Men-In-Iron

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Unloading Steel Ship

DAVID REID, NOVOLOG - IS THE DOCTOR IN THE HOUSE?

In the office of Novolog Bucks County marine terminal, CEO David Reid, has a sign that asks "Is the doctor in the House." This was presented to Reid by a number of his customers in a tongue-in-cheek tribute to a man that not only heads what they termed a trauma center at the steel facility, but has the initials D.R. According to legend, David's ability to deal with problems at the marine terminal transcends the significance of his initials, but both fit.

David Reid has enjoyed success in his part of the steel logistics chain, even though he has neither developed machines, manufactured them, nor sold them. He has been instrumental in bringing semi-finished steel products to the U.S. market place so that others might complete the creative process.

This is not to say that he has not been creative in his approach to his niche in the steel market, nor does it say that it is anything less than the roles of our other "Men-In-Steel." On the contrary, he has created a bit of artistic flare to the drab business of discharging, storing and distributing semi-finished steel products.

Reid was born in 1950 in England, but is now a U.S. citizen and has been residing in Pennsylvania since 1997. As many people in our industry have, he has also traveled the globe in getting here. He grew up and studied in England, graduating from Plymouth Technical Maritime College in the early 70s. He served at sea aboard British merchant navy liners and bulk cargo vessels, and served as an officer on Canadian bulk self-unloaders in the Upper Great Lakes, transporting coal, gypsum, and iron ore.

In 1976 he moved ashore to become an operations manager and worked for various steamship lines along the Great Lakes and U.S. East coast. Since that time, he has had ship operations management, stevedoring, terminal management and executive level assignments at a number of marine terminal facilities in both Canada and the U.S. He has handled forest products as well as steel. Reid has also managed and co-owned ship operating and chartering services that specialized in providing freight services for cargoes with special requirements.

Of particular note is the start-up of Ducal Ltd, in Long Beach, California. During the three years, Reid was the president of the stevedoring and terminal operating company at California United Terminals, he handled steel products for California Steel Industries located in Fontana, California. While president of Ducal, he developed the business, handling over 800,000 tons of steel products annually.

Between the Ducal assignment and his present position as president and CEO of Novolog Bucks County, Reid consulted on special assignments in areas such as ship operations, ownership and chartering, stevedoring and port operations.

In January 1997, he became the president and CEO of Novolog Bucks County, Inc. and in February 1997 moved into his first office which he identifies as Room 1213 of the local Sheraton hotel. He worked and resided there for four months. Novolog had recently been selected by USX Realty to operate a port at the former Fairless Steel Works on the Delaware River north of Philadelphia. The challenge to create something from literally nothing rested on his shoulders.

Today, Novolog is the largest steel handling port on the U.S. East Coast with a market share of 8.4% of all import steel. Reid has been instrumental in developing this business with a truly intermodal flair, handling semi-finished steel products in a manner similar to handling containers at a modern container facility.

After those first uncertain days in January 1997, Reid began working to create Novolog. He negotiated the lease for the property with US Steel and signed the deal in March '97. At the same time, equipment was ordered. By the end of April '97, just four months after he had arrived on the scene, and sixty days after the actual beginning of the key negotiations for property, men and equipment, the first ship arrived.

The vessel's owners actually committed to come to the facility on April 19 while it was on the water and arrived on April 23rd to discharge 22,000 tons of hot rolled coils. Since the first crane, a Manitowac 888, was not scheduled to be in place until May, the coils were discharged using ships gear. "On the morning of the vessel arrival," Reid indicated, "we were literally unloading one of our new fork lifts from a truck so we could go to work.

We hardly had enough ground equipment to handle the job but we must have discharged the vessel quickly enough, because the steel trader came back with other vessels."

Novolog was to handle 600,000 tons by the end of its first year and the four berth-65-acre facility was off and running. "Since the tonnage we received that year was what we call spot business (no contract), we were taking a chance," Reid said. "but, based upon the potential, we quickly leased a second Manitowac."

The first contract for discharge and distribution of slabs, negotiated in 1998, resulted in the lease of a third Manitowac.

PURCHASE TWO GOTTWALD MOBILE HARBOR CRANES

In 1999, Novolog increased its stake in the Fairless Hills facility by purchasing two Gottwald mobile harbor cranes. The first crane, an HMK 260 E, has the capacity to handle 83 tons out to 72 feet, the second was a 100 ton version of the same model. Utilizing Gottwald cranes the terminal averages 392 tons per hour during discharge of slabs and 300-tons per hour handling coils per crane. "This is through the ship," Reid pointed out. On the subject of cranes, he also indicated that, "I have been a believer in mobile harbor cranes since before my days in Long Beach. Until we were offered a deal we couldn't refuse for the Port of Long Beach's container cranes to handle our steel, I fully intended to buy mobile harbor cranes for the CUT facility."

Novolog's facility at Fairless Hills is on a vast piece of property at the head of the Delaware River. The water depth, 38.5' is adequate for most types of steel and bulk vessels. The terminal has handled over 9 million tons of steel products since it opened.

The highway access is adequate, however the facility is blessed with an excellent rail capability. Reid has taken advantage of this and has developed a rail intermodal operation that loads out over 58 rail cars per day of slabs and coils. The rail intermodal portion of the business has grown from 1,000 railcars per year to over 20,000 in 2002.

One of the common traits between all of our "Men-In-Iron" subjects is that they are students of their professional environment. They know their business, its history, its future and especially its present. David Reid is no exception.

He is close to what he does. He knows the steel market, the shipping market, the stevedoring and terminal operating business and finally, distribution. In short, he knows where steel comes from, how it is handled and where it goes.

"Steel is a product, not a commodity with a unique distribution and handling pattern," he said. "From the mill where it is produced to the discharge and handling on the terminal, to the inland delivery, whether truck or rail, to the factory, steel is drilled down through this process. Unlike more fungible products, steel has a birth certificate and is made to order. It does not have a commodities market. As a made to order, it has its own chemistry and dimensions made to fit specific furnaces in particular mills. The length, width and thickness of slabs is different for each customer depending upon the ultimate use. Steel coils are end use specific. Billets are made in batches with specific 250 tons lots or heats. Each billet is stamped and certified to ensure proper chemical make-up."

One of the things David Reid is most proud of at Novolog is the development of NovoTrak, a completely automated data base and distribution tool that was developed in-house. Customer oriented, the system is open to customers based upon their ID. Logging on, a customer can see where his product is at all times. He can pull up up-to-date status of every piece in real time. Novo Trak is an e-mail based system with information flowing back and forth. The newest update called NovoTrak Portal is a web based access which sends messages to customers with statuses. The system creates Excel based reports that are e-mailed. It identifies ship loading and discharge plans and rail or truck loading plans including the identification of cars or trailers with each steel piece specifically located. A sampling of the program can be viewed on www.novologusa.com.

David is also proud that his big machines, like ships, have been named. "Naming the cranes gives them an identification," he said, "Like naming vessels or WWII aircraft. It denotes ownership and often identifies a specific trade or location. Being on the Delaware River, we decided to name the Manitowacs after patriots. The first two were named George and Martha Washington. The third crane was christened the William Penn." The tradition has continued with the new Gottwalds. The first was named Liberty and the second Justice, maintaining the patriotic thread. The question is, what will be the name of the next crane, soon to be added?

NOVOLOG OFFERS SERVICE FOR A REASONABLE PRICE

One of the key indicators of success in a marine terminal operation is the impact of the facility on the industry.

Novolog has had a profound impact on steel producers on both sides of the water offering professional service for a reasonable price. A second indicator is the amount of complaining done by competitors. Many have complained that Novolog has set a rate structure that is out-of-reach of other ports and terminals, and threatens the financial stability of anyone that wishes to compete. Reid indicates that we live in a competitive world and that steel producers shop just like any other consumer. They look for quality, service and low prices. "My customers have been satisfied with our performance. With them it is not just about price," he said.

Novolog offers an excellent solution to many of the distribution problems faced by steel producers today, and David Reid has been the problem solver. When they call, or visit, perhaps, that is the reason they ask, "Is the Doctor in the House?" {}

YANG MING LINE'S WEBSITE ADDS 24/7 CUSTOMER SERVICE

Yang Ming Line's (YML's) website—www.yml.com.tw—is now able to provide instantly integrated, more detailed customer shipping instruction services via their new B/L Process, B/L Instruction interactive channels. In making the announcement, a YML spokesperson noted, "Beginning March 31, 2005, these additional YML website features will enable customers to eliminate time-consuming data entry work, while ensuring up-to-the-minute data integration and accuracy."

The new data input interface is divided into five (5) major categories: Party/Service, Commodity, Container, Weight/Measurement/Package, and Payment Term & Others.

Some additional benefits of the new B/L Instruction and B/L Process channel now include: Customer no longer needs to repeat data input for each SI. New features enable the creation of different kinds of templates according to customer's individual preference.

Immediate transmission from YML's website automatically generates a CIS YMCDTL file to YMA's HP CIS system to ensure and safeguard data accuracy. {}