports, including Charleston.

The new TA3 service will be a pendulum string with the recently announced TP12, which will establish direct links to/from the US West Coast. The full rotation will be: Bremerhaven, Felixstowe, Rotterdam, Le Havre, Newark, Charleston, Miami, Los Angeles, Oakland, Pacific loop, Oakland, Los Angeles, Savannah, Charleston, Newark, Bremerhaven, Felixstowe, Rotterdam, Le Havre.

New MSC Service

Mediterranean Shipping Company (MSC) has made Charleston the last outbound port of call on its Mediterranean/USEC

service, according to a press release issued by the company. The new Charleston slot offers a 10-day nonstop eastbound sailing to Valencia.

The new service for Charleston began December 14, when the 3,032-TEU MSC Lugano visited the port. MSC will operate five ships with an average capacity of 3,000 TEU on the Charleston call.

The MSC Med/USEC port rotation will be: Valencia, Naples, La Spezia, Sines, Boston, New York, Norfolk, Charleston, Valencia.

SCITC Trade Conference Dates

The South Carolina International Trade Conference (SCITC) board has announced plans for the 2007 SCITC, to be held May 29-31, 2006 at Charleston Place in Charleston, SC. Led by Quoizel Lighting's controller and director of international adminis-

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tration Jo Douglas, The SCITC will include a variety of discussions, panels and presentations that will address the shipping industry's current trends.

The full panel of speakers and topics along with full registration information can be found at the conference website, www.scitc.org.

Last year's SCITC broke attendance records for the third year in a row, with more than 500 attendees congregating to hear South Carolina's political leaders, shipping industry veterans, and shipping trade journalists address a variety of issues important to the shipping industry.

SC Implements Tax Incentive

South Carolina companies may benefit from the state's new International Trade Incentive Program (ITIP). Manufacturing, warehousing or distribution com-

panies that increased their port cargo volume by at least 5% from 2005 to 2006 and meet base cargo volume requirements are eligible to apply for the ITIP, which offers state income tax credits from an available pool of \$8 million.

The ITIP aims to bring new investment to South Carolina, as well as reward existing companies for expanding their port business in the state.

"This incentive works to make our state more competitive in attracting distribution centers and foreign investment," said Bernard S. Groseclose, Jr., SCSPA president & CEO. "At the same time, it encourages companies already here to increase shipments."

The Coordinating Council for Economic Development will allocate the tax credits. The application deadline is March 1, 2007. Information and applications are now available online at www.scspa.com/business/ITIP.asp.

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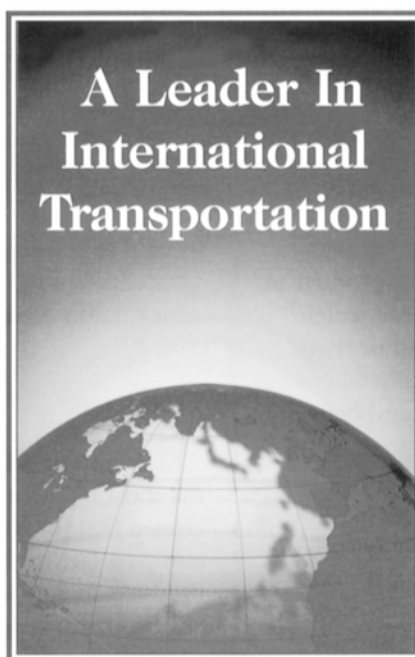
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