

# Advancing Goods Movement through the Inland Empire



# Managing Growth of the Goods Movement System

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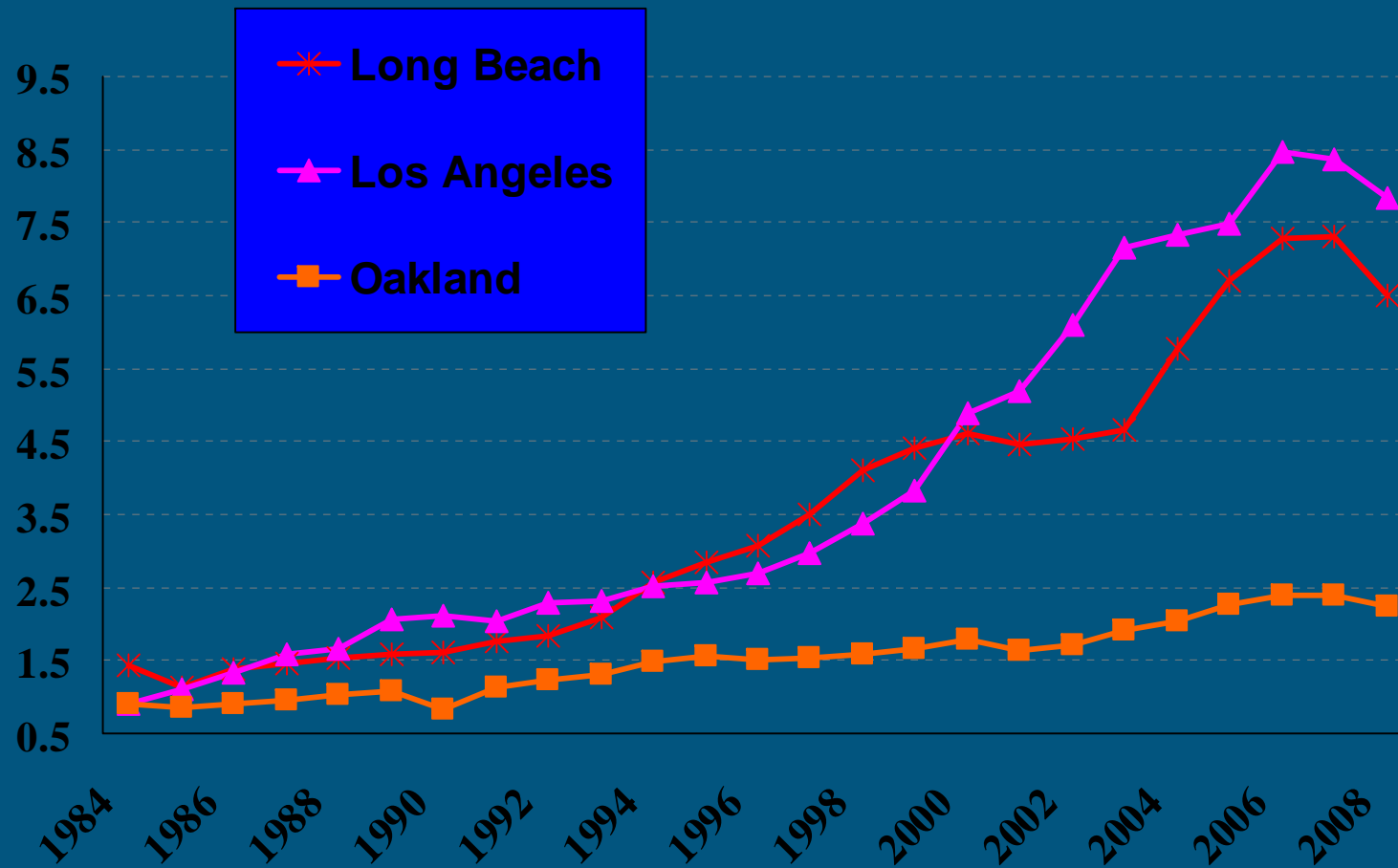




# Challenges

- World-wide recession
- Competition from Prince Rupert, Panama Canal, other west-coast gateways
- Mitigating impacts (“greening the ports”)
- Terminal, highway and rail capacity
- Obtaining supplemental funding

# Container Traffic at California Ports 1984-2008 (Millions of TEUs)



# San Pedro Bay Ports Container Volumes Jan-Apr 2009

	Volume	% Change from 2008
Imports	1,815,680	-21.7%
Exports	908,643	-24.2%
Empty	835,376	-19.8%
Total	3,559,699	-22.0%

Source: POLA and POLB

# LAEDC Container Forecast through POLA and POLB

	TEUs (millions)	% change from prior year
2008 actual	14.3	-8.5%
2009	12.4	-13.3%
2010	12.6	+1.6%

Source: LAEDC, International Trade Trends & Impacts, May 2009



# Competition

- Oakland, Tacoma, Seattle, Vancouver, BC (about 2 million TEUs per year each)
- Prince Rupert: 500,000 TEUs current capacity with 4,000,000 TEUs potential
- Panama Canal: 12.3 million TEUs in FY08. Expansion - \$14 billion, to open 2014 (13,000 TEU vessels allowed)
- All-water services to Gulf and East Coasts
- Mexican ports

A photograph of a waterfront area with buildings and a walkway, overlaid with a semi-transparent blue gradient that covers most of the page. The text is white and centered.

# Waterfront Coalition White Paper May 2005

“Regardless of efforts to develop alternative West Coast gateways, Los Angeles and Long Beach will remain the primary entry points for eastbound imports into the U.S.”



# Major Port Initiatives

- Clean Air Action Plan
- Clean Trucks Program
- Pier G, Middle Harbor, Pier S
- Gerald Desmond Bridge
- On-dock, near-dock improvements

# Shore Power, Low-Sulfur Fuel



Ships plug in for power, slow speed, use cleaner fuels to improve air quality

# Ports Clean Trucks Program

- Oct. 1, 2008: Banned 1988 and older trucks
- Jan. 1, 2010: Ban 1989 – 1993 engines and 1994 – 2003 unretrofitted engines
- Jan. 1, 2012: Ban all trucks that don't meet 2007 EPA engine emission standards
- \$35 per loaded TEU paid by shipper for non-exempt trucks
- Lease subsidy and retrofit grants

# Clean Trucks at Ports

- Since October 2008, over 3000 new trucks have been introduced into drayage fleet.



# Pier G Terminal Redevelopment



\$800 million terminal redevelopment

# Middle Harbor Redevelopment



\$750 million project to improve efficiency, cut air pollution 50%, create 14,000 new jobs

# Pier S Terminal Project



\$650 million redevelopment of former oil field  
would create 35,000 new jobs

# Desmond Bridge Replacement



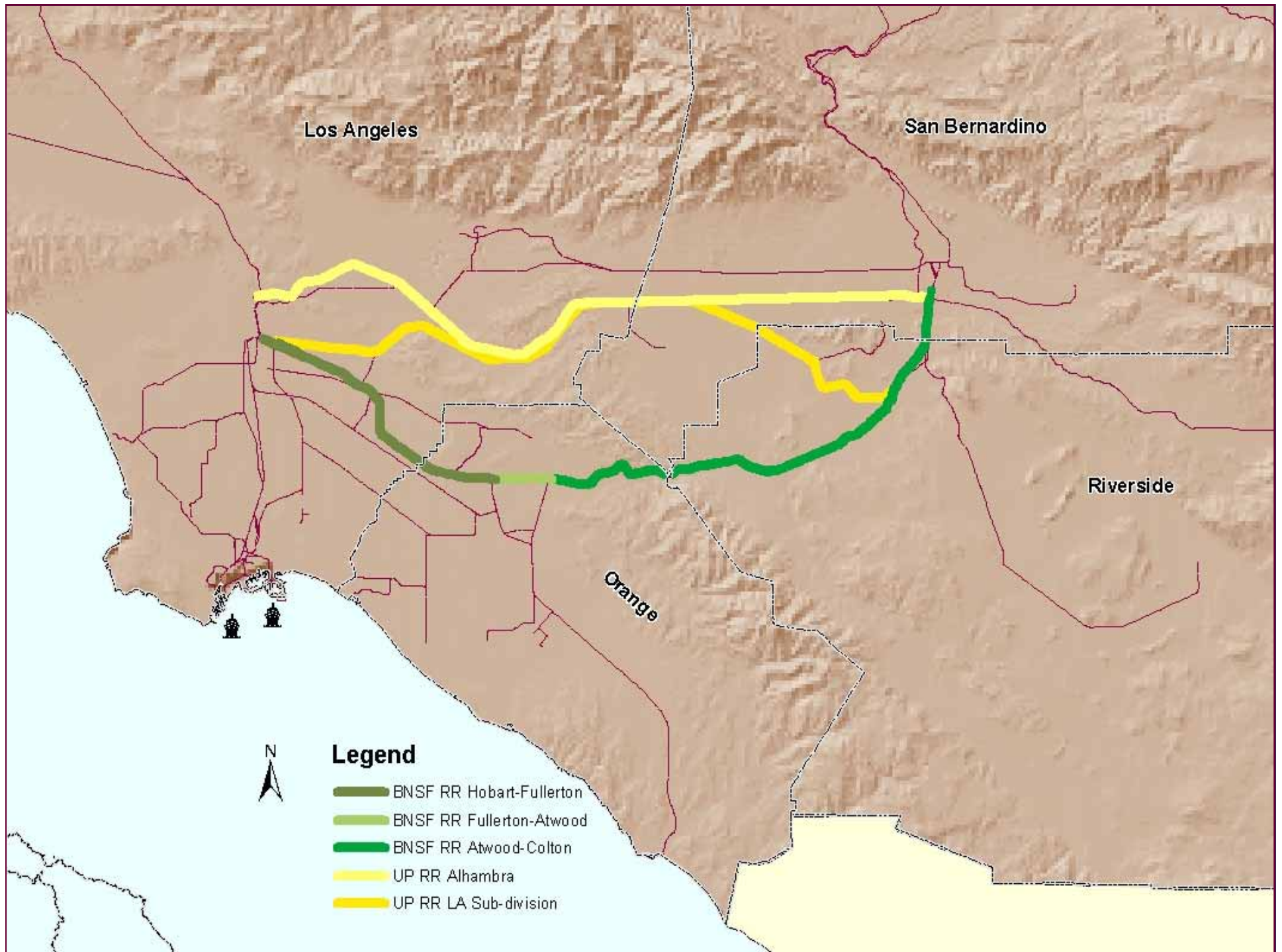
\$1.1 billion bridge would ease congestion, improve traffic safety

# Upgrading Ports-area Rail System



More than \$1 billion in on-dock and near-dock rail yard improvements





# SAFETEA-LU: Not Enough

- Gerald Desmond Bridge: \$100 million
- I-710: \$9.5 million (plus \$2.4 tunnel study)
- Alameda Corridor-East: \$167.64 million plus \$42.82 million for individual grade separations
- ACTA: \$10 million SR-47 design
- Inland Empire Goods Movement Gateway (Norton Air Force Base): \$75 million
- Port of L.A.: VT Bridge study plus I-110/SR 47/Harbor Blvd. Interchange: \$5.6 million
- Port of Hueneme access projects: \$7.4 million



# State General Obligation Bonds

## Proposition 1B

\$19.925 billion for Transportation

- \$2 billion for trade corridors infrastructure
- \$1 billion for trade-related emissions reductions
- \$100 million for port security
- \$250 million for railroad grade separations
- \$2 billion for local streets and roads

# Infrastructure Cargo Fee

- Ports-area fee postponed until July 1, 2010
- Fee based on port “nexus”, cash flows, available funds
- Regional fee being discussed with regional partners
- National fee options



# Public-Private Partnerships: Keys to Success

- Consensus on what to build, funding shares, method of payment
- Legal authority
- Stable revenue stream
- Funding firewalls and sunset clauses
- Port-industry shares based on “Nexus”
- Cost and schedule control