SHIPPING

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ning is still next to impossible at every point of the supply chain. No one is fully in control of their own circumstances, nor can they divine the fortunes of their suppliers, distributors and customers. The result is a feedback loop of variability that impedes efforts to turn the economy back on after the coronavirus shutdowns.

The Fairfax terminal highlights a troubling reality in the global economy: So many unknowns dog the supply chain that any semblance of normalcy remains far off, even as some of the chaos abates and shipping prices edge down.

Between February and September, GM largely halted operations at its Fairfax plant, owing to a critical shortage of computer chips – a key element in contemporary cars. The plant is producing again but running one shift instead of its previous two or three.

Still, like the rest of the trucking industry, the terminal is scrambling to recruit truck drivers in anticipation of an eventual flood of new vehicles. For now, Heide is resisting pressure from GM to move faster.

“Their expectations are that you can just flip a switch and there’s 20 drivers,” said Heide, 49. “Then I’m stuck paying 20 people who have nothing to do.”

Inside the terminal, next to the dispatch desk, a half-dozen drivers sit at wooden picnic tables under fluorescent lights, arranging their morning hauls. Using tablet computers, they scan the available assignments, each labeled with the applicable pay, which is based on how many miles they must drive from the terminal to the destination. They pick in order of seniority.

Dave Pinegar has already been on the road for three hours, having driven here from his home in Wichita, Kan., nearly 200 miles to the southwest.

“The early bird gets the worm, man,” he said.

He scrolls through the options. A run to Broken Arrow, Okla., would earn him $452, while a longer journey to Malvern, Ark., would bring $717. The longest route – a 641-mile trip to Batavia, Ohio – would pay $929 but would keep him away from his wife and two daughters for at least one night.

He selects a trip back to Wichita, which pays only $299. Absent any drama, he will be home by midday.

Pinegar’s cargo illustrates the complexities of the supply chain.

First, he will stop at a dealership in Emporia, Kan., dropping off three Chevrolet Trailblazer SUVs built at a factory in South Korea. Then he will continue to Wichita, bearing two Chevy Malibus from the Fairfax plant and a pair of Cadillacs: a CT5 sedan made in Lansing, Mich., and an Escalade SUV produced near Fort Worth. Finally, there is a blue Chevy Silverado pickup built in Mexico.

“Such a long journey,” Pinegar said.

Out in the yard just after 6 a.m., as the first glimmers of light seep through a leaden sky, Pinegar begins driving his assigned vehicles up the ramp of his trailer. Then he rolls through the gates and disappears down the interstate.

If anything goes awry out there, the margin for error has shrunk.

The previous week, one of Heide’s tractor-trailers developed a leaky radiator and broke down outside Elkhart, Ind., – 582 miles from Kansas City.

The company had the truck towed to a local repair shop. In normal times, the driver would have waited there for the radiator to be replaced. But the shop did not have a radiator and could offer no assurances on how long it would take to get one.

Heide had a decision to make. He could have left his driver in Indiana, gambling that the radiator would come in by the end of the week. But he knew that car parts were stuck inside shipping containers on cargo vessels marooned off ports from Los Angeles to Savannah, Ga. He had no idea if the repair shop had enough people to manage the job or if the parts distributor had enough drivers to deliver the radiator quickly.

And he risked paying several days of motel lodging for his driver while the load sat undelivered.

So Heide told his driver to rent a car and come home. He arranged for another driver based at a Jack Cooper terminal near St. Louis to go and rescue the load and deliver it to its final destination in Ohio.

Born and raised in the middle of Kansas, Heide played catcher on his college baseball team. He walks the terminal with the jovial confidence of someone accustomed to issuing directions, while accepting relentless if good-natured ribbing.

Photos by Chase Castor / New York Times

The Jack Cooper Transport lot in Kansas City, Kan., is a way station for many vehicles built at a General Motors plant next door and elsewhere. The Great Supply Chain Disruption has turned shipping terminals into volatile zones full of uncertainties.

GM largely halted work at the Kansas City plant for much of this year, owing to a computer chip shortage. The plant is producing again but running one shift instead of its previous two or three.

But he cannot mask his frustration over having to deliver results in a system dominated by factors that are beyond his control.

The previous week, GM told him that it was planning to release nearly 700 vehicles, with the expectation that Heide would deploy 12 workers in the yard to load rail cars.

Instead, Heide opted for a cautious approach, anticipating – correctly – that roughly one-fifth of the newly released cars would be put on hold. He brought in only six yard workers. He was intent on not absorbing the costs of idle hands.

Heide assumes that normalcy lies ahead. He is intent on ramping up, even as the uncertainty about supply undermines his efforts. He is expecting five new trucks, but the same chip shortage afflicting the rest of the auto industry means that he is likely to have to wait at least six months.

On top of it all, he and his colleagues are short on drivers and must recruit 15 more, an exercise that feels futile.

“It’s horrible,” said Lindley Davis, the company’s Atlanta-based head of human resources. “People want to be home. They don’t want to be driving a truck.”

Jack Cooper is one of only two union-represented companies left in the car hauling industry. It pays training wages reaching $90,000 a year, plus pension and health benefits for which the company covers all the premiums. The company has been handing out $10,000 signing bonuses.

Still, takers are few.

On a call with her team of recruiters, Davis hears reports of applicants “ghosting” – disappearing incommunicado – or taking other offers. One driver who accepted a job offer backed out after his employer tripled his salary.

Heide finds himself contemplating two unpalatable options: He could lower his standards and accept that people who would ordinarily not make the cut will drive off his yard carrying a $1 million load of cars. Or he could hold the line but risk not having enough drivers when production rises.

He is aiming for a middle ground, bringing in people with unimpeachable experience but flags that might have disqualified them, such as too many different jobs in a few years.

Just before 3 p.m., as afternoon sunshine glints off the windshields in the yard, Heide learns that only 127 vehicles have come in by rail today and only 50 are coming in tomorrow.

“That’s nothing in terms of getting good inventory in to build loads,” he said.

He sent five drivers across the Missouri River to another Jack Cooper terminal next to a Ford plant to work off its backlog.

Heide sits at his desk, surveys his email and braces himself for whatever comes next.

BELLAIRE

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a single location in the Bellaire region factored into the relocation decision, according to Transwestern.

Building improvements negotiated into the lease include additional parking capacity, new patient drop-off areas, a remodeled lobby and upgrades to the HVAC system.

“UT Physicians came to Transwestern to help guide them through a strategic consolidation effort in the Bellaire submarket that would reduce their overall cost, footprint and increase their efficiencies in providing the best health care services to their patients,” Bovermann said in an announcement. “We took the challenging initiative to utilize the soft-office market to identify traditional office buildings that could be repurposed for medical office use.”

The building’s layout, with a 9-foot-wide and 600-foot-long corridor, provided an opportunity to create areas with social distancing, according to Transwestern.

The clinic is designed with various waiting areas for patients including nooks for families and seating areas with charging stations for devices.

The building, just south of Bissonnet in Bellaire, is less than 5 miles from the Texas Medical Center.

“We are finding that the Bellaire submarket is a strong alternative to the Texas Medical Center,” Brasell said. “While only seven minutes west of the TMC, Bellaire provides easy navigation for patients and the elderly, lower parking costs and access to routine medical services and practices such as obstetrics, family practice and pediatrics.”

With the deal, Bellaire Station is 70 percent leased.

Old building, new HQ

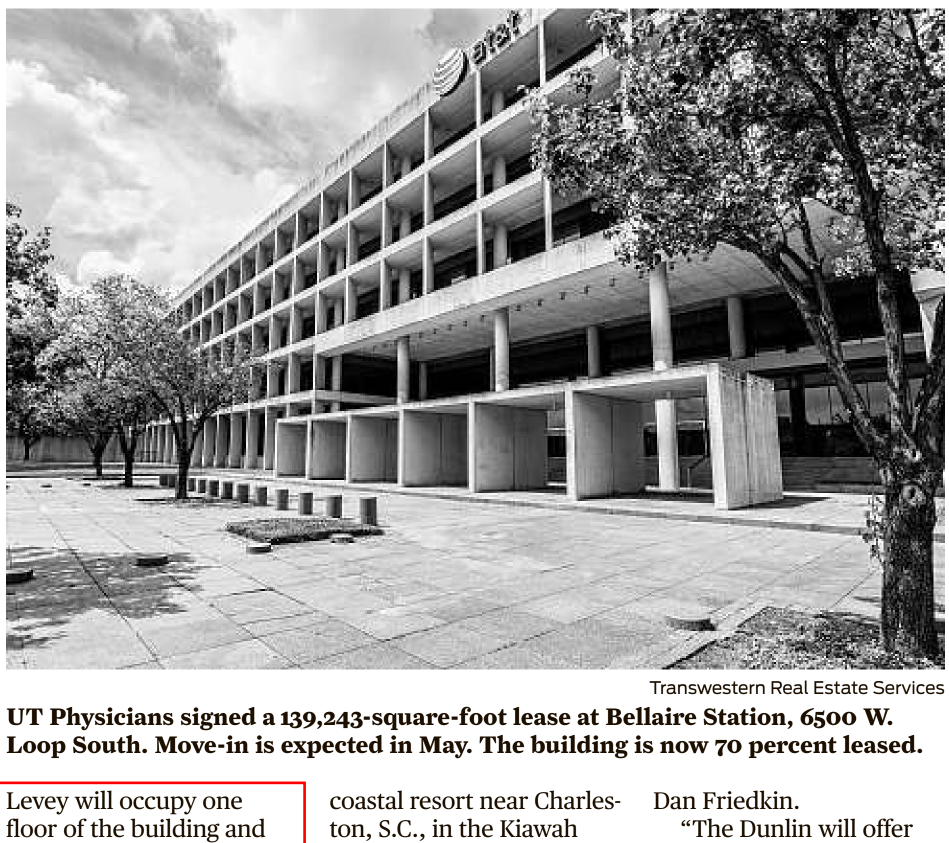
Levey Group, a Houston-based commercial real estate investment and development firm with several industrial developments along Beltway 8, is making a shift with its latest project.

The company acquired an 8,791-square-foot Georgian-style building at 4500 Yoakum, just south of Richmond, in Montrose for the relocation of its headquarters.

The property was built in 1935 as a single-family residence and now serves as a multi-tenant office building.

Levey will add amenities including a fitness center, third-floor balcony lounge and game room. Once renovations are complete, Levey will occupy one floor of the building and offer the other two for lease.

Levey will relocate from 6575 W. Loop South.



Transwestern Real Estate Services

UT Physicians signed a 139,243-square-foot lease at Bellaire Station, 6500 W. Loop South. Move-in is expected in May. The building is now 70 percent leased.

Resort to break ground

The Dunlin Auberge Resorts Collection, a newly announced resort planned in South Carolina, has close ties to two Houston companies.

Auberge Resorts Collection, a California-based global portfolio of hotels and resorts that is part of the Friedkin Group of Houston, will develop a coastal resort near Charleston, S.C., in the Kiawah River community. Kiawah River is a 2,000-acre development of Houston-based McNair Interests and the Beach Co. on Johns Island.

The Dunlin is expected to break ground in January and open in 2024. It is planned for 72 cottage-style guest rooms and suites and 19 villas.

The Friedkin Group, which also owns Gulf States Toyota and other automotive, hospitality, entertainment, sports and adventure companies, is led by Houston billionaire Dan Friedkin.

“The Dunlin will offer an unforgettable escape where guests can immerse themselves in the pristine natural setting of Johns Island and the culturally rich attractions of Charleston,” Friedkin, chairman of Auberge Resorts Collection, said in an announcement.

Auberge Resorts Collection has 22 hotels and resorts and eight more in the pipeline.

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CHEVRON

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cient, guided by a clear and consistent objective to deliver higher returns and lower carbon,” Wirth said. “And this enables us to return more cash to shareholders.”

Chevron said it plans to spend $12.6 billion on new exploration and production projects next year, split evenly between U.S. and international projects. About $8 billion will be allocated to currently producing wells, including about $3 billion for the Permian Basin of West Texas and $1.5 billion for other shale plays worldwide.

About $3 billion of the upstream budget is planned for new projects, including Chevron’s Tengiz project in Kazakhstan. About $1.5 billion will be allocated to exploration projects, transportation and carbon reduction ventures.