

# Breakbulk & Project Cargo

Journal of Commerce  
by **S&P Global**

## Interactive Project Cargo Case Study

# On-time/As-promised Delivery

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Dennis Mottola

John Hark

April 24, 2025



# Breakbulk & Project Cargo

## Session Moderators



**Dennis Mottola**

Project Logistics  
Consultant

Mottola Global  
Logistics LLC



**John Hark**

Regional Director,  
North America  
Bertling Logistics and  
Texas A&M Adjunct  
Professor

## Session Facilitator



**Diana Hamm**

Senior Conference  
Producer  
Journal of Commerce /  
S&P Global

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## Subject Matter Experts (SMEs)



**Sammy Parker**  
Estimating Manager  
Bechtel Global Logistics



**Kathy Canaan**  
Global Director,  
Trade Compliance  
Fluor



**Roberto Frigeni**  
Vice President  
Business  
Development  
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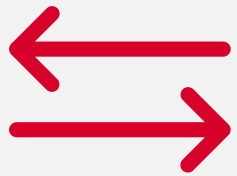


**Diana Davila**  
Sr. Vice President  
US Operations  
UTC



# Breakbulk & Project Cargo

## Introduction: **On-time/As-promised Delivery**



This two-session, interactive case study will delve into the complexities to be mastered to result in the successful delivery of project cargo globally.



SMEs will guide attendees through the critical steps involving logistics' engagement in ensuring the on-time/as-promised delivery of project cargo.



Disruptions - unplanned, uncontrollable events that threaten well-laid plans and force alternative solutions to sustain delivery promises will be inserted at the end of each session.



Attendees will discuss these disruptions and collaborate in proposing recommended solutions for addressing them.

Recommendations will be presented by the selected table spokesperson.

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## On-time/As-promised Delivery

### Critical Steps



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**On-time/As-promised Delivery**

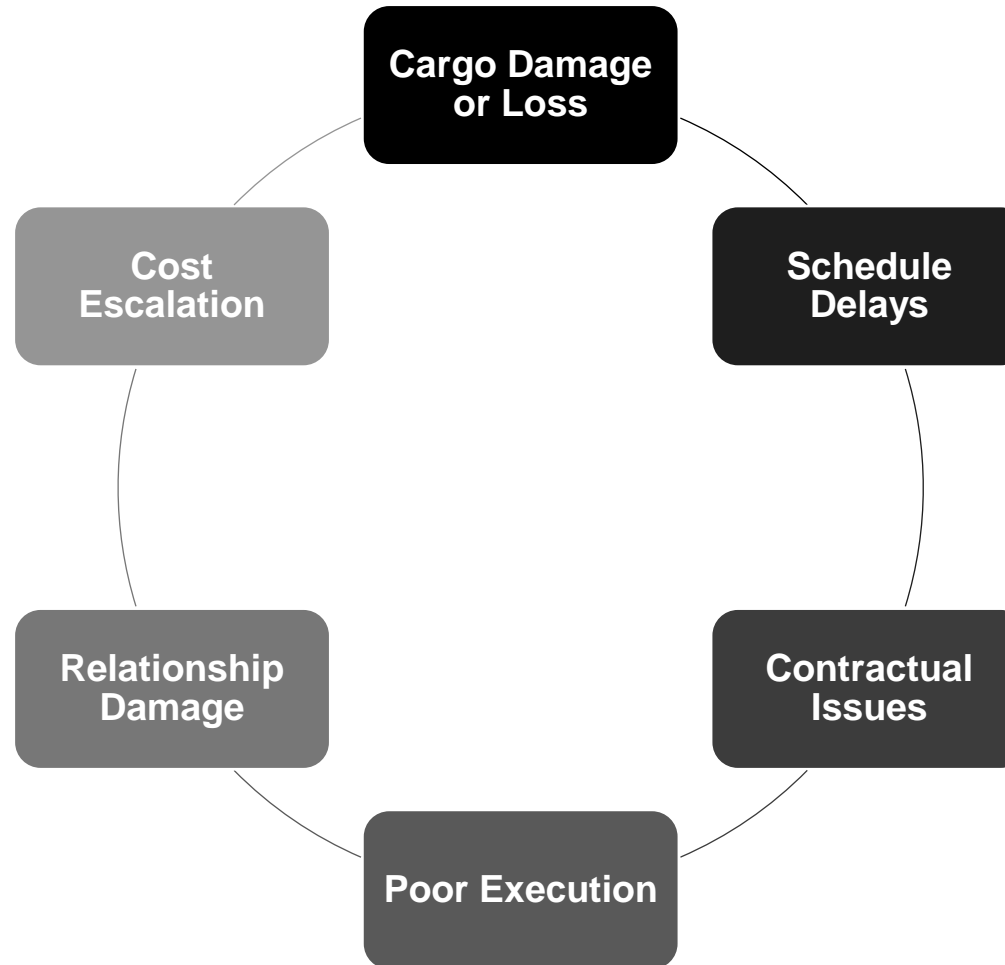
Critical Steps

Derisking  
sourcing goods  
and logistics  
service



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## Potential Issues and Challenges with Cargo Transport



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## Derisking Focus Areas

### Definition

Scope Definition

Logistics Studies &  
Surveys

Project Risk Analysis

### Planning

Transport Cost Estimating  
& Analysis

Supplier / Carrier  
Requirements

Sourcing & Logistics  
Execution Strategies

Technical Evaluation of  
Suppliers & Carriers

### Execution

Shipment Coordination

Communication & Data  
Sharing

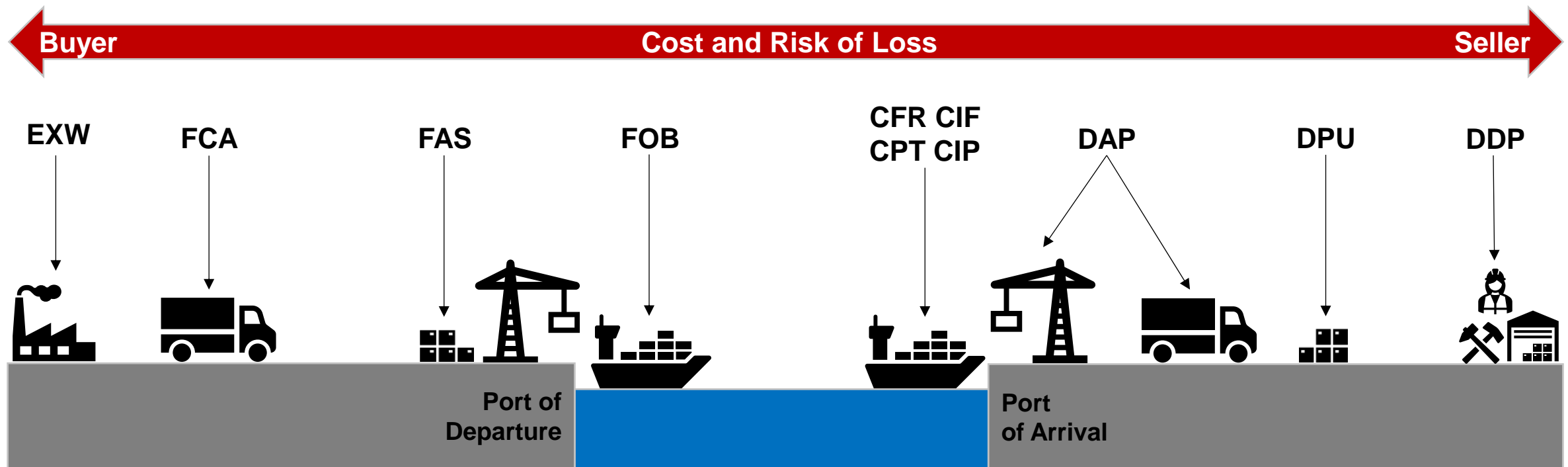
Logistics-focused Contract  
language

Logistics Budget  
Management



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## Incoterms – Which Is Best?



**Incoterms® 2020**

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## Incoterms – Potential Issues

Incoterm	Potential Reasoning	Potential Concerns/Issues
ExWorks (EXW)	Inexperienced Seller	<ul style="list-style-type: none"><li>• Seller has no obligation for cargo loading, export packing, or export clearance</li></ul>
Free on Board (FOB)	Seller is experienced with exports and origin transport activities	<ul style="list-style-type: none"><li>• Gaps or overlaps in responsibility and costs if not aligned with Customs of the Port and Carrier Shipping Terms</li></ul>
CIF (Cost, Insurance & Freight) CIP (Carrier & Insurance Paid To)	Buyer prefers Seller to be responsible for main transport and insurance costs	<ul style="list-style-type: none"><li>• Inadequate insurance coverage or overlap with project policy</li><li>• Gap in destination port responsibility and costs</li></ul>
DDP (Delivered, Duty Paid)	Buyer wants to limit transport cost and risk responsibility	<ul style="list-style-type: none"><li>• Inflated transport costs</li><li>• Transport delays, poor execution</li><li>• Lack of shipment visibility &amp; communication</li></ul>

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## Derisking Logistics Services

### Qualification

- Due Diligence Process
- Equipment & Technical Capabilities
- Operational Experience / Readiness

### Contracting

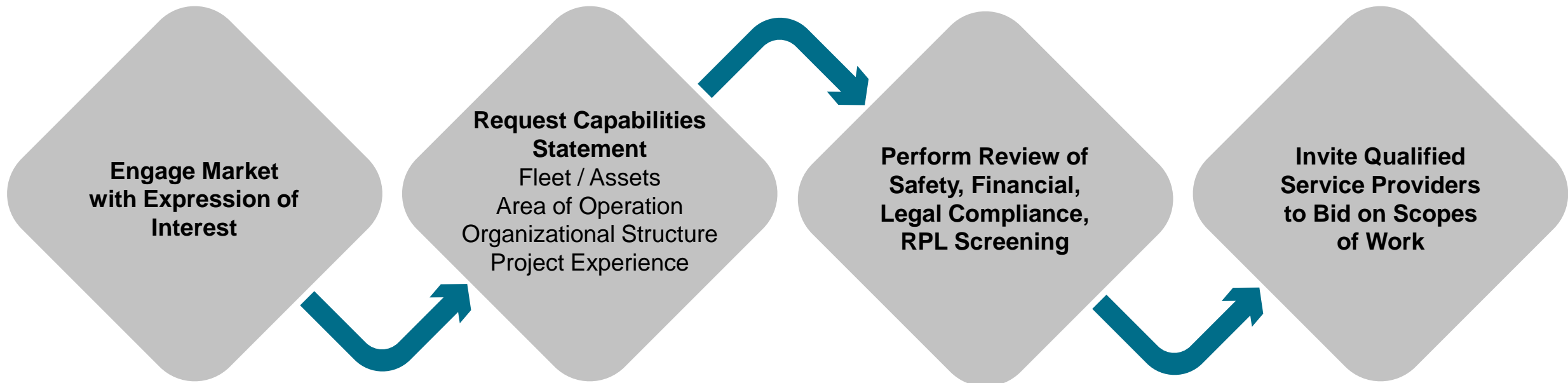
- Alignment with Cargo Insurance Requirements
- Client & EPC Flowdowns
- Suitable Shipping Terms
- Vessel / Equipment Nomination

### Execution

- Transport Method Statements
- Communication Plan
- Technical Requirements
- Transit Time

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## A Closer Look: Qualifying Service Providers



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## A Closer Look: Carrier Deliverables

**BIG LIFT**

### PROJECT MANUAL

Project: Franklin Project  
Client: Bechtel  
Cargo: 2 columns + accessories

Cargo Booking No.: BLS.201212.01



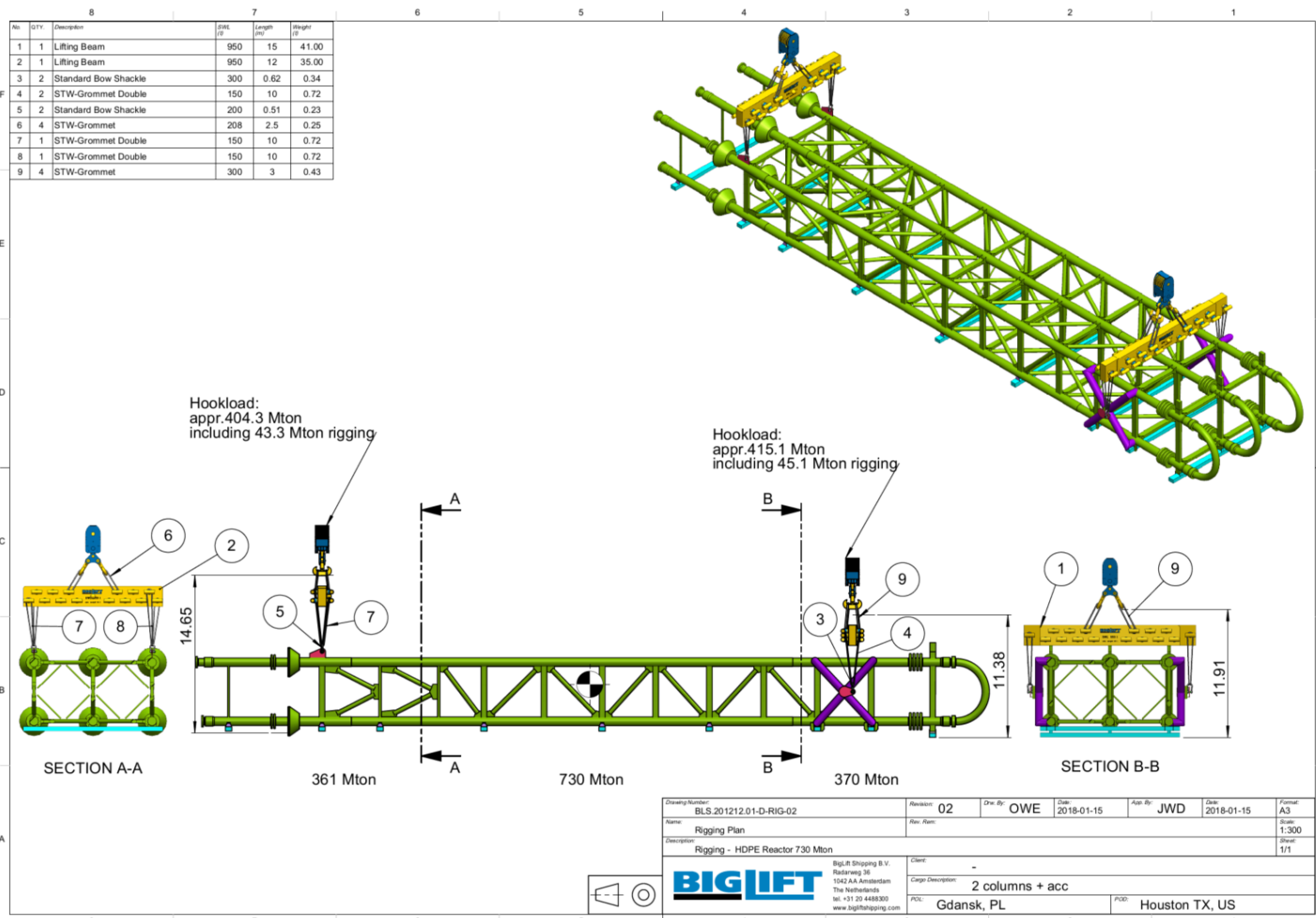
Document Name: PRM-01-01

Rev	Description	Prepared by	Date	Approved by	Date
01	For approval	JWD	2018-02-20	MVI	2018-02-20

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## Conclusion

Closing Thoughts on Mitigating Risk when Sourcing Goods and Logistics Services...

- ✓ *Ensure the Logistics discipline is engaged with Construction, Engineering, and Purchasing in early phases.*
- ✓ *Incorporate logistics-focused terms and conditions in purchase orders and logistics service contracts.*
- ✓ *Partner with qualified, experienced, and reliable service providers.*
- ✓ *Require detailed and timely plans, schedules, documents, and other key transport information from suppliers and service providers.*

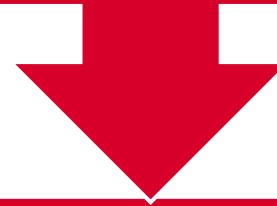


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**On-time/As-promised Delivery**

Critical Steps

Derisking sourcing goods  
and logistics service



Trade compliance



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## Trade Compliance Inputs to Material/Equipment Bid Solicitation and Evaluation

### Third Party Due Diligence / Restricted Party Screening

- Sanctions: Control and ownership, destination prohibitions, diversion risks

### Export/Import Controls

- Import tariff classification
  - Landed cost analysis (import duties and tariffs), tariff engineering
  - Quota limitations
  - Supporting documents
- Export control classifications
  - Import permits / export licensing
  - End-user / end-use certification
  - Technology transfer controls

### Other Considerations

- Hazardous materials or special handling considerations
- IPPC Compliance

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## Trade Compliance Inputs and Involvement in the Delivery Process

### License / permit applications

- Provisos
- Communication

### Documentation review and reconciliation

### Customs or other regulatory coordination

### License / permit reconciliation

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## Trade Compliance After the Delivery



Recordkeeping / reconciliation of PO and payment records



Import recordkeeping requirements



License / permit reconciliations and closeout



Due diligence records

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**On-time/As-promised Delivery**

**Critical Steps**



# Breakbulk & Project Cargo

Importance of oversized cargo transport in global industries (Oil & Gas, EPC, Renewable Energy, etc.)

Oversized cargo transport is a **critical enabler of industrial development**

The ability to efficiently move heavy and oversized cargo remains a key competitive advantage for companies involved in project logistics and maritime transport



### Infrastructure Limitations

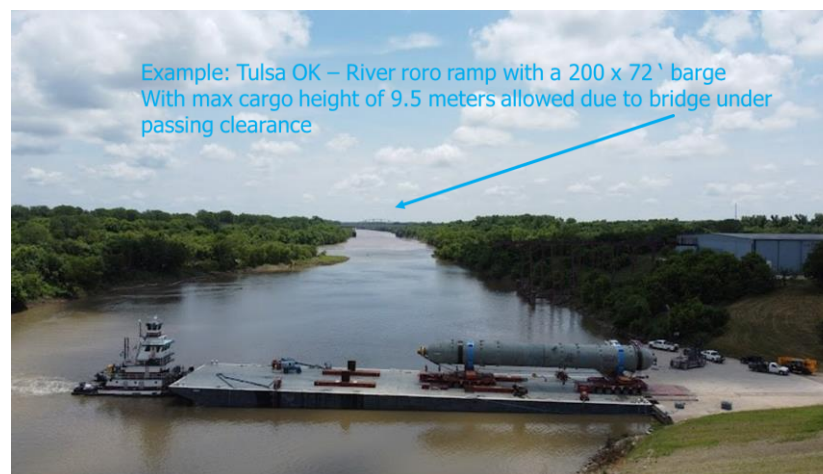
- Port and terminal constraints (berth depth, lifting capacity, storage space)
- Road and bridge limitations (weight restrictions, clearance issues)
- Rail and inland waterway restrictions



Semi Permanent Levee Crossing – YCI - Donaldsonville LA



Matted Earth filling Levee Crossing – Valero - Donaldsonville LA



### Regulatory and Compliance Challenges

- Varying national and international regulations (SOLAS, IMO, customs clearance)
- Permits, escorts, and route planning complexities
- Environmental and safety compliance requirements



Freight on USA Highways , Railroads and Waterways – OTR Heavy transport in urban areas



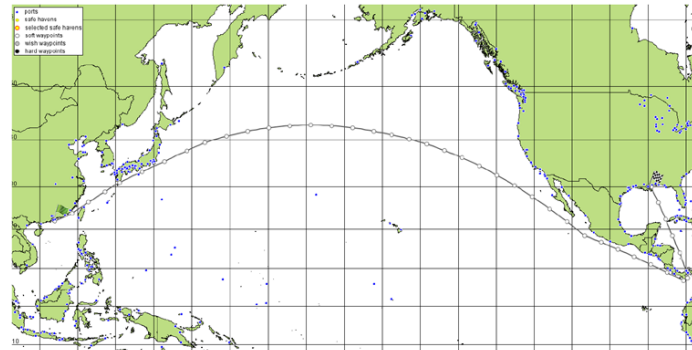
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## Logistical and Engineering Constraints

- Route selection and feasibility studies
- Specialized equipment requirements (self-propelled modular transporters, heavy-lift vessels, barges, cranes)
- Cargo securing, stability, and risk management

### Voyage route and departure date

- Route selection.
  - Inshore / offshore
  - Suez Canal or Cape of Good Hope or Panama etc.
- The duration of the route – within range of weather forecast?
- The departure date will influence the weather along the route.
  - Seasonal variations
  - Monsoon
  - Tropical storm's
- Distance from ports of refuge



Route China => New Orleans via Panama



Route China => New Orleans via Cape of Good Hope



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## Geopolitical and Economic Factors

- Trade restrictions, sanctions, and embargoes
- Currency fluctuations and economic volatility
- Political instability affecting transport corridors



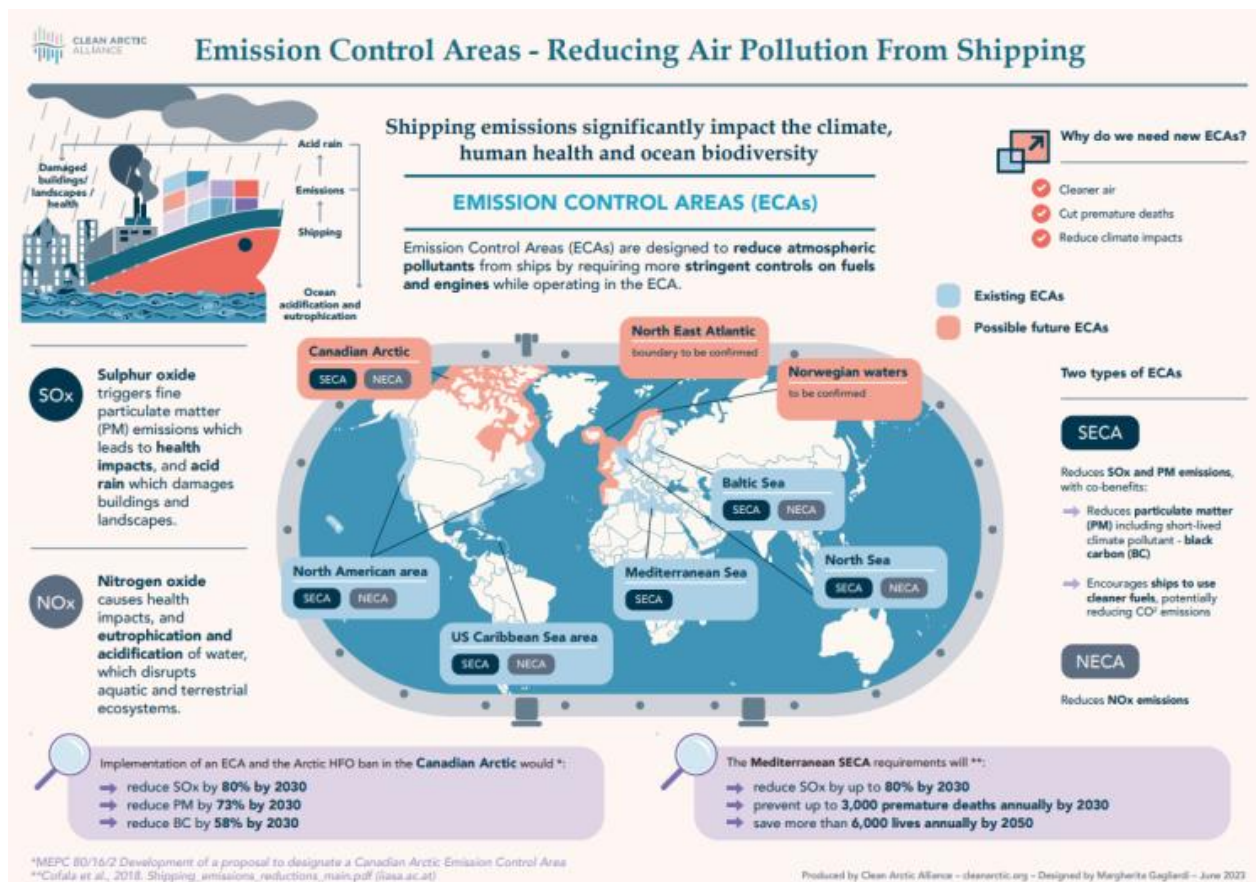
## Key Takeaways

- Stay updated on trade restrictions, fuel cost fluctuations, and infrastructure developments.
- Diversify transport routes to reduce dependency on politically unstable regions.

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## Climate and Environmental Considerations

- Extreme weather impacts (storms, hurricanes, ice conditions)
- Emission reduction regulations and sustainability challenges
- Eco-friendly transport innovations and alternative fuels



## Key Takeways

- Reduce environmental impact by optimizing transport routes and using eco-friendly fuel alternatives.
- Comply with stricter emissions and noise pollution regulations.

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## **Key Takeaways on Managing Oversized Cargo Transport Challenges**

- Early Planning and Feasibility Studies are Critical
- Infrastructure Constraints Must Be Addressed
- Regulatory Compliance is a Complex but Essential Process
- Specialized Equipment Selection is Key
- Risk Mitigation Requires Engineering and Logistics Expertise
- Geopolitical and Economic Factors Can Impact Logistics



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## DISRUPTION #1

- Your long lead-time schedule critical shipment of custom fabricated equipment just arrived at Port Houston. Upon commencement of unloading, your ocean carrier notifies you that woodboring beetles have been found in the hold where your cargo is stowed. CBP has ordered the carrier not to discharge cargo from that hold pending further inspection and determination.
- The same day, you learn that your supplier's export packer has been accused of providing counterfeit fumigation certificates on previous shipments. You are concerned if the packing materials used were properly fumigated and if CBP will accept the fumigation certificate provided.
- Upon further inspection, CBP determines that your cargo is the source of the woodboring beetles having found a bore hole next to an IPPC stamp on the packing materials. Your cargo has been sanctioned by CBP for disposition.

## THE CHALLENGE:

- What do you see as the critical issues developing in this situation?
- What could be the cost and schedule impacts of these issues for the shipment stakeholders?
- What information would you communicate to each?
- What immediate actions would you take to avoid further risk to cost, schedule, and reputation?
- What changes would you recommend to avoid reoccurrence of a similar disruption in the future thus increasing the predictability of delivery as promised?

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## DISRUPTION #2

- Your shipment of OOG/HL coke drums have been discharged from a ship in NOLA onto a deck barge for shipment up the Mississippi River to a project jobsite in Minnesota. The coke drums were purchased on **DDP** jobsite delivery terms thus making the overseas seller responsible for shipment and delivery the whole way to the jobsite.
- At approximately the midpoint of the river transit, the US Army Corp of Engineers (USACE) determines that river conditions are such that the loaded barge can not safely clear and pass under several bridges on the river route and orders the barge to be secured at a nearby safe location.
- Approximately 6 weeks later, the USACE finally releases the barge for further transit to its destination in Minnesota.

## THE CHALLENGE:

- What do you see as the critical issues developing in this situation?
- What could be the cost and schedule impacts of these issues for the shipment stakeholders?
- What information would you communicate to each?
- What immediate actions would you take as the buyer to avoid further risk to cost and schedule?
- What changes would you recommend to avoid reoccurrence of a similar disruption in the future thus increasing the predictability of delivery as promised?

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**Coffee Break**  
30 minutes

Session resumes at 3:30 pm



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## On-time/As-promised Delivery

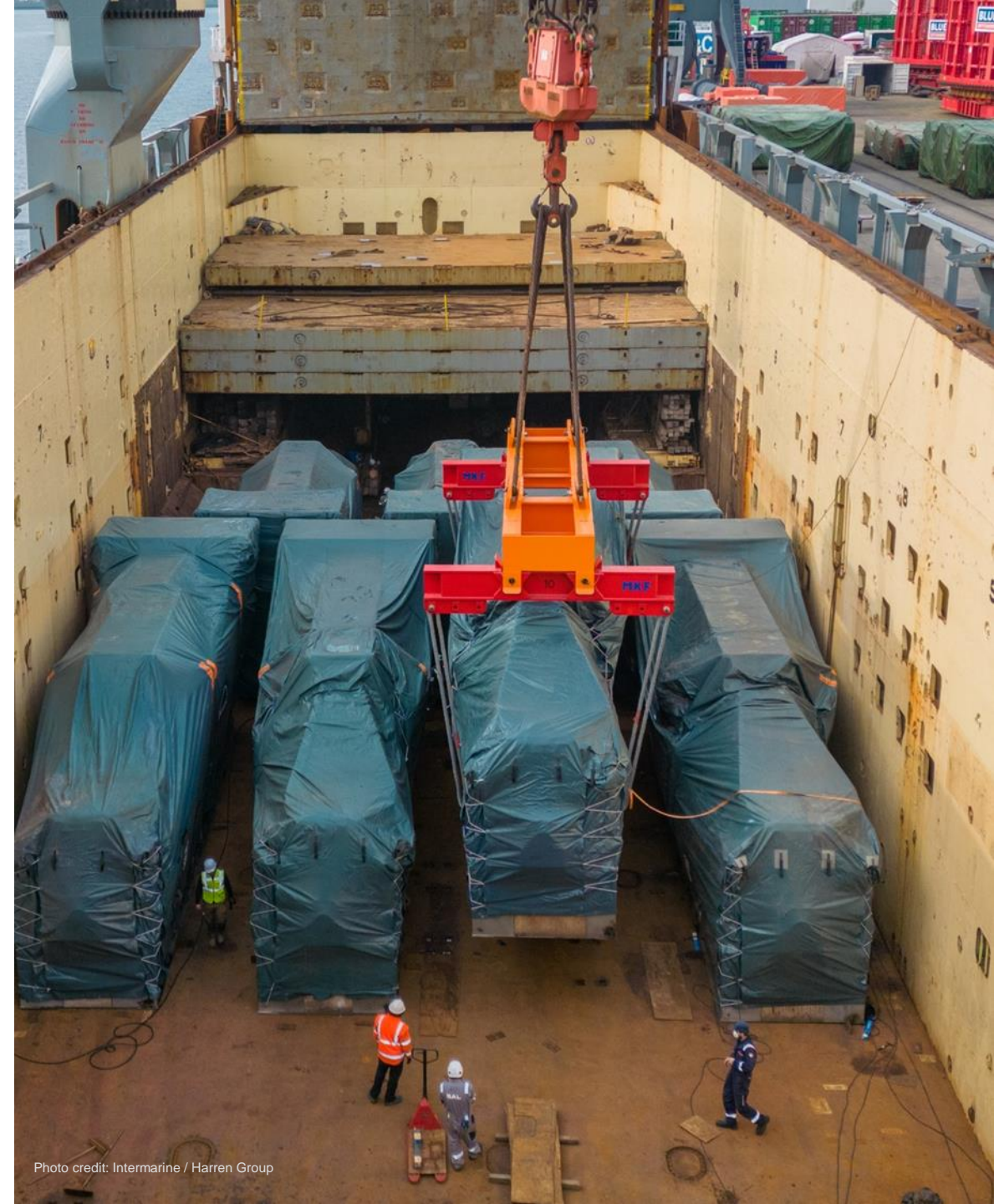
### Critical Steps



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# Mitigating Delivery Risk

- What is **YOUR** responsibility
  - Incoterms – Who, What, When, Where
- Port of Discharge
  - Special Requirements
    - Port Requirements – Draft, Length of Berth
    - Loading and Unloading Equipment available
    - Process and Timing

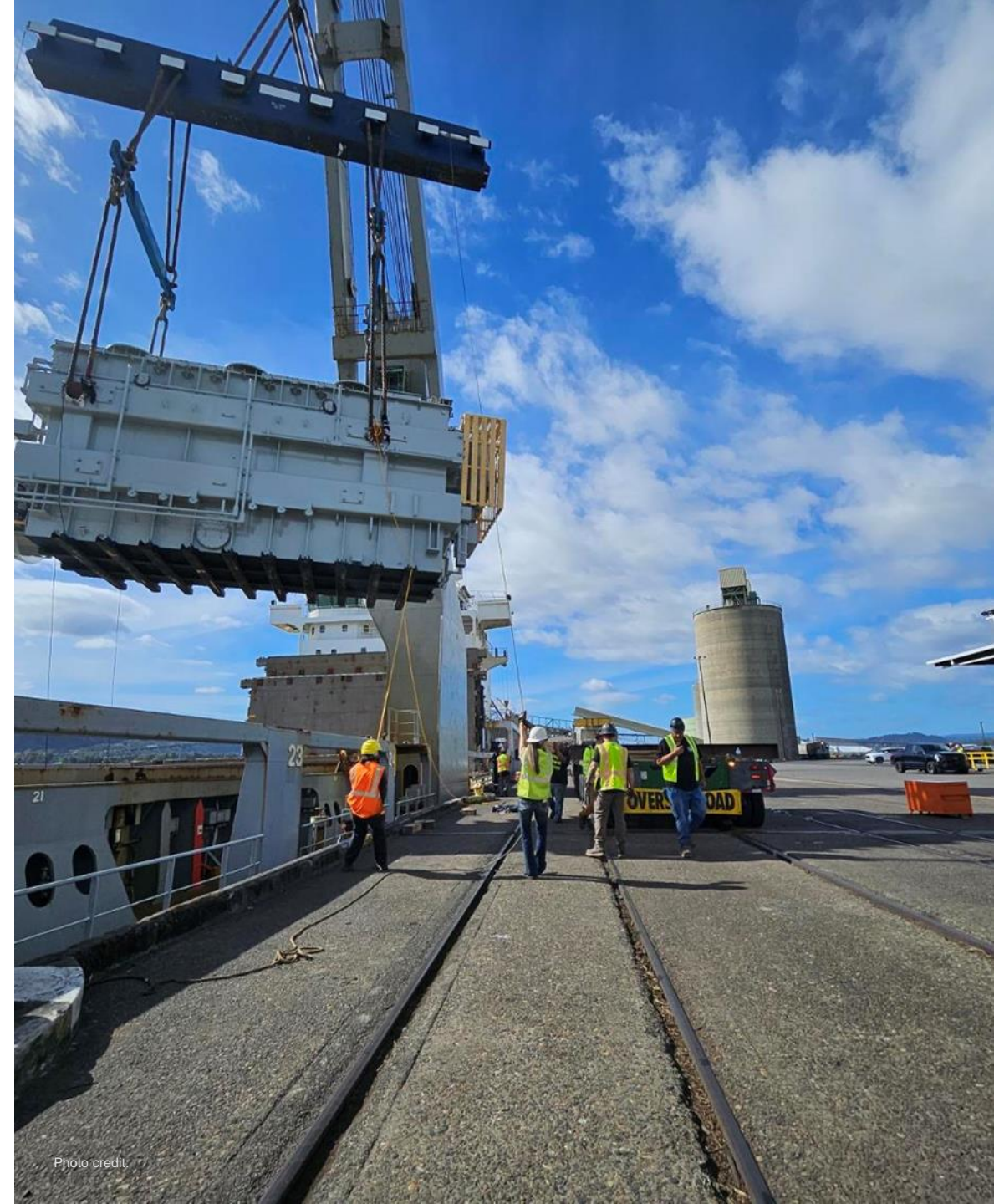




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# Mitigating Delivery Risk

- Inland Transportation
  - Permits
  - Schedule
- Safety
  - Equipment Handling/ Certifications
- Weather
  - Season
  - Restrictions
- Clearance and Customs Requirements





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## DISRUPTION #3

- On March 26, 2024, the main spans of the Baltimore Key Bridge collapsed after the container ship MV Dali lost power and collided with the southwest supporting pier of the main truss section of the bridge.
- The incident closed the port's main access channel until three temporary channels were opened on April 20th, allowing about 15% of pre-collapse shipping to pass. A temporary deep-draft channel was opened on April 25th allowing some larger ships to enter and leave, then closed on April 29, enabling salvage crews to resume removing the bridge.
- Your OOG/heavy-lift project cargo was booked on a chartered vessel scheduled to load on April 1st, 2024. Baltimore was the only East Coast deep water port where the cargo could be permitted to for shipment.
- The equipment was on critical path with arrival delays placing construction completion milestones at risk.

## THE CHALLENGE:

- What do you see as the critical issues developing in this situation?
- What could be the cost and schedule impacts of these issues for the stakeholders in this shipment?
- What information would you communicate to each?
- What immediate actions would you take as the shipper/charterer to avoid further risk to cost and schedule?
- What changes would you recommend to avoid reoccurrence of a similar disruption in the future thus increasing the predictability of delivery as promised?

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## DISRUPTION #4

- The Suez Canal was blocked for six days from 23 to 29 March 2021 by the Ever Given, a container ship that had run aground in the canal. The obstruction occurred south of the two-channel section of the canal, so other ships could not pass. By 28 March, at least 369 ships were queuing to pass through the canal.
- The SCA allowed shipping to resume on 29 March, although the Ever Given was impounded within the canal by Egyptian Authorities and not permitted to sail until 7 July.
- Your cargo, being transported on a flatrack on the Ever Given, could not be discharged without use of shore gear capable of lifting 250MT.
- The equipment was project cargo destined for a jobsite in the European hinterland via the Port of Rotterdam.

## THE CHALLENGE:

- What do you see as the critical issues developing in this situation?
- What could be the cost and schedule impacts of these issues for the stakeholders in this shipment?
- What information would you communicate to each?
- What immediate actions would you take as the shipper to avoid further risk to cost and schedule?
- What changes would you recommend to avoid reoccurrence of a similar disruption in the future thus increasing the predictability of delivery as promised?

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**On-time/As-promised Delivery**

Questions?

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Thank you!

Please send your  
comments, evaluations  
and suggestions to:



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