

Building a 'system of systems'

The Port of Los Angeles (POLA) and GE Transportation (GET) began developing the port's information portal last year, with the goal of consolidating all available data, including filtered information from Customs and Border Protection's Automated Commercial Environment (ACE) system, in one place, to better improve the flow of freight in and out of terminals.

The initial pilot aggregated six data fields as the "primary base data" to be made available to BCOs, terminal operators, chassis pool owners, railroads, truckers and the port. That was then extended to around 30 additional data fields. All the data is stored in a cloud system within the US.

Last month, the Port of Los Angeles Harbor Commission agreed to extend the initial contract with GET (which was for US\$1.31M to develop a pilot portal within one year) to

Port of Los Angeles is spending US\$13.1M to develop a port information portal, but are there easier and cheaper ways to improve visibility into terminal operations?

a three-year agreement worth US\$13.1M (including the initial US\$1.31M).

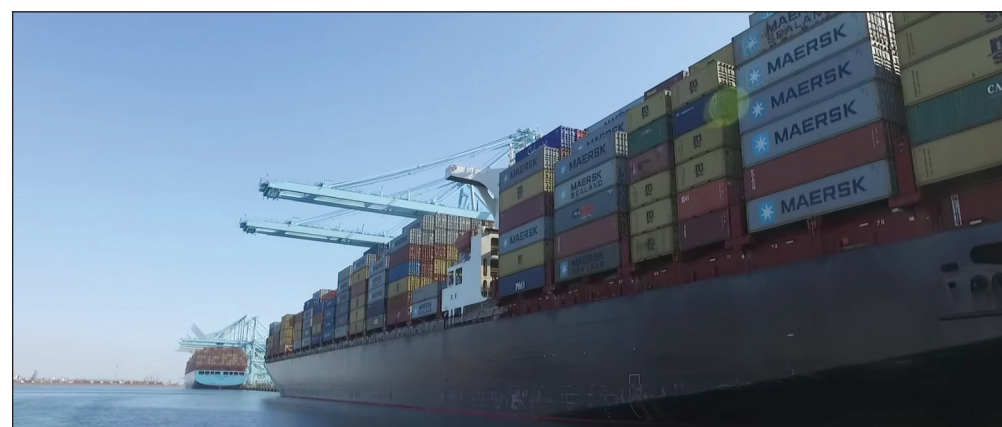
In making its decision, the Commission heard that the pilot project delivered significant benefits. Since the portal went live in May, participating stakeholders have been able to view "integrated supply chain data approximately up to two weeks prior to the vessel's arrival at the Port of Los Angeles", the Commission was told. This compares with two to four days from current systems.

In its report, POLA noted that the feedback provided by those participating has been

"very positive, and participants have expressed the desire to expand the portal to include additional container terminals and shipping lines". Maersk Line was the pilot shipping line, and APM Terminals the pilot terminal operator for the port information portal.

Endorsement

APM Terminals and the LA Harbor Trucking Association both endorsed the portal. John Ochs, senior director at APM Terminals, recognised POLA for driving it through. He noted that, at an FMC Port Forum in Washington in 2016, all the port



APM Terminals was the pilot terminal operator for LA's port information portal

players noted what was really needed to achieve collaborative planning was a "system of systems". This has been said many times before, but Ochs said that POLA director Gene Seroka "came home and did something about it".

Ochs commended Seroka, the port and GET for working together and solving technical issues to get systems talking to each other. "We now have a prototype that actually works," he said, noting that the portal is

a major step towards improving port-wide efficiency.

For the LA Harbor Trucking Association (HTA), executive director Weston LaBar said the portal should help the port community address the issue of truck turn times, and reduce the need to compensate truckers for waiting times. At the moment, he added, dispatchers are visiting 40 websites a day to get different information, which they can now access from the single portal.

Typically, truckers work across both LA and Long Beach, and the LA Harbor Commission asked whether the Port of Long Beach is aware of the benefits of the portal, and intends to participate in it. Seroka replied that meetings were already scheduled, and he was optimistic Long Beach would want to get onboard.

There is clearly a lot of value in the information that can be shared on the portal, but the commercial model for the portal itself is still being developed. It is, in some respects, new territory for the port authority – GET is developing the portal as a commercial enterprise, with port funding.

In addition to approving the new contract for the portal, the LA Harbor Commission approved a "Revenue Allocation Agreement" with GET. The terms of the agreement include an exclusivity clause and a revenue sharing arrangement. The term of the revenue sharing arrangement is for an initial three-year period, with a second two-year term. After that, the port has an option to "purchase" a 10-year subscription, to be negotiated under a separate agreement.

Revenue questions

WorldCargo News tried to ascertain the extent to which revenue from the portal will cover the cost of development, or produce a profit, and what user charges might be, but neither the port nor GET would comment on those details.

What is known is that any revenue earned from the port's terminals accessing the portal will be split 50:50 between POLA and GET for five years. In addition, for the first three years, GET will pay the port 10% of any net revenue from subscription sales, decreasing to 5% over the next two years. GET will also pay the port 2% of revenue earned from customising the portal in the first three years, and 1% in the next two.

The marketing and promoting of the portal are to be shared by both parties, with a steering committee set up to develop a marketing strategy.

In comments to WorldCargo News, POLA stated that generating revenue is not its primary goal, and, in fact, it does not know at this point how much money the portal might generate. "The port is looking for the portal to create efficiencies in

the supply chain that will translate into improved competitiveness and, ultimately, increased volumes," it said. "It is too early to determine fees, fee structure, and/or whether this will be a cost-neutral project. We view this project as 'digital infrastructure', similar to a construction project where we build for the long-term growth and value of the port. If it turns out, down the line, that this is a cost-neutral or positive cash flow project, that would be a bonus. But, at this point, our primary objective is to get this project fully operational, and continue to improve efficiencies."

The port is also proud of the recognition the portal has achieved so far. It recently garnered the "2017 Outstanding IT Project Award" from the City of Los Angeles Information Technology Agency, and will be presented with the American Association of Port Authorities' (AAPA) annual "Information Technology Award" next month.

WorldCargo News has heard some murmurings of discontent that the portal will affect other subscription-based transport data services in the market today, but the port does not believe the portal is replacing other products and services. The portal, it said, is "designed to aggregate information from many data points, and share in a single portal".

Already there?

This raises questions around where that data is today, who controls it and whether the port community will really embrace paying GET to access it.

The GET portal is really a variation on a port community system. While some ports on the East Coast that operate their own facilities have built their own portals, the situation in Los Angeles and Long Beach is different.

A cornerstone system for most LA/Long Beach terminal operators to exchange information with BCOs, their 3PLs and the trucking community, is eModal. At one stage a subsidiary of Tideworks Technology, the eModal brand and all support functions are today managed by Advent Intermodal Solutions LLC (Advent), following a 2012 commercial acquisition.

eModal combines in one portal features such as a truck and driver registry, container availability, appointments, inspection reports, empty return instructions, vessel schedules, chassis rental billing, and M&R. eModal is used by nine terminals in LA and Long Beach today, and performs a lot of the functions the new LA/GET portal wants to cover.

That was clearly evident from an announcement this month that International Transportation Service, Inc. (ITS) and Advent have partnered to provide predictive cargo availability in eModal for customers in the Port of Long Beach, enabling

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users to request appointments automatically when containers are available, all by using existing data.

Effectively, ITS and Advent have announced an alternative way to use some of the same data in eModal to improve cargo velocity, by simplifying the complex process of booking truck appointments, following a notification that a box is available.

ITS will offer “first-of-its-kind predictive visibility and automated appointments within the eModal.com portal, to accelerate landside cargo planning and velocity for shippers, truckers and all port stakeholders”. This will be achieved by expanding Advent’s eModal community portal, to enable predictive visibility as to exactly when import cargo becomes available to collect.

“The solution will include two key capabilities to drive efficiency for ITS customers and their truckers,” explained Advent. “Rather than just informing a dispatcher or trucker as to a future availability date/time, the new function will also fundamentally change the PreGate and Appointment processes in eModal, by enabling the user to indicate their desire to either request an appointment slot or complete a pre-arrival notification automatically, negating the need to return to the portal to make an appointment after container availability is confirmed by the TOS.”

This saves administrative time, but the larger time-savings, stressed Advent, “lie in the ability to automatically secure a preferred pick-up appointment – either a first available slot or an exact date/time”.

The integration required to achieve this is not extensive. Advent said ITS will make “minimal communication changes inside its TOS” (an in-house system), to enable additional information to be exchanged with eModal. The whole project is slated for completion in November, just two months away.

It is clear that not every terminal operator in LA/Long Beach believes a new portal is the best way forward, and *WorldCargo News* understands costs upwards of US\$250,000 to integrate with each terminal’s TOS are budgeted within the two-year pilot phase of the new GET portal.

“ITS analysed how information on cargo availability was collected today between our shippers and their drayage partners, and found a big opportunity to innovate,” said Sean Lindsay, COO of ITS. “With nearly all terminals in the port already using eModal to share container availability and make appointments, we felt it was the obvious place to share data and collaborate.”

One-step process

Parvez Mansuri, CEO of Advent, said: “By knowing an expected availability window from the TOS, we can now make the associated appointment in one step. This is a great example of our further digitising an already efficient process, to save time and simply get cargo moving faster by eliminating unnecessary or repetitive steps in our appointment process. We feel it’s a powerful example of continued innovation in eModal that will benefit the terminal operator, trucker and BCO alike.”

Commenting to *WorldCargo News*, Advent’s chief strategy officer, Allen Thomas, stressed that the company is not at all against the concept behind LA’s portal, which has been promoted by GE and POLA as a national portal model, usable for all US ports. However, though all of the data that will be available in the portal already exists, GET is not collaborating with existing portals and providers that have already done a lot of the integration work it is setting out to do now.

There is a consensus that ports can leverage data to help achieve their goals with regard to throughput, cargo velocity and sustainability, but, for Advent, the best value and top priority does not lie in extending visibility into some cargo data via a portal two weeks before a vessel arrives, but rather in system-to-system integration that removes the complexity of organising landside processes as cargo status changes

and containers become available.

Advent is focused on replacing the current practice – where data generates notifications, which people act on manually to initiate a process – with integration that automates a lot of this work.

On the terminal

One of the terminals using eModal is SSA’s Pacific Container Terminal (PCT) in the Port of Long Beach. Speaking with *WorldCargo News*, Sal Ferrigno, SSA vice president, said that, while he understands and supports the goal of shippers and BCOs being able to see data on container availability across all terminals on a single website, a completely new portal is not really the best or most cost-effective way to achieve this.

PCT, like other terminals nationwide, is already feeding data to eModal, which is then made available to shippers, BCOs and their 3PL agents, on different levels and in different electronic formats, via Advent’s eModal-PRO Data Services, which integrates cargo availability data directly into the TMS and dispatch systems of all stakeholders. It is, however, not always in the format that shippers and BCOs want to see, and the wider port community, in particular, has expressed a desire to see, consolidated on a website, ETA data on container discharge from the vessel.

“Much could be done through eModal,” said Ferrigno, adding that the cost would be “minimal”, as existing relationships, key functions and systems integrations are already in place. The GE route seems expensive, and “some

terminal operators may have a difficult time justifying paying more for something that they already have”, added Ferrigno.

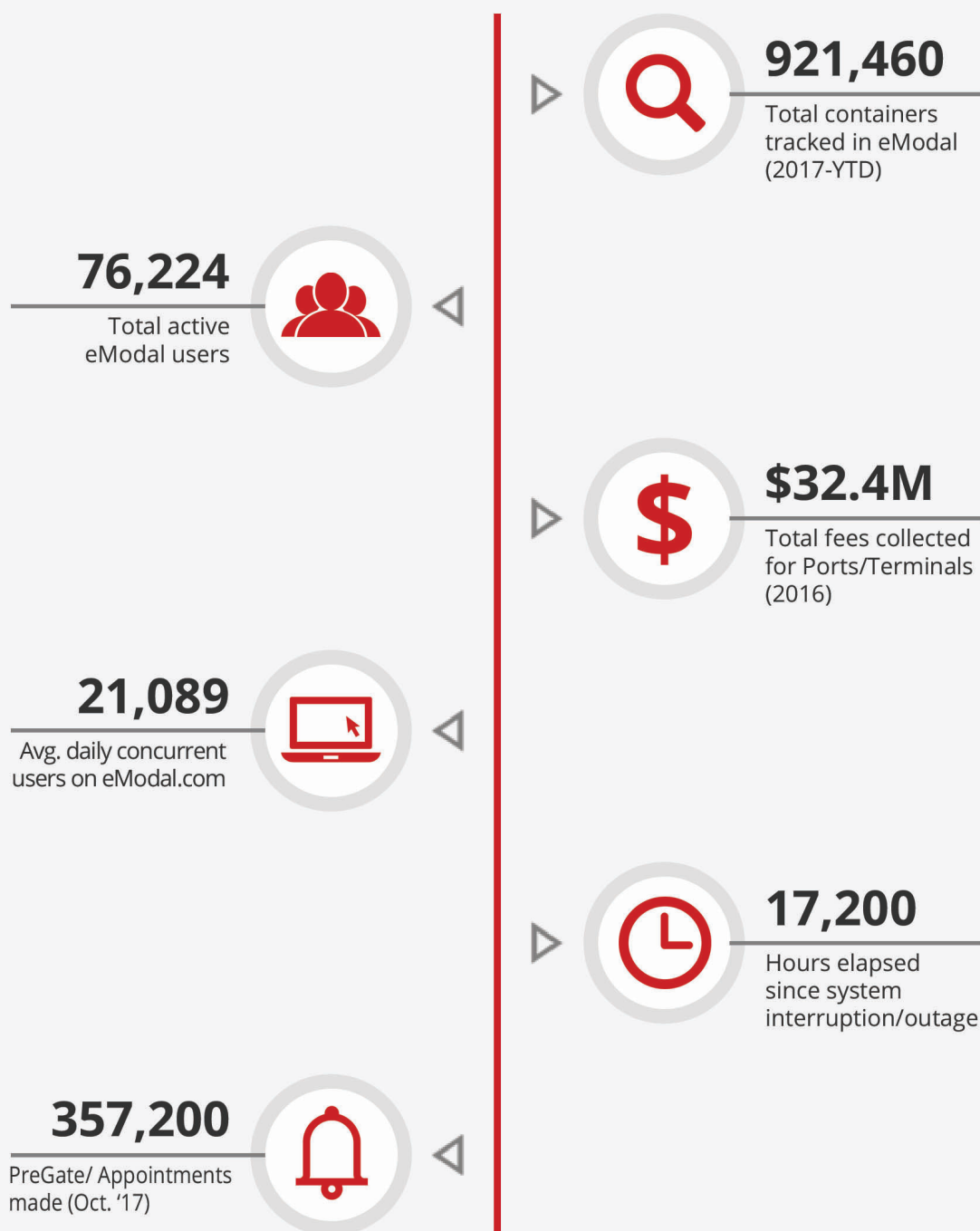
While the Port of LA is pushing on with the GET portal, PCT has different priorities. “Our goal is to speed up processing for the truckers. At this time, through eModal, we are concentrating on empty and export pre-arrival,” said Ferrigno. “Once that is successful, we will entertain the idea of providing an estimate of what time a container is coming off a ship, but not an exact time. □

Weston LaBar, executive director of the LA Harbor Trucking Association, said the new portal gives truckers a much better “line of sight” on cargo, enabling them to plan trips and reduce congestion



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