

3. Yard checker. The person who makes sure that the chassis goes to the appropriate rail track. The chassis are not assigned to a particular rail car, only to a particular track. The containers are arriving at the rail tracks at a rate of up to 75 per hour.

With each ship-side crane, there are generally 3 to 4 hostlers with chassis to serve the crane. Each box operation involves a 5 or 6 minute cycle that includes getting the box out of the vessel, running it over to the rail car, putting it on the rail car and returning the hostler to the ship-side crane. If the vessel is also handling export containers, the hostler will run from the train to the storage yard to pickup a container to bring to ship-side.

If a terminal has 2 or 3 ship-side cranes, the operation can be run manually without the need for a computer system. However, once a terminal goes to 3 or 4 ship-side cranes, then a computer system will be necessary.

DEEPER PORTS  
INCREASE THE COMPETITIVENESS OF  
U.S. COAL EXPORTS

By

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Our success in achieving the recent start-up of our 50-foot outbound channel in Hampton Roads was not an easy task, and I think it is appropriate to quote Assistant Secretary of the Army (Civil Works), Robert K. Dawson's remarks made at the Hampton Roads Deepening Ceremony on April 6, 1987. "The project getting underway today is a highly successful example to how the Corps and other federal and state agencies, and non-governmental organizations such as the Hampton Roads Maritime Association, can join in a team effort to serve our nation."

Hampton Roads has always been the bread basket for coal users worldwide. Our exports in the early 1980's was over 50 million tons. Last year this figure was over 40 million tons. Fostering deeper water in Hampton Roads, we committed to our overseas coal buyers that we would reduce their delivery cost of coal and waiting time for loading by achieving in the future a 55-foot channel. A first phase improvement of a 50-foot outbound reach is now underway.

Some years ago when oil was selling at \$45.00 per barrel, the cry from our coal buyers was, "You get the authorization and we'll pay for the harbor deepening." Clearly their interest was understandable.

A Panamax vessel (a vessel that can transit the canal that has less than 105-foot breadth and loads approximately 80,000 tons at a draft of approximately 40 feet) had a freight rate of about \$24.00/\$26.00 per ton to Japan from Hampton Roads. A Cape sized vessel at that time (a vessel that cannot transit the Panama Canal which loads up to 160,000 tons) had a freight rate of \$14.00/\$16.00 per ton to Japan from Hampton Roads. There was a savings in the coal transportation to Japan of about \$10.00 per ton by using a larger size vessel. Our draft at the coal pier in Hampton Roads is 46 1/2 feet sailing on high water with a vessel's cargo of approximately 120,000/130,000 tons.

I don't see 150 ships at Hampton Roads waiting for berths or coal freight rates to Japan at \$26.00 per ton as it was in the early 80's, but I do see by the early 1990's an increased dependency on coal. Our additional draft will ensure a quick turnaround and stabilization of ocean freight rates by using the Cape sized vessel. Obviously, this will increase the competitiveness of U.S. coal exports.

Clearly coal exporters seek deeper ports to stay competitive. This point appeared in early June in Dean Witter's monthly Coal Newsletter, "Conrail's dumpings at pier 124 in Philadelphia may be reduced in the future. Conrail may divert some of its Philadelphia coal to the Consol pier in Baltimore. The Baltimore pier will be dredged to 50 feet in 1988 and will therefore be better equipped to handle larger vessels than the Philadelphia pier, which will remain at a depth of 40 feet."

By next summer, we will have a 50-foot draft at Hampton Roads. Presently, at Hampton Roads, there is loaded on a Cape sized vessel of 150,000 dead weight tons loading for Japan via Richards Bay, South Africa, on a draft of 46 1/2 feet, approximately 120,000 tons. Afterwards, she proceeds by Richards Bay to top off for her balance of an additional 25,000 tons of coal. When we achieve our 50-foot channel next summer, it would not be economically feasible for this vessel to top off at Richards Bay based on the following:

1. Deviation would be about two days, costing about \$20,000 based on ship's cost per day of \$10,000.
2. Loading time at Richards Bay one day - additional cost approximately \$10,000.
3. Port expenses at Richards Bay \$40,000.

This means a total cost of \$70,000 for the extra call at Richards Bay for loading the additional amount of cargo of approximately 25,000 tons. Calculating this to a ton of coal results in the figure \$2.80 per ton. In less than a year, there will be no need to call at Richards Bay by vessels sailing from Hampton Roads to Japan, since we can then load these vessels to 150,000 tons. This will effect a savings of \$2.80 per ton to the transportation cost of the coal to the consumer and make U.S. coal more competitive.

VEXTRAC, THE EXPORT TRADING COMPANY

By  
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World trade and the U.S. trade deficit are important challenges and issues facing the U.S. An Export Trading Company (ETC) is a device which can improve our ability to export goods to overseas markets. An ETC is usually set up to help market and sell overseas a series of similar product lines.

VEXTRAC, the export trading company of the Virginia Port Authority, was set up in 1983 as a non-profit corporation to handle products that can be shipped through the facilities of the Port Authority. VEXTRAC accomplishes the shipment of cargoes through the port facilities of Hampton Roads in various