

Leadership Challenges & Opportunities

A Port Authority Perspective

October 29, 2019 | PORTCON Long Beach

A close-up photograph of a hand moving a wooden chess piece on a board. The background is a warm, reddish-brown color. The text is overlaid on the image in white.

EVERY
Challenge
IS AN
Opportunity
IN
Disguise



in every
CHALLENGE
lives a greater
OPPORTUNITY.

"Every challenge is
an opportunity to
create something better."

CHALLENGE

LEADERSHIP

OPPORTUNITY







LEADERSHIP...



- From Navy base to commercial port
- World's first Green Port
- Big Ship ready
- Community grants
- Zero emissions
- Operational excellence

Monthly Container Volumes



2019 vs 2018	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP*
2019 volume	657,286	596,616	552,821	628,122	573,623	677,167	621,780	663,992	706,925
Monthly YOY%	-0.08%	-9.85%	-3.90%	1.57%	-16.56%	-9.97%	-9.69%	-2.29%	0.82%
Cumulative CYTD %	-0.08%	-4.98%	-4.65%	-3.12%	-6.01%	-6.76%	-7.20%	-6.57%	-5.71%

Top 10 Global Ports



	2017		
1	Shanghai, China		
2	Singapore, Singapore		
3	Shenzhen, China		
4	Ningbo, China		
5	Hong Kong, China		
6	Busan, South Korea		
7	Guangzhou, China		
8	Qingdao, China		
9	LB (21)/LA (17), USA		
10	Dubai, UAE		

- **8.1 million container units in 2018**
- **\$200 billion in cargo**



Port of
LONG BEACH
The Green Port

- **51,090 jobs in Long Beach**
- **575,000 jobs in Southern California**
- **2.6 million jobs throughout the US**
- **\$5 billion in tax revenue**



Economic Impact to National Economy

- **30.8 million** jobs supported by cargo moving through America's deep-draft ports
- **\$5.4 trillion** in total economic value (26% of the nation's economy)
- **\$378 billion** in tax revenues

AMERICAN
KEEP IT MOVING

Why workforce development?



Port of
LONG BEACH
The Green Port

- The impact of any disruption in the goods movement industry can be huge
- As jobs change, training is necessary to “re-skill” and “up-skill” the incumbent workforce
- Skilled worker retirements and turnover

WHAT IS WORKFORCE DEVELOPMENT?

Initiatives that educate and train individuals to meet the needs of current and future business and industry in order to maintain a sustainable competitive economic environment.

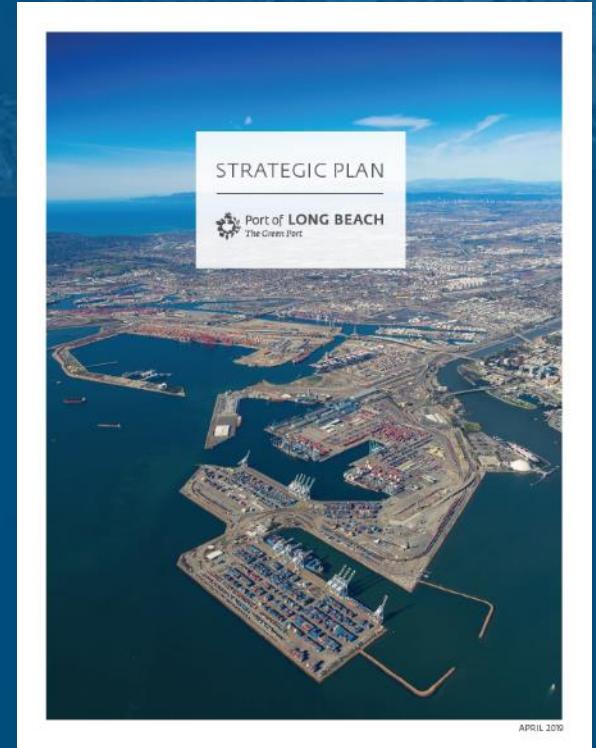
Key questions



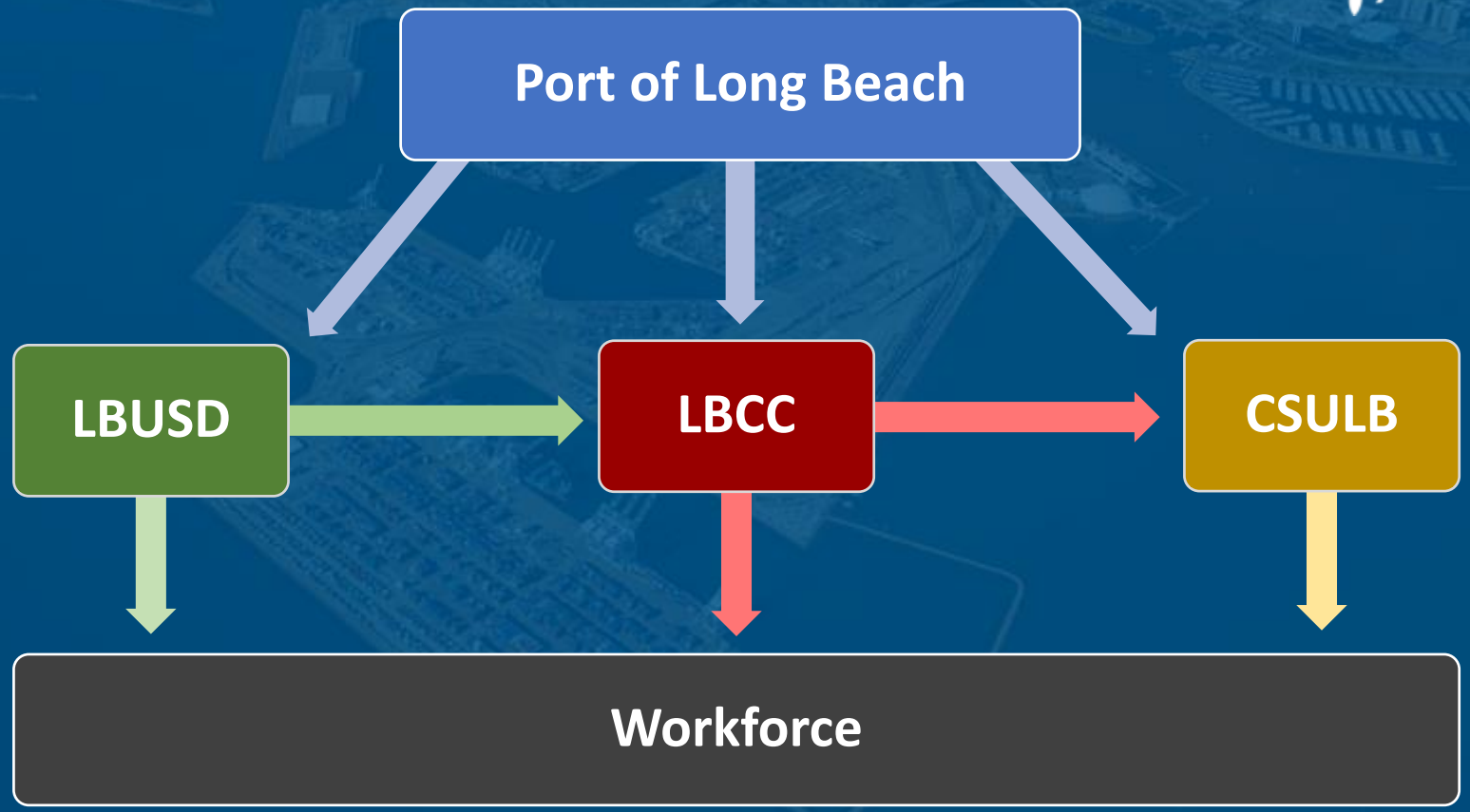
- What skills are in high demand today, and what skills will be in high demand in the future?
- How does industry collaborate with academia to bridge the growing gap?
- How do we start introducing youth to the goods movement industry?

POLB Strategic Plan

Goal #6: Attract, develop and retain a diverse, high-performing workforce.



Workforce Development Pipeline



Jobs are changing



- Globalization
- Technology
- The New Economy
- Political Change
- Demographic Shifts



The workforce is changing...



Today's workforce is...

- More diverse than ever before
- Expects greater choice and control over their physical space
- Tech-driven
- More discerning



amazon
amazon
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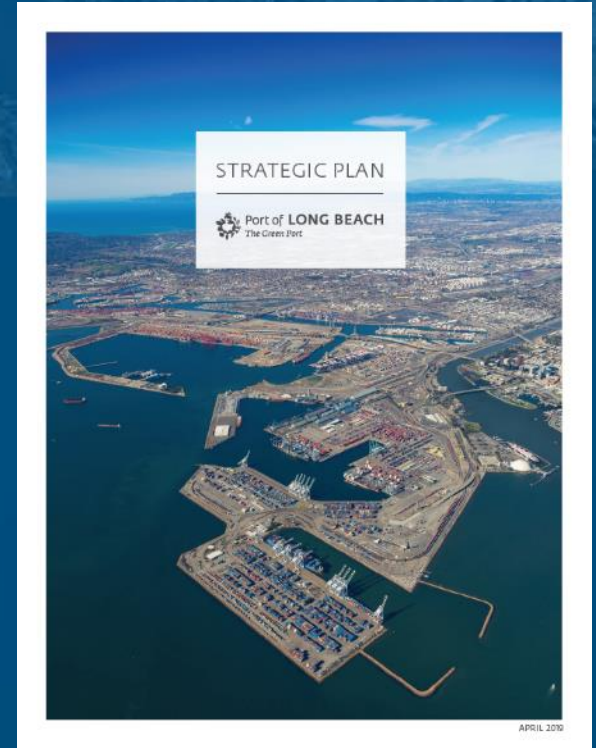


Systems upgrade

New operating paradigms and emerging technologies

POLB Strategic Plan

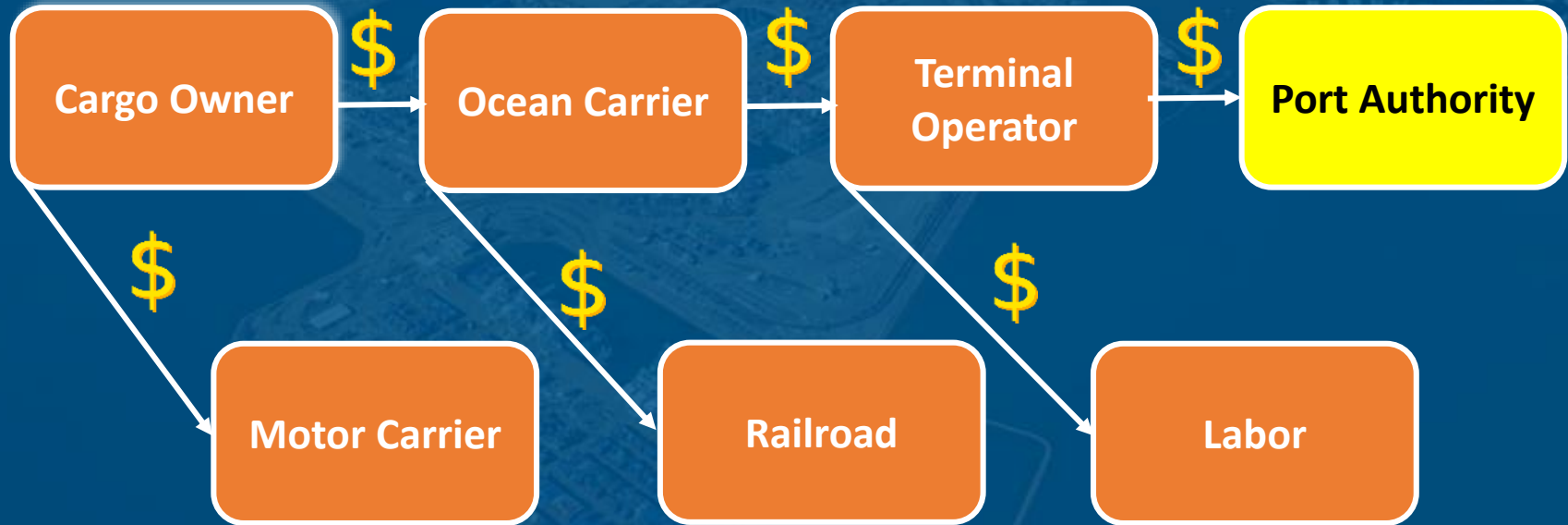
Goal #1: Strengthen the Port's competitive position through secure and efficient movement of cargo while providing outstanding customer service



A photograph of a port at dusk. In the foreground, a whale is breaching the water. The middle ground shows a large stack of colorful shipping containers (red, orange, grey, blue) and several large gantry cranes with red and white markings. The background is a dark blue sky. A semi-transparent blue banner is overlaid at the bottom, containing the text "Operational Excellence" in white.

Operational Excellence

Complexity in the Supply Chain



Ocean Carrier Alliances



OCEAN Alliance



2M+H+Z Alliance



THE Alliance



Independent Carriers



Port's Role in Optimizing Operations

- Facilitating communication and collaboration
- Enabling innovation and information-sharing
- Enhancing velocity and reliability
- Creating value for the end-user

Port Efficiency Overview

Tenant Services and Operations Division | December 17, 2018



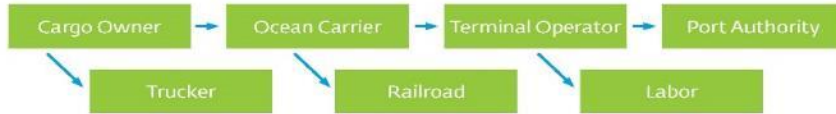
CUSTOMER NEEDS

- Speed
- Reliability
- Cost

CURRENT ISSUES

- PierPass 2.0 launch
- Free Time & Demurrage
- Chassis Provisioning
- Container Delivery
- Cargo information access
- Rail transfer between terminal and railroads

SUPPLY CHAIN RELATIONSHIPS



DECISIONS

(Cargo owner)

- Origin inland to port
- Origin port
- Ocean carrier
- Destination port
- Port to destination inland point
- Trucker

DECISIONS

(Ocean carrier)

- Subject to cargo owner input:
- Origin inland to port
 - Origin port
 - Destination port
 - Port to destination inland point
 - Railroad

DECISIONS

(Terminal operator)

- Origin inland to port
- Lease concession with port authority
- Labor

SOLUTIONS

- Optimizing terminal gate hours
- Maximizing cargo availability
- Reducing cargo dwell time
- Optimizing chassis availability to truckers/cargo owners
- Maximizing the terminal cargo delivery capabilities

LANDLORD PORT – ROLE & CHALLENGES

- Transfer of cargo between water & land
- Building Infrastructure & Facilitating process improvement
- Rail Challenges: Terminal work rules, Class 1s train scheduling
- Terminals Challenges: Chassis & export empties on terminal

KPIs

- Truck turn time
- Truck dual transactions
- Terminal dwell Time
- Chassis availability
- Highway congestion

NEXT STEPS

- Form team
- Prioritize
- Flow chart issues
- Lead meeting with supply chain

Challenges



- **Truck Appointments**

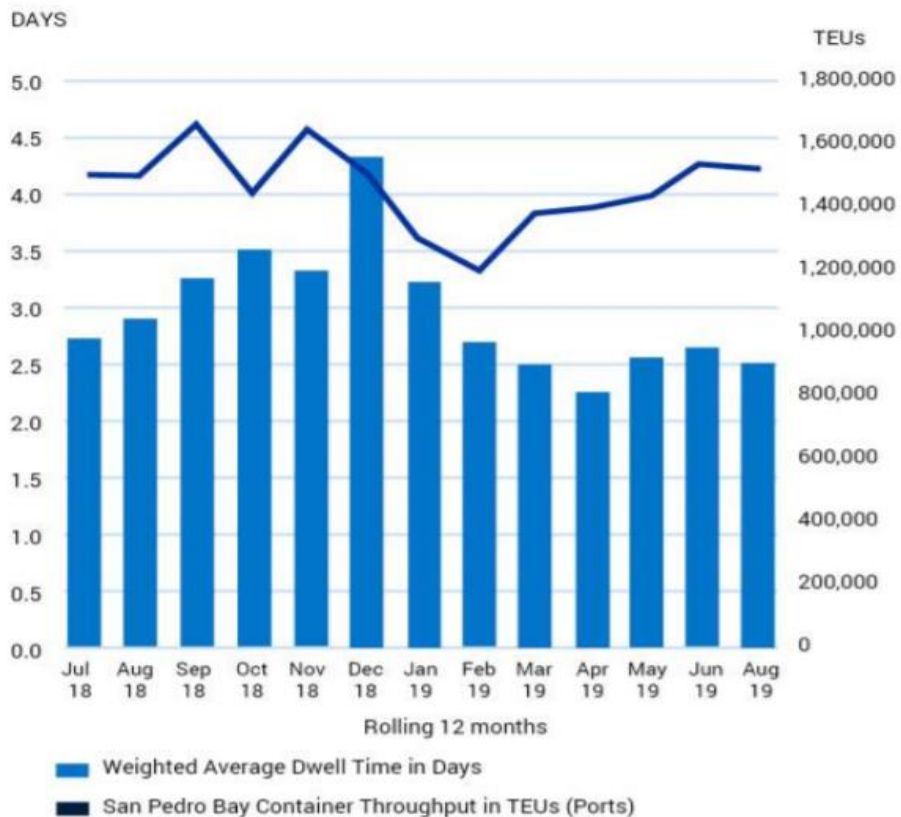
- Terminal operators: missed appointments
- Cargo owners (trucking companies): appointment availability
- Ocean carriers: repositioning of empties

- **Chassis Availability**

- Dislocation
- Repositioning

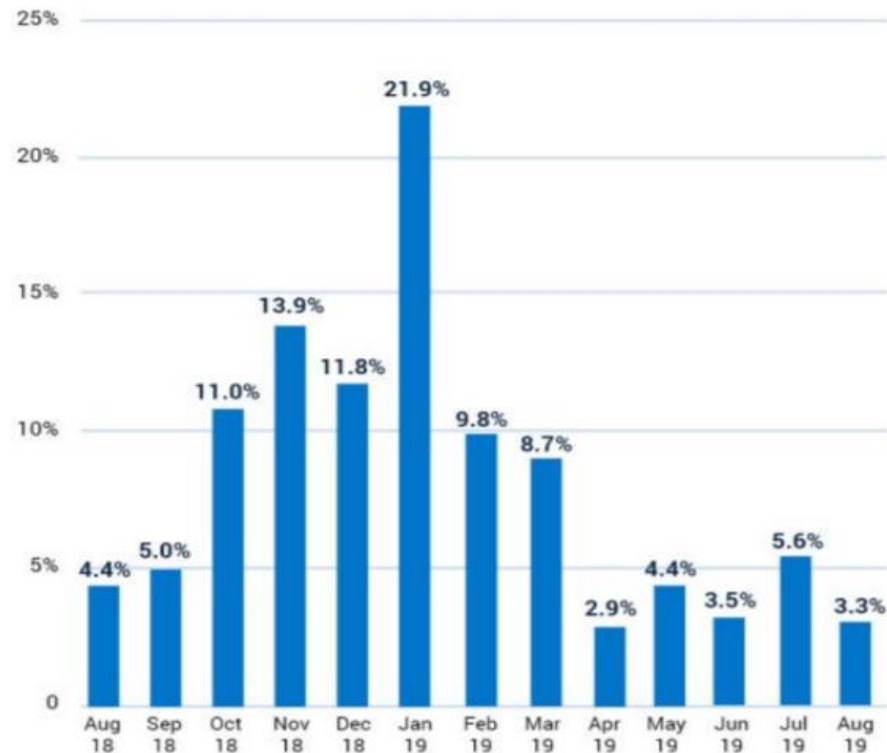


San Pedro Bay Weighted Average Inbound Laden Container Dwell Time in Days

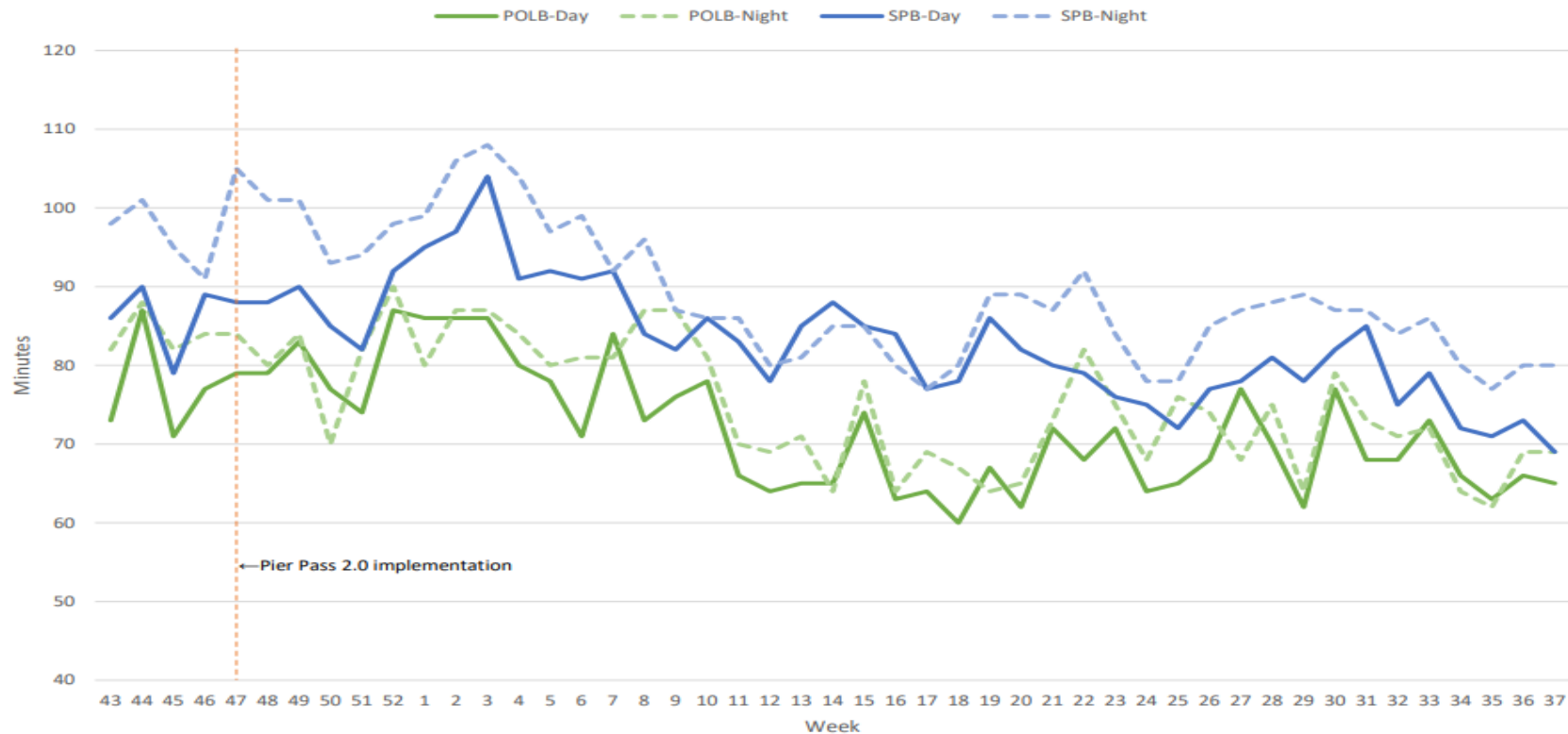


Source: PMSA

Dwell Time in Days % > 5 Days



Truck Mobility Visit Times The Port of Long Beach and San Pedro Bay October 22nd 2018 through September 15th 2019

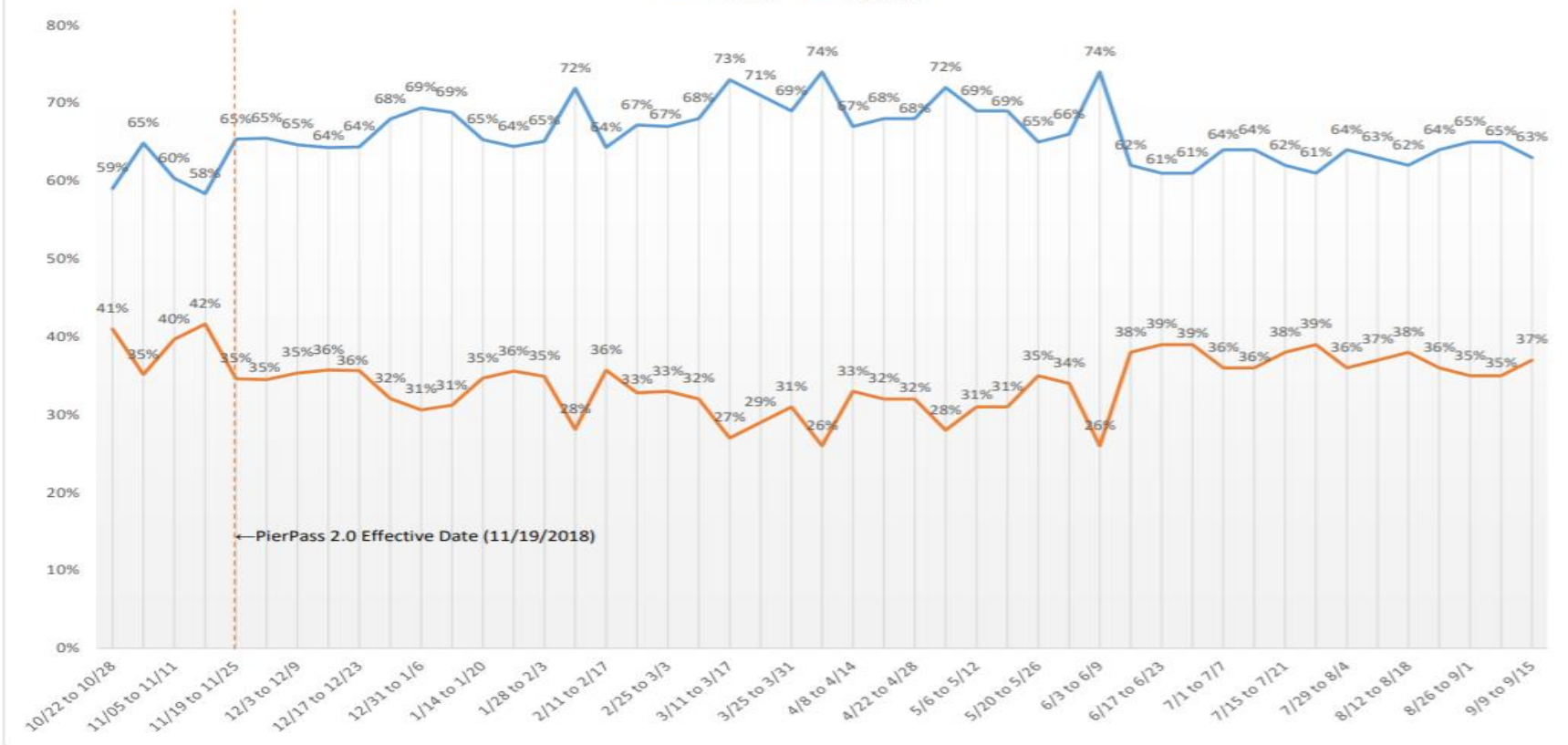


* HTA Truck Mobility Data powered by GeoStamp

* Data includes queue time

Port of Long Beach Percentage of Moves by Shift and by Week October 22nd 2018 through September 15th 2019

— Day Shift — Night Shift



← PierPass 2.0 Effective Date (11/19/2018)

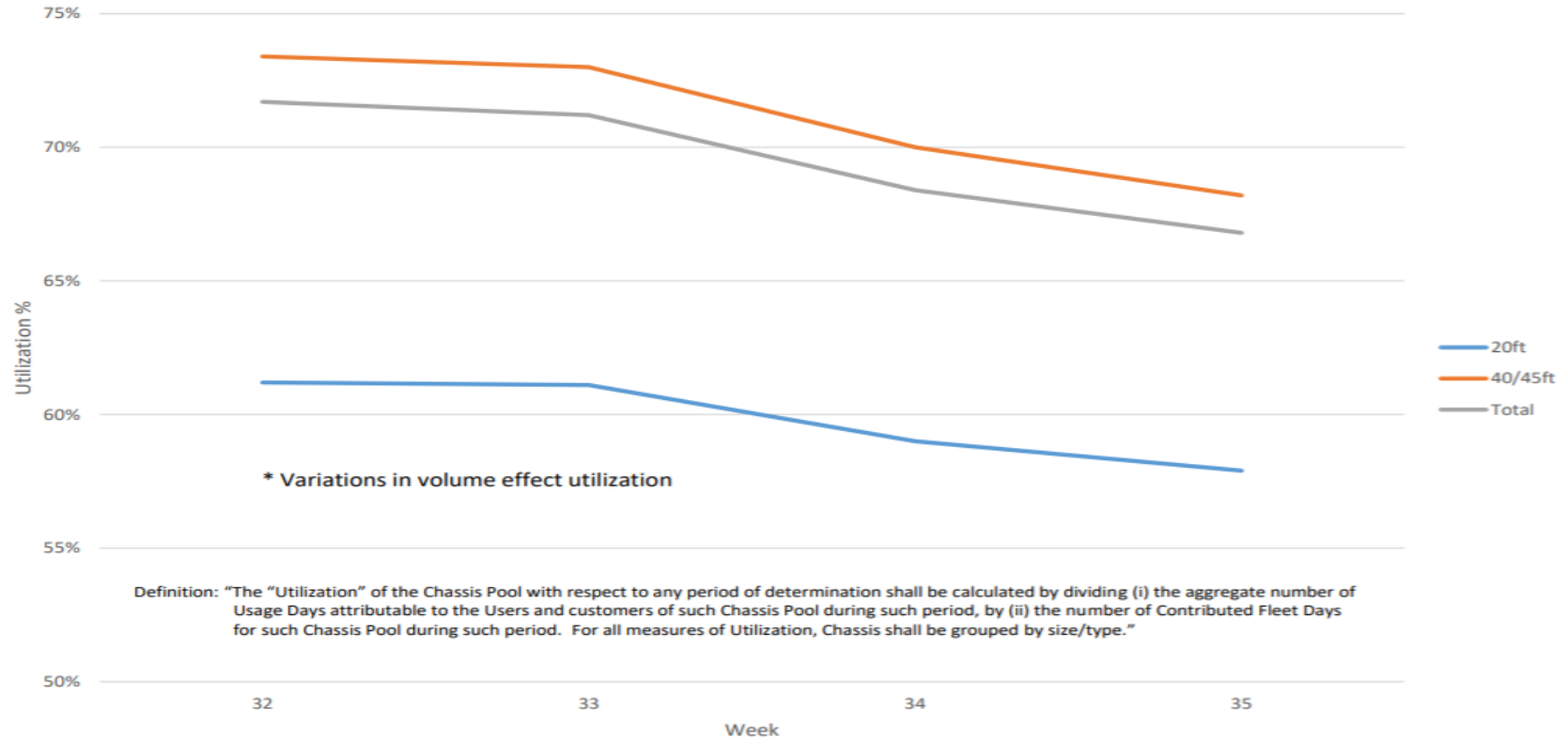
* Data provided by Tetra Tech



San Pedro Bay Chassis Provision

- “Pool of Pools” model commenced operation in March 2015
- 3 participating IEPs: DCLI, FLEXI-VAN and TRAC
- 67,500 “interoperable” chassis as of Q1 2019
- 18 Start/Stop locations: MTOs, R/Rs and PCMC

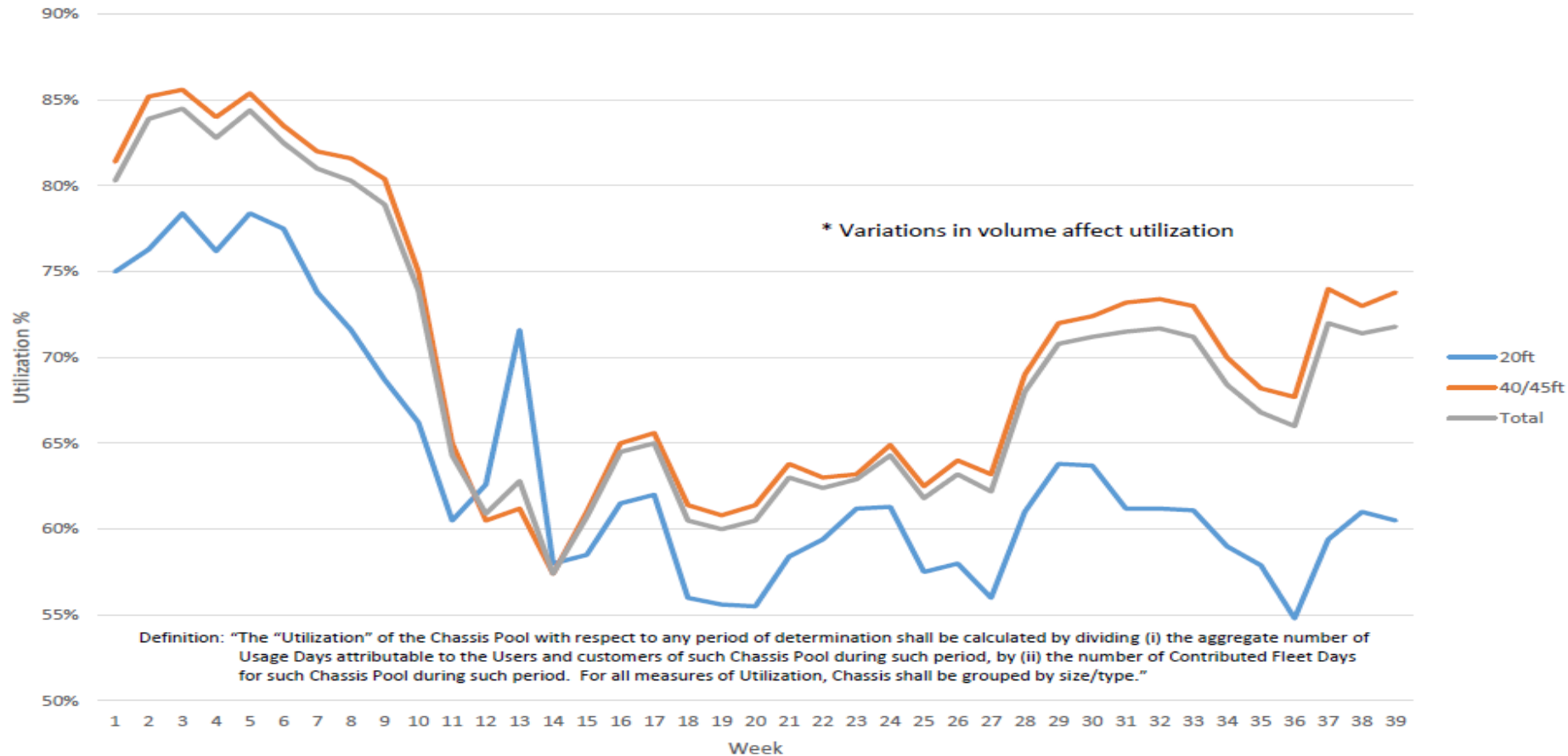
Pool Of Pools
Weekly Chassis Utilization Metrics
August 4th through 31st 2019
August 2019



Pool Of Pools

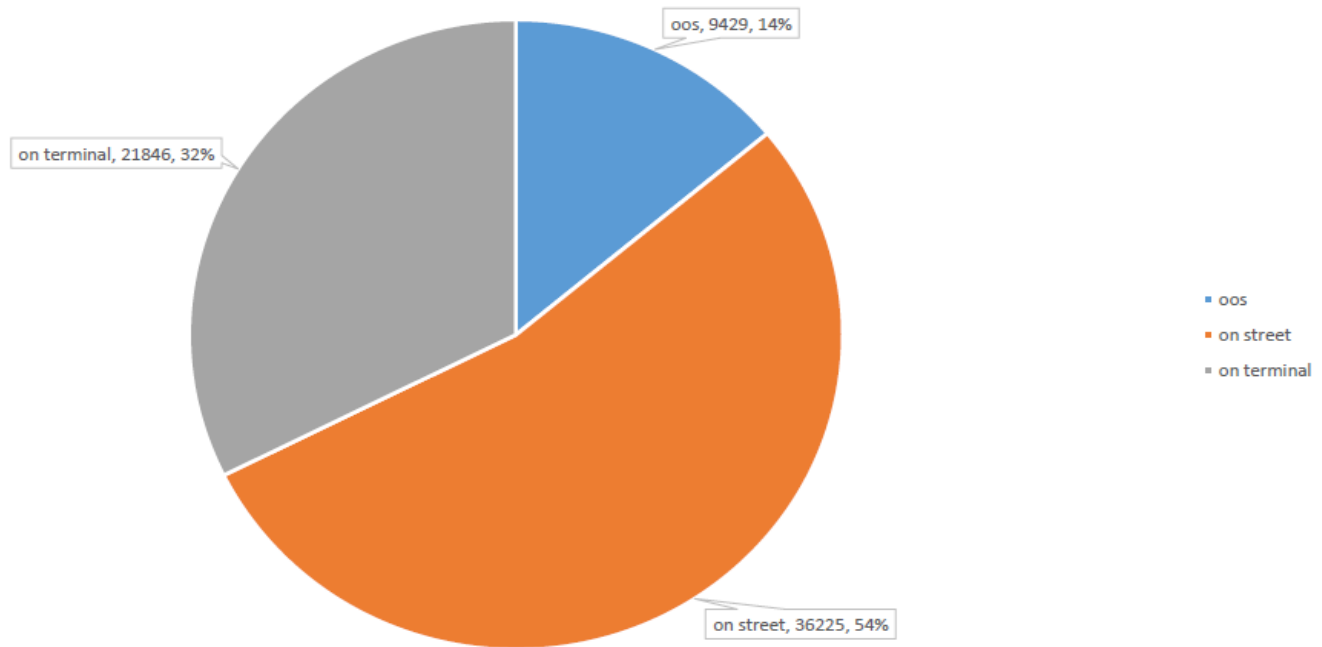
Weekly Chassis Utilization Metrics

December 30th 2018 through September 28th 2019



Pool Of Pools
Chassis on Port & Rail Terminals
Week 38 2019
September 15th through 21st 2019

Total Chassis Fleet is 67, 500



TECHNOLOGY



Technology and process improvements to strengthen port competitiveness

- Reduce friction
- Standardization and interoperability
- Data exchange, information visibility and predictability



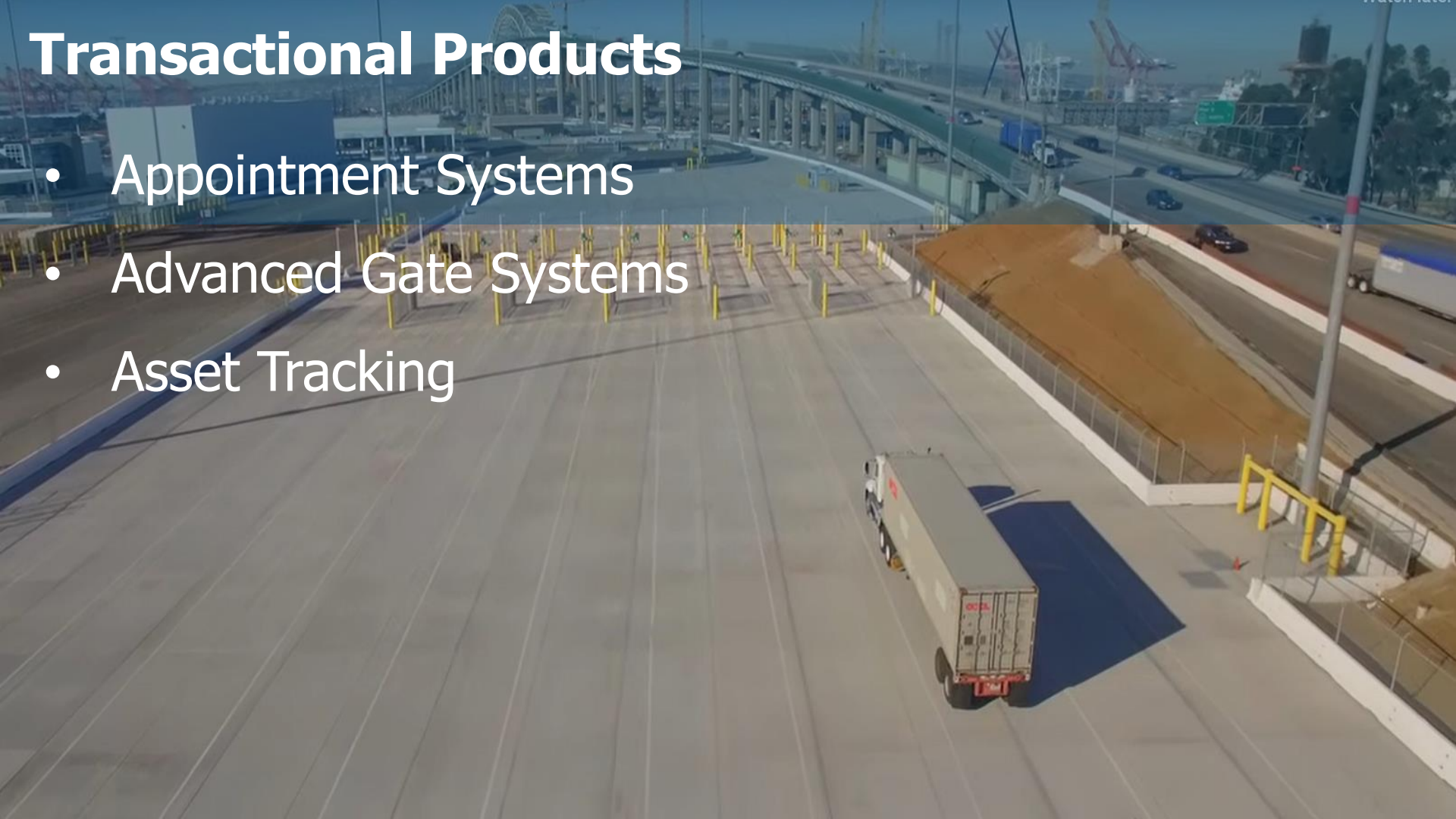
Digitization in Port Operations

- Transactional Products: How fast can we move containers through the gate?
- Visibility Products: Where is my box and when can I get it?



Transactional Products

- Appointment Systems
- Advanced Gate Systems
- Asset Tracking



Visibility Products

- GE Port Optimizer
- Maersk TradeLens
- Predictive Availability



Application Programming Interfaces

- **Automatic creation of appointments** as soon as containers become available,
- **Automatic cancellation of appointments** that cannot be kept allowing for that time slot to be made available to other truckers
- **Automatic grouping of appointments** to facilitate dual transactions.

THANK YOU



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