

July 15, 2016

Mr. Matthew Chambers
Designated Federal Officer
Port Performance Freight Statistics Working Group
U.S. Department of Transportation
1200 New Jersey Avenue S.E.
Room # E32-342
Washington, D.C. 20590
portstatistics@dot.gov

RE: Document No. 2016-13991 – Port Performance Freight Statistics Working Group: Notice of Public Meeting; Written Comments for Consideration by the Port Performance Freight Statistics Working Group

Dear Mr. Chambers:

The Retail Industry Leaders Association (RILA) appreciates the opportunity to comment on the work of the Port Performance Freight Statistics Working Group (“Working Group”) as part of the Port Performance Freight Statistics Program during their first meeting on Friday, July 15, 2016.

RILA is the trade association of the largest and most innovative companies in the retail industry. RILA promotes consumer choice and economic freedom through public policy and industry operational excellence. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales. RILA members operate more than 100,000 stores, manufacturing facilities and distribution centers, have facilities in all 50 states, and provide millions of jobs domestically and worldwide.

The significant congestion and cargo delivery delays at the nation’s largest container ports in recent years have caused considerable issues with the supply chain, impacting the retail industry and the overall U.S. economy. It has become evident that these issues have combined to increase costs for all parties, hinder U.S. competitiveness, and directly affect U.S. GDP. Ports play a driving role in the economy, and improved port efficiency and reliability is essential for the success of both the retail industry as well as the U.S. economy overall.

We commend the Department of Transportation’s commitment to tackling this issue through the creation of this Working Group. The Group’s formation represents an important first step toward improved understanding of current operations, and an opportunity to measure operational improvements that stakeholders continue to work towards.

Port congestion has neither one cause nor one stakeholder at risk; it has multiple causes with no easy one-size-fits-all solution, and an array of different stakeholders with divergent motivations and ambitions. The Working Group, composed of various stakeholders, must have frank discussions of port challenges and work to find common ground in order to produce collaborative solutions that will improve the competitiveness of U.S. ports and ensure reliable, predictable, and uninterrupted movement of freight.

RILA believes that the efforts of the Working Group to define key terms for data collection and performance measures and to identify nationally consistent metrics for port capacity and throughput are critical to strengthening America’s ports. While the industry’s ultimate goals include a greater level of tracking, reporting, and visibility, these represent an interim step in the process. Measures to improve productivity always start with baseline measurements and the development of key performance indicators (KPI). We believe KPIs need to be developed in four important areas:

1. Berth activity metrics;
2. Marine terminal yard activity metrics;
3. Truck gate operations metrics; and
4. On-dock rail operations metrics.

Below you will find a more detailed explanation around the specific metrics RILA believes the Working Group should include in the first edition of its recommendations.

Berth Operations

The main activity of a container port is the loading and unloading of shipping containers to and from vessels. Statistics programs that measure port performance must include data on the efficiency of these loading and unloading operations. The metrics for berth operations should take into account both ship and berth size.

RILA suggests that the following metrics be included in the port statistics program:

1. **Monthly average lifts per hour by vessel size and berth size** – this would be a measure of the number of containers moved either from a ship to the yard or vice versa, by a single crane in a single hour, averaged over all terminals within a port over a monthly period. An appropriate list of vessel and berth classes by size should also be developed as part of the methodology.
2. **Monthly average vessel turn time by vessel size and berth size** – this would be a measure of the number of days a vessel sits at berth, including fractions of a day. As the above recommends, the statistics should indicate vessel size. Once again, it would be helpful to develop a list of vessels and berth classes by size as part of the methodology.

RILA recommends that the Working Group develop a standard methodology for collecting these statistics while bearing in mind the expected variations for ships and berths of different capacities.

Yard (Terminal) Operations

Program statistics on port performance must measure yard activity and throughput because a significant portion of terminal activity takes place in the yard both loading and unloading containers.

We suggest the following metrics for yard operations:

1. **Average monthly container dwell time for import and export containers** – this would be a measure of the number of days a container sits in the yard before it is moved to rail, picked up by a truck, or loaded on an outbound ship.
2. **Average monthly port capacity** – a measure of container throughput per month would be a useful measure of real capacity given significant congestion issues. Such a measure would take into consideration not only the “on-the-ground” footprint of space set aside to hold containers, but also the vertical stacking limits and turnover (or flow) rates for containers moved through any given terminal. Terminal operators know how much excess capacity they have on hand to handle additional containers. A monthly statistic on excess capacity would be helpful. The Working Group should develop a standard methodology for collecting this statistic.

It would also be useful to understand the relationship between capacity and dwell time, and the “tipping point” where available capacity (or lack thereof) begins to significantly affect efficiency, dwell time, number of moves, etc.

These metrics may well be already available as terminals keep track of their capacity and individual container throughput as part of normal business operations. Ports and terminals charge importers and exporters a fee for dwell time that exceeds permissible limits known as demurrage based off this data. The port authority usually establishes a maximum number of days a container can dwell before it incurs these fees.

Truck Gate Operations

Truck mobility at the nation's ports has long been a concern, and many ports are already working with stakeholder groups to develop helpful metrics that could improve truck mobility and support the development of truck appointment and management systems. Reducing truck wait times also has a positive impact on environment and air quality. Equally important, reduced waiting times would increase drivers' ability to make multiple deliveries in a day, thus increasing their incomes and improving their livelihoods. RILA recommends the following metrics:

1. **Average monthly total truck turn time** – the most important measure of truck gate efficiency is the time the trucker waits to get into a terminal, followed by the trucker pick-up or drop-off time of containers. This so-called “pedestal to pedestal” time is important, but “turn times” also need to include the time a trucker spends queuing outside the terminal gate. Federal regulations limit a truck driver's legal Hours of Service (HOS) work capabilities, and time waiting in line outside the gate counts as “hours-on-duty” under the law, so accuracy for this wait time is crucial.

RILA believes it is imperative to reach a consensus on a standardized definition of total turn time and develop methodologies for measuring total “true” queue time. As a starting point, RILA suggests an investigation of both GPS and RFID methodologies. Capturing both the “pedestal to pedestal” data and the total turn time data is critically important.

In addition, it would be extremely useful to have statistics on the variability of wait times; i.e., deviations from monthly averages. Variation from monthly averages, including both shortest and longest times, will provide important visibility into the causes of long wait times.

Lastly, it would also be useful to collect data on gate–facility daily hours of operations (net-minus lunch or dinner breaks).

2. **Chassis Availability** – the availability of truck chassis has become problematic in recent years because of a sea change in the way ocean carriers manage this equipment, although many improvements have been realized since the ocean carriers' initial divestiture of chassis operations earlier this decade, as institutions and processes were developed to help fill that void. Chassis are now managed by third-party leasing companies or gray chassis pools. Chassis management differs from port to port; nevertheless, the lack of available chassis at peak times has been perhaps the single most important driver of port congestion in recent years. A standard metric on chassis availability needs to be developed by the Working Group. Data which would help measure the actual range of chassis availability for deployment include:
 - Total number of “good order” chassis available for interchange at terminal gate daily opening (by size-20ft or 40ft);
 - Percent of chassis that are issued “trouble tickets,” which must be processed prior to leaving the facility (see below);
 - Average number of chassis Out of Service (OOS);
 - Average chassis provider-facility equipment utilization rate; and

- Average chassis to container ratio by location to measure the disconnect between the location of chassis and the location of containers.
3. **Trouble Tickets** – a “trouble ticket” is issued to a trucker when the container he/she has come to pick up is not available because of a Customs issue with the import, a failure to pay demurrage, if the chassis the trucker is using needs repair, or some other issue. A 2011 study by the National Cooperative Freight Research Project (NCFRP – Report 11), entitled “Truck Drayage Productivity Guide”¹, found that trouble tickets were an area worthy of future study and better business practices could lead to improved truck turn times. The researchers who worked on NCFRP-11 obtained “trouble ticket” data directly from terminal operators. The Working Group should establish metrics on trouble windows and trouble tickets.

On-Dock Rail Metrics

For those ports with on-dock rail capabilities, evaluating velocity through the ports is important. The Working Group should work to determine metrics to measure this performance area. The Ports of Los Angeles and Long Beach Supply Chain Optimization Working Group are already conducting these evaluations, and the work of this ongoing activity should be leveraged.

Conclusion

In closing, RILA welcomes the opportunity to comment on the efforts of the Port Performance Freight Statistics Working Group. If you have any further comments or questions about this letter, please do not hesitate to contact me.

Sincerely,



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To learn more about RILA, go to www.rila.org

¹ NCFRP Report 11 Truck Drayage Productivity Guide 2011. http://onlinepubs.trb.org/onlinepubs/ncfrp/ncfrp_rpt_011.pdf