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## Seahawk — a case study in complex, import project cargo logistics

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A move of three unassembled air cooling condensers to three different construction sites added layers of complexity to an international logistics solution. Photo credit: Seahawk Logitech.

US project cargo importers face a rising tide of pressures today, ranging from fuel surcharges and congested ports to a growing clampdown on over-dimensional, freight-hauling permits and tight breakbulk liner capacity during peak periods when weather drives scheduling and demand.

But a recently completed move of three unassembled air cooling condensers to three different construction sites added layers of complexity to a logistics solution that involved six Asian and US ports, seven ocean carriers, nine breakbulk vessel crossings, and 75 containerized liner sailings over a 36-month period.

The marathon move was orchestrated by [Seahawk Logitech](#), a 17-year-old third-party logistics company in Itasca, Illinois, that won an award from a US-based global manufacturer of industrial heat transfer products.

## 'You must have totally open communication'

"There is only one way a logistics service provider can protect his shipper-customer on a move of such enormous scale, when all parties to the supply chain are not always willing to give an inch," John Bae, managing director, told JOC.com. "You must have totally open communication."

By the time Seahawk won the bid in 2014, Bae already had his pre-plan sketched out. In gathering information for his proposal, he discussed specifics with his personal contacts at seaports, ocean carriers, truck lines, and foreign-based forwarders. In all cases, they were people he had worked with before on project moves and whose reliability had been proved.

"By talking openly and specifically and not hypothetically, we started formulating the pre-plan, including timelines, which still took four to six months to complete, review, and approve before the first shipment moved," he said.

The project originated in Vietnam and China. The out-of-gauge cargoes were three steel structures weighing 22 metric tons (24 tons) apiece, measuring 45 feet long, 9 feet wide, and 8 feet high that formed the housing for the air cooling condenser, and multiple ducting components weighing 26 metric tons each, measuring 55 feet long by 9 feet wide, and standing 11 feet tall.

"These pieces were manufactured in Ho Chi Minh City, where we took possession of the cargoes," Bae said. "We were not responsible for the drayage."

## 450 FEU used over three years

The heating cores, peripherals, components, and other parts that would meet up with the outsize cargoes at the construction site were manufactured in Xingang and Shanghai, also major port cities. The huge volume of smaller cargoes would require 450 FEU over the three-year life of the project.

"Within the first month of winning the contract, we started identifying ocean carriers — both breakbulk and container vessels — and coordinating production and shipping timelines," Bae explained.

Singapore-based AAL was selected as a lead breakbulk carrier for its onboard multilift, 30,000-deadweight-ton vessels, its route network, and overall reputation. AAL recently won the 2018 Asian Freight Logistics and Supply Chain Award for the best project cargo shipping line in the region.

Germany's BBC Chartering, with its global fleet of 170 heavy-lift and multipurpose vessels, and PACC Line, Singapore-headquartered operator of breakbulk vessels with extensive project cargo experience moving wind turbines, were also designated.

Bae said BBC and PACC were assigned the breakbulk sailings because of their reliability, their service lanes matched the port requirements, and their rates were favorable. He would not disclose rate structures in detail. Most of the sailings were on scheduled service carriers, but at least one PACC crossing was a tramper charter.

## Vital face-to-face communication

Choosing ocean carriers can be handled long distance with phones, emails, and faxes, Bae said. "But the real difficulty in a project move with multiple modes, ports, carriers, and destinations is to make sure the [foreign] shipper-manufacturer knows ahead of time the stricter requirements we have here in the US."

That takes face-to-face communications, he said, so Bae and two colleagues flew to Asia in April 2014 for 10 days and met with every participant involved in the supply chain to discuss all requirements and expectations.

“This is where we go over things like the actual loading plans and maximum weights for containers and trucks, which are often overlooked at the point of origin. Then [there is] coordinating the availability of trucks, including standbys, and anticipating backup plans if you have weather delays or, in the case of Vietnam, where the ports are very small, when the carrier docked ahead of you is still being worked.

“The major hurdle,” the Seahawk Logitech official continued, “is to always anticipate and alleviate delays and bottlenecks that will most certainly come up in a project like this.”

Bae recalled that on a sailing from Vietnam, one of the ducting saddles on the breakbulk vessel was not secured. “The question was, do we load or not load. We had to get the manufacturer’s OK, but in the end, the saddle was fixed. It was not really that much of a hiccup, but it could have been if not detected.”

There are just so many wild cards in any project cargo move, he said, that it’s necessary to have primary and secondary schedules, especially on the transport links of the supply chain.

“Breakbulk liner services have variable schedules and transit times, and container shipments are affected by peak seasons,” he explained. “It’s just good practice to plan for extra storage capability at the calling terminal, or at alternative sites, at both origin and destination.”

Bae said the ocean carriers he selected, based largely on their track record for meeting scheduled transit times, all “performed well” throughout the three-year move.

## **Port of Houston — one of the best US ports for breakbulk**

The Port of Houston was chosen, not just because of its 300-mile proximity to the two construction sites in Wharton and Granbury, Texas, “but because it is one for the best US ports for breakbulk vessels and container lines,” he contends. The outsize cargoes on the breakbulk vessels made scheduled stops in China and Korea and took 60 days for the trans-Pacific crossing.

Bae’s strategy at Houston was to use asset-based trucking companies rather than freight brokers and independent drivers. “With multiple moves on the same project, you want to use the same drivers and carriers because the learning curve is so steep. A new driver might have an address, but which gate? When you are hauling a huge load behind you, you can’t be making wrong turns and u-turns and wasting all that time.”

The third breakbulk shipment, destined for a construction site in Prince George County, Maryland, went around Cape Horn, and across the Atlantic to Port of Morehead City, North Carolina, a 50-day trip. “This port was chosen because of its professional and supportive staff, less congestion, and ample storage space,” Bae said.

One of the biggest potential problems in a project move of this magnitude is at the end of the supply chain — the construction site, he said. “We’re always asking, ‘What can the site live with?’ That’s where it takes boots on the ground, day-to-day communications, and a weekly matrix update.”

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