

Minutes of meeting



Distribution	All participants as well as all persons who have been invited	Place	Hamburg
Subject	CTQI: 2nd Hamburg Committee Meeting	Date	2007-09-06
Chaired by	Kieran Ring and Bernhard Ständer	Beginning	1000hrs
Participants	Kieran Ring (GIL Global Institute of Logistics) Gustaaf de Monie (International Port Consulting BVBA) Wilmer Aguilar (Yantian International Container Terminals Ltd.) Kai Martin (MTC Marine Terminals Corp.) Rafael Sapiña García (Fundación Valenciaport) Heinrich Goller (CTA Container Terminal Altenwerder) Wilhelm Loskot (GLC Germanischer Lloyd Certification) Niko Aipperspach (GLC Germanischer Lloyd Certification) Bernhard Ständer (GLC Germanischer Lloyd Certification) Steve Longbotham (MTC Marine Terminals Corp.) Edmond Leung (HIT Hongkong International Terminals) Stefan Horndahl (Stora Enso) Christopher Snelling (Freight Transport Association) Marc Trundle (Kingfisher B&Q)	End	1545hrs

After an introduction of Kieran Ring how the CTQI Hamburg Committee was born and how it was developed the main critical items were summarized as:

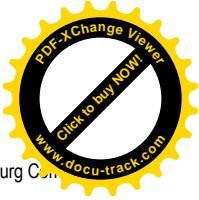
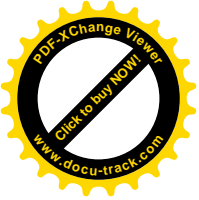
- There is no worldwide organization of terminal operators
- The terminals should be determined to be more efficient
- Transparency in the container supply chain is needed

Wilhelm Loskot first presented the analysis of the Shippers Feedback Questionnaires and the shippers commented on it as follows:

- There are big customs delays except in Asia.
- There are other delays caused by terminal operations.
- Sometimes ports have to be used due to their geographical location. CTQI could be important to evaluate terminals' performance in detail and to trigger improvements.

It was agreed that the Shippers Questionnaire shall be re-sent especially to retailers and to US and Asian Shippers. It was further agreed that the result presented today is from the European perspective only and represents only a few shippers. E. g. warehouse availability would be of big importance in Asia. It has to be distinguished between 3PLs in the port and in the vicinity of the port which may make a big difference. 24 hours open gate also might be required in some areas as it is unimportant in Europe because the Distribution Centres are closed at night.

Thereafter the general concept of the CTQI standard was presented by Wilhelm Loskot.



The feedback from the terminals was as follows:

- The definition of best practices is very difficult because different “bests” may suit to different terminals, e.g. for one terminal Rubber Mounted Cranes might be ideal.
- More important is the way how certain equipment is chosen.
- The environmental aspect has been mentioned to be not underestimated, but it was agreed that a ISO 14001 certification could just be awarded by additional points, same applies to ISO 9001 and OHSAS certification
- It was mentioned that CTQI should be an outside-in approach instead of an inside-out approach

Kieran Ring presented the idea to found the IPPB (international Port Performance Board). This should become the successor of the Hamburg Committee and should be responsible for marketing and defending CTQI. The IPPB would annually publish the “best in class” terminal(s).

It was mentioned that CTQI is needed as a communication tool in the industry to value the work of terminals. The goals of the IPPB therefore would be:

- Marketing of CTQI
- Bringing across the message that CTQI is needed as a voice of the terminals
- A Global Data Base of terminal performance data needs to be developed

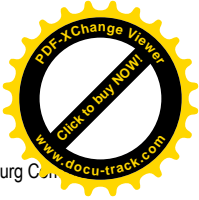
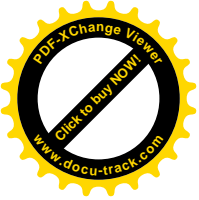
It was agreed by all participants that the CTQI certificate should only certify that a terminal has passed a minimum benchmark and a boarder plate should general describe the categories of indicators but not any values. The CTQI points shall be published to the organization by GLC in a separate document which can be published by the terminal purely on his own decision. If a terminal fails to reach benchmark level the analysis by GLC would lead the terminal to the improvements needed to get the CTQI certificate at a later stage. The whole concept was compared to the hotel-star concept, where also the public does not know what exactly lead to a five star hotel. Further it was confirmed that GLC shall stay the only certification body in order not to bring competition into certification and that certification will be strict and strong (shipper’s opinion). GLC would never publish if any terminal did fail.

Shippers agreed to the message of this concept and they confirmed that a CTQI terminal would be a respectful terminal that they would like to work with. Christopher Snelling actually added that he likes the idea of publishing the figures in order to get terminals into competition. This was discussed intensively.

Stefan Horndahl (representing Stora Enso as the biggest forest product producer in the world and moving ~280,000 TEUs p.a.) admitted that often problems are beyond terminals control (e.g. bottlenecks on the roads) and that INFORMATION FLOW is the most important issue beyond:

- Sustainability
- Reliability
- Proactivity

Steve Longbotham presented the information system of MTC:



- BAPLIE (Bayplan including Empties)
- Manifests
- Rail documents and
- Specifications of the consignee

are the information sources for the TERMINAL OPERATIONAL SYSTEM (TOS) that every terminal has. It is a data based, automatic IT system and more than that. The real problem sometimes is that consignee information is not available and not disclosed by carriers, when the cargo is transported on another carrier (slot charter). The consignee data is very important for the productivity of the terminal.

TOS are traditionally self made but can also be obtained from:

- NAVOS (different modules) – used on 140 Terminals
- Timework
- Terminalstar
- Katos

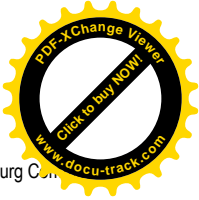
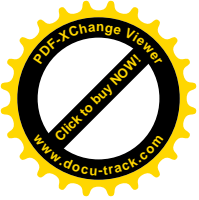
A TOS system is a huge IT system which has as content:

- EDI system as supply only
- vessel to yard planning
- yard to gate planning
- gate to yard planning etc.

The different modules of a TOS have to be connected. For example the gate module has to have the capability of getting the knowledge what to do with a container after it has been dropped (export container). Another solution is an appointment system being in place so that a truck approaching the terminal gets an SMS telling him where exactly to go. The TOS ideally shall be giving input in a port data system, like PORTNET in Singapore. Further a TOS shall be able to handle multiply communication modes such as fax, email, internet etc. It shall be covering all modes with the result of visibility. After visibility is created by TOS actions shall be taken in case of problems becoming visible, e.g. by telephone hotline or again internet connection.

The quality differences between several TOS were discussed with the outcome:

- a TOS shall have all processes properly embedded into it (VERY IMPORTANT)
- the quality of the process input highly influences the quality of the output of a TOS
- the TOS shall be set up in such way that only TOS driven processes and NOT people driven processes are allowed in order to avoid errors
- the system shall be driven by itself but needs to be “configurable”, i.e. changes need to be applied on a short-term basis (case-by-case). For example priority given to one crane etc.



- process management must be very properly set up. Therefore in a good terminal a process management team shall be available (better not consultants but own people). These process managers **MUST** work very closely together with operational departments.
- Further following experts would be needed:
 - o Labour experts
 - o Engineers
 - o Trucking experts
 - o In-house terminal handling equipment experts

In HHLA there is a terminal development group available for each terminal. Furthermore there is a terminal-independent group as in-house consultant (HPC). These groups are highly integrated into operational departments.

It was mentioned by Steve that if this is all put in place at an early stage it will drive other parties, e.g. move forwarders to use the internet etc.

As part of EDI it was mentioned that information shall be shared with other community parties like

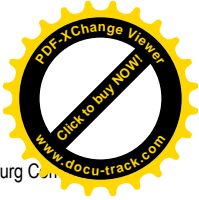
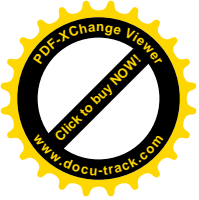
- forwarders
- customs
- shippers
- truckers
- logistic partners / 3PLs

This would result in a PORT COMMUNICATION SYSTEM.

It was suggested that a terminal should make available all data through internet because they have the data from a variety of carriers.

In the afternoon a visit of CTA Container Terminal Altenwerder was guided by Mr. Goller. He explained the special concept of the terminal:

- Automatic operation of RMGs and AGVs
- Fully automated serving of AGV by cranes
- Automatic road gate system, info to truck driver so that he does not need to get out the truck
- Provision of special maintenance positions for cranes
- A chassis system is only used for the transport from rail to yard (and vice versa)
- Remote control of putting down containers on trucks and chassis



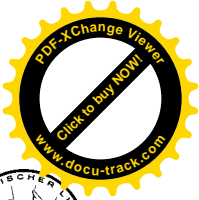
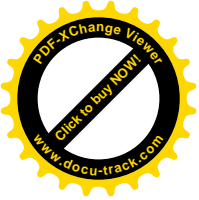
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- IT control system of tug masters moves to optimize ways, empty moves but manually driven
- Passing of cranes possible - challenge for software and engineering
- Monitoring and plugging manually on reefer area
- Empty depot on site but needs to be removed due to more stacks needed for full containers / growth of capacity
- Empty depot served by chassis and reach stackers
- Training essential, exchange of experience, system drives the terminal, not the human drives it
- Winter contingency plan, salting process with AGV and Stadtreinigung
- Camera on spreader for fog
- Double trolley cranes are in fact two cranes in one, more complicated, not always best
- Doing analysis of movements in the stacks (e.g. by shipper etc) to optimize and minimize moves
- "Quality system" of each container. Leading to housekeeping moves when one crane has time.
- AGVs not possible to serve train head.
- 24 hours maintenance service and repair on yard
- 40' twin move for discharge only, not for loading yet. Tandems are planned in CTB only for the moment, but the challenge is the control for transport
- Capacity usage on peak days over 90%, peak weeks 70 to 75%. 75 percent is design speed.

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Signature



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Chaired by	Kieran Ring and Bernhard Ständer	Beginning	1000hrs
Participants	Kieran Ring (GIL Global Institute of Logistics) Gustaaf de Monie (International Port Consulting BVBA) Wilmer Aguilar (Yantian International Container Terminals Ltd.) Kai Martin (MTC Marine Terminals Corp.) Rafael Sapiña García (Fundación Valenciaport) Heinrich Goller (CTA Container Terminal Altenwerder) Wilhelm Loskot (GLC Germanischer Lloyd Certification) Niko Aipperspach (GLC Germanischer Lloyd Certification) Bernhard Ständer (GLC Germanischer Lloyd Certification) Steve Longbotham (MTC Marine Terminals Corp.) Edmond Leung (HIT Hongkong International Terminals) Wolf von der Mosel (Hamburg Port Authority) Marcus Leaver (Hellmann Worldwide Logistics) Yves Wild (GLC Germanischer Lloyd Certification)	End	1630hrs

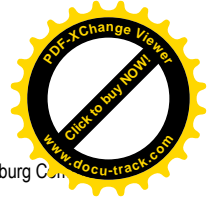
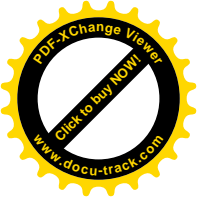
After the introduction of the participants Kieran Ring summarized what was discussed and decided at the first day of 2nd Hamburg Committee Meeting. He highlighted the necessity to develop CTQI as a very high standard. Compared to the hotel-star concept, CTQI should represent noble restaurants and not McDonalds. The CTQI- certification must be the result of a strict audit, in order that GLC can guarantee a high quality standard without publishing the CTQI - points.

A long discussion arose about how to handle the differences between the terminals. Especially the following topics were discussed:

- It was proposed to differentiate between the requirements of an "Import-Terminal", of an "Export-Terminal" and of a "Transshipment-Terminal", because each type of terminal is confronted with different challenges. It was agreed that a distinction is not possible in order to keep the objectivity of the standard which needs the same conditions for each terminal
- A differentiation of the evaluating procedure could be realized without raising the bar by leaving the respective KPI out of the evaluation. Instead, additional points could be evaluated or the remaining KPIs could be evaluated higher.
- It was pointed out that e.g. it is easier for a terminal with a low train frequency to reach a good result for the KPI "Rail Service Quality Index" than for a terminal with many trains leaving per time, although good train connectivity should be a positive fact. Dr. Wild explained that the evaluation of "External Factors and Hinterland Connectivity" and "Terminal Infrastructure and Organization" were included into the CTQI draft to equalize this.

Thereafter Gustaaf de Monie briefly presented the Key performance Indicators for Container Terminals that were proposed to be included in the CTQI standard in the last meeting. The KPIs are divided into three parts:

- Generic Indicators, which could also be named generic measures. These Measures will not be evaluated. They represent the generic data of the terminal but do not show how efficient



the terminal works. It was agreed that Berth Productivity and Terminal Area Productivity belong to this part of KPIs.

- Operational Effectiveness and Efficiency
- Service Quality to Users

First it was discussed and decided which Performance Indicators will be measured and used for CTQI. The units of the KPI were determined.

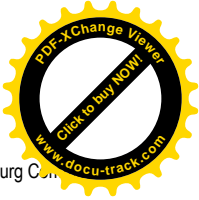
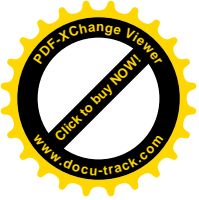
The result:

Yearly Performance Indicators		to be evaluated
No of vessel calls	[vessels]	
Traffic full	[containers]	
Traffic full	[TEU]	
Traffic empty	[containers]	
Traffic empty	[TEU]	
Traffic non containerized units	[units]	
Throughput ¹	[TEU]	
Container Handlings	[container moves]	
Physical Length of berth	[m]	
Berth Productivity	[container moves/m]	
Dwell Time (overall)	[days]	
Dwell Time empty	[days]	
Dwell Time full import	[days]	
Dwell Time full export	[days]	
Dwell Time full transshipment	[days]	
Terminal area	[m ²]	
Terminal area productivity	[TEU/m ²]	
Storage area	[m ²]	
Storage area productivity	[TEU/m ²]	
Ship productivity	[container moves/hour/ship]	x
Gross crane productivity	[container moves/hour/crane]	x
Berth occupancy	[%]	
Average weekly peak berth occupancy	[%]	
Berth working index	[%]	x
Average ship turn around time	[h]	
Ship service quality index (main line vessels + feeders)	[%]	x
Road vehicle service quality index	[%]	x
Train service quality index	[%]	x
Barge service quality index	[%]	x

¹: Throughput figures are subject to national statistical regulations and are included into this annex for information only

Especially, the following topics were discussed intensively:

- 1.) When discussing the “Vessel calls” and “Ship service quality” it was proposed to count feeder and main line vessels separately. After due consideration it was decided that such distinction is not feasible.
- 2.) Concerning “Traffic” it was regarded as necessary to measure the empty and the full containers separately. Furthermore the unit should be both “TEU” and “Containers”. Heinrich Goller mentioned that an important part of goods is transported as oversized cargo. Therefore a further KPI for “Traffic non containerized units” was introduced.
- 3.) The “throughput” figure is not standardized and depends on local standards and regulations. It is for information only.



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- 4.) For "Container Handling" each lifted container will be counted. Non-containerized units won't be taken into account.
- 5.) The Length of berth was defined as its physical length. Piers in the water behind the quay will not be considered.
- 6.) It was questioned if e.g. a landward rail station should enlarge the "Terminal Area" or not. It was agreed that the official Area (inside the fences) should be taken as base for this KPI. If the station is situated inside this area it will be included.
- 7.) Neither "Barge waiting time" nor "Average waiting time for a berth" will be a KPI in the CTQI. Although they are interesting figures for the service quality of ships and barges it is almost impossible to measure them accurately.

Marcus Leader shortly presented the current philosophy and the mid-term projection of Hellmann Worldwide Logistics.

Thereafter the evaluation of the seven KPIs were was discussed. The 100 points (total) were divided up amongst them according to their priority. The agreed result is shown in the attached master table (Excel-File).

The further work steps shall be:

- All master tables (specially the Master Tables "Organization and Infrastructure" and "External Factors and Hinterland Connectivity" which have not been discussed so far) will be distributed to all the participants of the meeting. The participants are requested to complete them with their ideas of benchmarking and comments and to send them back together with a general feedback about the meeting until the 5th October.
- The shipper questionnaire will be sent again to retailers and US and Asian shippers by the ESF. It was noticed that German Shippers are not represented in the ESF and should therefore be contacted directly by GLC.
- It will be tried to obtain the opinion of the carriers about CTQI. Some carriers will be invited to join the next CTQI meeting in October. Wolf von der Mosel offered his help to get in contact with some carriers.

The next meeting will be a full two day meeting on 18th/19th October 2007.

First day

- Presentation of the feedback of the participants about 2nd Hamburg Committee
- Presentation of the results of shippers' poll
- Development of the CTQI standard: Structure and content of CTQI master tables (the results of the received suggestions will be presented first).

Second day

Together with carriers

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