

# The First 100 Days: Logistics

A panel discussion presented by NJBIZ

*How is the logistics sector spurring the economy in New Jersey ...  
let us count the ways*

The raising of the Bayonne Bridge will mean more business at the ports.

More business at the ports will mean a need for more employees to handle the containers.

And start the process of getting product to warehouses, where it will be moved to where it needs to go.

In New Jersey, we need a lot of product. Our densely populated state means we're perfect for a boom in e-commerce.

Which is exactly what's happening. We could go on and on. So we did.

In preparation for President Donald Trump's first 100 days in office, NJBIZ recently held a logistics panel at Fiddler's Elbow Country Club with five experts in various fields related to the topic. The following are their thoughts.





# The First 100 Days

## The bridge and the port

We've been hearing for some time about how raising the Bayonne Bridge is the biggest move in logistics the state has seen for some time. Doing so will enable the Port of New York and New Jersey to handle the even bigger ships that are coming through the Panama Canal.

From left, panelists Alain Chahine, supply chain management Instructor at Union County College; Craig Domalewski, senior partner at Dughi, Hewit and Domalewski; Robert Copchonak of Smolin Advisory; Tax, and Accounting, Erik Holck, director, business development, Port Jersey Logistics; and John Buckley, senior vice president, brokerage Services, JLL. —ANDREW MILLER/ FOR NJBIZ



**NJBIZ:** *How will raising the bridge, which will allow for bigger ships to come into the port, impact the New Jersey economy?*

**ROBERT COPCHONAK**  
Smolin

**It will be a boost for the trucking business, he said:** “We have clients that can pick up those containers, but they are running out of land to store those containers. So, until they can get to the ultimate goal of reaching their customers, they are struggling. They are running second shifts now. They start at 4 in the morning and they go until 8 at night and they work Saturdays. So, it will be a problem when you have 15,000 containers coming in a shorter amount of time and you have to get them out of there or you’re going to get charged.”

**ALAIN CHAHINE**  
Union County College

**There will be a push to move product away from the port area, even out of the state, he said:** “There is a movement to push a lot of the containers to the rail either to the Lehigh Valley or Allentown, or to New England. Everyone thinks of New

York as only New York in terms of northern New Jersey, but this port services about 60 million people, so we’re looking as far north as New England and as far west as Chicago.”

**ERIK HOLCK**  
Port Jersey Logistics

**There will be busier ports that will need to hire additional workers, he said:** “The Port Authority has put together a task force to basically connect all the players in the port operations with the specific goal of trying to come up with ideas as to how to make it more efficient. Could there be appointment schedules: That’s something that I know from my standpoint as a logistics provider makes perfect sense. When you can plan your labor to meet specific times, it makes it a lot easier.

“So, that idea has been pushed; now, it’s a matter of getting the port terminal operators to truly buy it. What does that mean for them? It means an additional shift, additional labor to be able to accommodate a second shift to be able to operate all day. It also means all the

warehouses in the area need to be able to stay open later, so there’s so many intertwined pieces here that need to come together to make it work.”

**NJBIZ:** *So, we’re taking about a port that already is overflowing with cargo and telling it to handle more on a daily basis. Are we asking too much? And are we ready to handle it?*

**CRAIG DOMALEWSKI**  
Dughi, Hewit & Domalewski

**The port is the center of the New Jersey economy, he said:** “One of the things people don’t realize is that the Port Authority is responsible for over 5,000 jobs in the region and over \$80 billion a year of economic activity in the region. So much of what we take for granted in this area comes directly from those port operations. There’s no alternative. It’s busy, it’s congested, it’s difficult. There will be challenges, but the Port Authority is stepping forward because it’s vital to the region and the technology that the Port Authority has invested in, especially on the ship-to-rail side, is vital to the future of the region. It’s not only good

for business and the economy, but it’s also better for the environment.

“They really take a lot of these competing policy issues into consideration and have done a tremendous job of placing the port, which is already one of the top ports in the country, and positioning it to remain competitive going forward. There’s a lot of great things happening at the Port Authority and all of these infrastructure investments are going to maintain its position as a leader in the country.”

**ERICK HOLCK**  
Port Jersey Logistics

**New Jersey does not have a choice, he said:** “If we aren’t able to bring ports together to accommodate these larger ships, they’d go somewhere else. What does that mean? That means jobs go somewhere else. Savannah (Georgia) has been able to accommodate these ships for the longest time. Norfolk (Virginia) can accommodate them. So, it’s truly something that we needed to do to stay competitive as a port market. Is it better to walk away from it and let jobs leave or accommodate it and then try to figure it out? Which is what we’re doing.”



# The First 100 Days

## The e-commerce revolution

It's the future of New Jersey. Or, at least, it may be. It turns out there's a huge advantage to being a densely populated state:

Your residents need a lot of products, the distance to get these products to residents isn't far, and with so many residents near these distribution centers, it's not hard to find the huge workforce that's needed.

**NJBIZ:** Amazon is here. So is Blue Apron. Others appear to be coming soon. What role is e-commerce playing in the New Jersey economy?

### JOHN BUCKLEY

JLL

**E-commerce as an economic stimulus, he said:** "E-commerce is what is really driving the bus now in terms of the industrial market. You have companies like Amazon, which just did a 600,000-square-foot lease in the Meadowlands, and Wayfair, which just did about a million square feet down by Exit 8A. The issue that New Jersey is going to be facing is more a supply-and-demand issue. The supply is really trying to catch

up to the demand that's sort of crept up on New Jersey, and that's going to be the challenge going forward."

**NJBIZ:** That's great. The state will love the business. But why does e-commerce work so well here — a state others shy away from because of cost of doing business?

### JOHN BUCKLEY

JLL

**It's all about where you are, he said:** "Location, location, location is what it always comes back to. If you look at the population density of this specific area, you don't find many places in the United States that have as much population density as this area right here. So, you can ser-

vice more people from this specific area. I have the luxury of working with both Amazon and Blue Apron and understand their model a little bit. They require more labor than they do space. Both companies are very labor-intensive; they don't require a lot of space. So, they can take these older buildings, knock them down, put up new ones or even renovate them.

"In traditional warehousing and distribution, a two-story building is nothing but a productivity killer. Not here. That's why New Jersey is the perfect spot for these e-commerce operations."

**NJBIZ:** So, you're saying that New Jersey may actually benefit because we have a lot of old buildings that are out of use?

### JOHN BUCKLEY

JLL

**As it turns out, the state's numerous white elephant office buildings may have some life, he said:** "Some of the old buildings being knocked down, particularly in that (Interstate) 287 market where it's a market that's traditionally existed because of AT&T's presence here 30 years ago, were left with an older product that's suffering on this market and floating around 30 percent vacancy.

"You're not creating any more land in New Jersey, and these developers are willing to capture that land. It's really sort of seeing change in the market to beat that demand — it's exciting."

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# The First 100 Days

## Futurecast

Are we on the brink of bankruptcy or a breakout? That's been the question for New Jersey since the financial downturn.

We know this is an expensive place to do business — but you can't beat our location or our talented workforce.

**NJBIZ:** Simple question: Which direction is the state economy headed?

### ROBERT COPCHONAK

Smolin

**There will be a presidential push, he said:** "Donald Trump says he's going to spend all this money on infrastructure, and he's going to do that through partially state funds, federal funds and private money. So, hopefully, he will establish some credits so those companies will invest money in the region and help them expand where we need it, whether it's real estate or land to store those containers. I feel he's going to, and, hopefully, with his relationships, we can capitalize."

### CRAIG DOMALEWSKI

Dughi, Hewit & Domalewski

**Infrastructure improvements are leading the way, he said:** When you look

at the state as a whole, I think the infrastructure logistic side is going to be a keeper area. And I think one of the reasons for that is going to be that state policy, federal policy and regional policy are all aligned essentially in the same direction. You might have some people argue over methods and means, but there is substantial alignment on both sides of the aisle to do these things, and they're vital. And they have to happen.

"From where I'm sitting, when you're looking at those investments, there's a sense of inevitability that these things are going to happen, which is encouraging people on the private side to get into the market, so you're seeing people make investments in New Jersey. I think a lot of those decisions are coming in and are going to lead to further improvement in the state, so I see a lot of positivity in the future."

### ERIK HOLCK

Port Jersey Logistics

**The uptick is here, he said:** "I think (a boom) already has started somewhat, at least from the distribution standpoint, if you look at all the companies that have invested in operations in New Jersey. It comes down to location and people. We have the labor, we have the location and, as we all know, we are in an import-based economy. That gives New Jersey a leg up. I think New Jersey has become hot again."

### ALAIN CHAHINE

Union County College

**The trade deals are key, he said:** "I'm going to talk strictly about the ports and the impact it has on the region. If we don't have trade, the port doesn't need to exist. So, all will hinge eventually on what Washington does on all the trade agreements we have all over the world."

### JOHN BUCKLEY

JLL

**There's a positive outlook, he said:** "I think there's a general air of positivity surrounding today's business climate — that it's going to be good for jobs, and companies are going to start investing back into the economy. I made a phone call several years ago to a gentlemen who told me, 'Don't call me back until this current administration is out of office,' and that was sort of the office joke. He's now taking my call."

"To that extent, from a real estate perspective, we're seeing an incredible amount of investment, particularly in industrial buildings. There's been a lot of money sort of sitting on the sidelines that we're going to see being invested again. That's going to lead to job creation, so I think it's going to be a positive thing to the state."

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# The First 100 Days

## And then there's ...

Our panelists had lots of good things to say. Here are a few more of them:

**NJBIZ:** *How is the state preparing the next generation workforce, especially in the areas we need?*

### ALAIN CHAHINE

Union County College

**Learn from the pros, he said:** “We have a grant which allowed us to start a program that works in conjunction with the council for professionals. We train individuals in all fields of supply chain, from warehousing to distribution, demand planning, procurement, customer service and transportation. Every item that you can think of that has to do with transportation and supply chain is covered in one module or another. The way the grant works is a two-way street. We need to find employees that are willing to expand their workforce in the area of supply chain. What the program does is a lot more practical, hands-on experience as opposed to pure academic work. Colleagues like me who are teaching the class have industry experience, but we can use more people with experience.”

### JOHN BUCKLEY

JLL

**The workforce still rules, he said:** “I think one of the great things about New Jersey is the human capital. We have an incredible amount of educated workforce here in New Jersey and, so, people inevitably want to do business here. Particularly from my background with pharmaceuticals, we see a lot of those larger-brand companies leaving the state, but they're leaving behind a tremendous amount of human capital, so we still have a lot of growth in the life science with people who have grown up with the Mercks and Roches of the world, starting their own ventures and investing money.”

**NJBIZ:** *Have the aggressive awards the state has given out helped it gain more corporate headquarters and higher-paying jobs, or just more lower-paying jobs?*

### CRAIG DOMALEWSKI

Dughi, Hewit & Domalewski

**You need a little of both, he said:** “There's been a series of 20 years of a concerted effort by the EDA to attract companies. If you look at Jersey City and developments up and down the state where they're trying to attract corporate offices by making it attractive, you'll see it's hard.

I think everyone would prefer the right mix between the corporate headquarters here and the highest-paying jobs, but, on the other hand, if you have the space and the distribution need and a workforce that can provide that in the space, I think it's also

good (to grow distribution jobs). It's a challenge and will be a challenge for the next administration to try to be competitive, not just with New York but also Pennsylvania, North Carolina and others. There's a lot of competition for these corporations to have

their headquarters. The use of these EDA-driven incentives to keep companies here over the last seven, eight years has been a big debate, but I think they're important and I think they've done their job well to keep New Jersey competitive.”



Join us for a fun-filled evening as we honor the  
100 Best Places to Work in New Jersey!

**Event Date:** Wednesday, April 26 **Time:** 5:00pm – 8:00pm

**Location:** iPlay America Event Center, Freehold, NJ

Visit [www.njbiz.com/events](http://www.njbiz.com/events) to reserve your seats

## 2017 Best Places To Work In New Jersey

### Small/Medium Sized Companies 15-249 employees *listed alphabetically*

Advaxis, Inc.  
AEPG Wealth Strategies, Inc.  
AmeriHealth New Jersey  
Beckerman  
Bellia Enterprises  
Blumarc, Inc.  
Condor Capital Management  
Cooper Pest Solutions  
CORRA  
Credit Union of New Jersey  
DMW&H  
Dynamic Engineering Consultants, PC  
Fairleigh Dickinson University,  
School of Pharmacy & Health  
Sciences

ForeFront, Inc.  
Grunenthal USA, Inc.  
Hollister Construction Services  
Holman Parts Distribution  
InSite Engineering, LLC  
Intac Actuarial Services, Inc.  
Internet Creations  
Ipsen Biopharmaceuticals Inc.  
JBK Associates International  
JBL Electric Inc  
JConnelly  
Kessler Foundation  
KRS CPAs, LLC  
Lassus Wherley  
Leaf Saltzman

Marketsmith, Inc.  
Martin Insurance Group  
MassMutual New Jersey-NYC  
Matchstick  
MFS Engineers & Surveyors  
MMC Contractors  
Munn & Associates, A Private  
Wealth Advisory Practice of  
Ameriprise Financial Services, Inc.  
Next Level Performance  
Nisivoccia LLP  
oXya, A Hitachi Group Company  
Phillip Jeffries  
Process Stream  
Quality 1st Basement Systems

Quality 1st Contracting  
R&J Strategic Communications  
RAMPS International Inc.  
RegentAtlantic  
Rue Insurance  
Scarinci Hollenbeck Attorneys at Law  
SD Capital Funding  
Sherman Wells Sylvester &  
Stamelman LLP  
Shore Rehabilitation Institute  
Sobel & Co., LLC CPAs  
Spire Group, PC  
STORIS, Inc.  
Sunhillo Corporation  
Talon Professional Services

The Credit Pros  
The Eagle Group/Studio Eagle  
The Stevenson Group  
Unity Bank  
Vydia  
Wayside Technology Group, Inc.  
Weinberger Law Group, LLC  
Wilkin & Guttenplan, PC  
WorkWave  
Worldwide Supply

### Large Sized Companies 250+ employees *listed alphabetically*

Advisors Mortgage Group, LLC  
Affinity Federal Credit Union  
Billtrust  
Bohler Engineering NJ  
Bressler, Amery & Ross P.C.  
Citrin Cooperman  
Commvault  
Crowe Horwath LLP

Damascus Bakeries OPCO, LLC  
Dr. Reddy's Laboratories  
Dun & Bradstreet  
Edward Jones  
Enroute Computer Solutions  
Friedman LLP  
Gensle  
Gibbons P.C.

Goldberg Segalla  
Holy Name Medical Center  
iCIMS  
Insperity  
Lightstone  
Lowenstein Sandler LLP  
Maser Consulting P.A.  
McCormick Taylor, Inc.

New York Life New Jersey  
QuickChek Corporation  
RSM US LLP  
Savills Studley  
Seabrook - Erickson Living  
The Conti Group  
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Questions? Please contact Anna Aquaviva at [annaa@njbiz.com](mailto:annaa@njbiz.com)