

Dear Readers:

CITT's biggest annual project, the State of the Trade & Transportation Industry Town Hall, always causes us to ponder the changes going on in our industry. This year's event on February 7 was no exception.

Personally, it was also gratifying, as speaker after speaker emphasized cooperation.

Dave Kelly, who produced the outstanding video premiered at the event, noticed it, too. As he took his camera crew from ship to terminal, from road to waterfront, he told me that "Everyone emphasized how cooperative they have become since 9/11!"

As we tackle the other challenges we all face, it is a good reminder that together we can accomplish an enormous amount—and conversely, if we focus narrowly and suspect everyone else's motives, we'll never make the progress we need to.

Once again, the Town Hall has lessons for us all. We hope you enjoyed it, too.

Marianne Venieris
Executive Director

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Alameda Corridor Celebrates Five Years

The Alameda Corridor marks five years of operation in April. For a youngster, its impressive "track record" is creating a remarkable reputation.

Current Usage. According to John Doherty, CEO of the Corridor since 2003, use of the 20-mile railroad express has exceeded the growth of the ports it was designed to serve.

The number of containers on the Corridor has more than doubled, he explained, while over the same period cargo through the two local ports has grown approximately 50%. "If it weren't for the Corridor, those trucks would be on the freeway."

In five years, more than 83 thousand trains have used the



John T. Doherty, P.E.
CEO, Alameda Corridor
Transportation Authority

Corridor between downtown Los Angeles and the ports of Long Beach and Los Angeles. That translates into 9.8 million containers and almost 18 million TEUs (twenty-foot-equivalent units). Today, the Alameda Corridor carries

nearly one-third of the containers that enter the two local ports.

How It Started. In 1989, The Southern California Association of Governments (SCAG) created a Joint Powers Authority to design, finance, and build the Alameda Corridor, after a multi-year study concluded that better rail was the answer

to increasing problems with container traffic from the ports.

With an independent administrative structure and a single objective, the Alameda Corridor Transportation Authority (ACTA) finished the Corridor on time and within its budget. This achievement alone would have put it in the record books, but its ongoing operation has prompted many accolades within the transportation community.

5-Year Track Record

- **Revenue: \$346.3 million**
- **Trains carried: 83,336**
- **TEUs carried: 17.7 million**
- **Growth in volume: 106%**
- **Portion of port containers: from 22% to 31% in 2006**
- **Port volume in on-dock loading: from 14% to 24% in 2006**
- **Emissions reduced: 6,600 tons**

Smooth Operation. A pleasant surprise for Doherty is the ease of operation once the enormous structure was built.

"The ability of the railroads to just step right in" was gratifying, recalls Doherty, including "dispatching and the coordination to build all the trains to use the Corridor."

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Town Hall Packs Auditorium to Discuss Port Security Challenges

Michael Jackson, Deputy Secretary of the U.S. Department of Homeland Security (DHS), headlined the Ninth Annual Town Hall Meeting, held February 7. Sponsored by METRANS and the Center for International Trade and Transportation, the event attracted more than 800 port-area workers and local community members at The Carpenter Performing Arts Center at CSULB.

A major highlight of the evening, said CITT Director Marianne Venieris, was the premiere of an original documentary video concerning improvements in local port security since 9/11. "This year's production really stood out, giving us some great background," she said. The

video, under the direction of Dave Kelly of CSULB's Advanced Media Productions, focused on the many efforts to upgrade security in our local ports, which bring in 40% of the country's imports. Noting that several think-tank reports have identified threat scenarios at the San Pedro ports, the



Richard Hollingsworth moderates expert panel at 9th Town Hall.

video showed new security technologies, such as Radio Frequency Identification for cargo tracking and radiation portals for inspection, better surveillance, more disclosure about cargo, and other approaches now being used. A major theme of the video, which can be viewed at the

CITT website, is cooperation. Soon after the 9/11 attacks, both government and industry

have engaged in unprecedented cooperation to design and enforce better port security.

Among the major new cooperative ventures is the DHS itself, created in response to those attacks and combining several previously unrelated federal departments. Deputy

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Michael Jackson, Deputy Secretary, Homeland Security, addresses

Air Cargo Course Brings New Dimension to CITT Offerings

How does air cargo fit into the global goods movement process? How can planners take air cargo needs into account while maintaining a livable city?

These were the questions on the minds of 35 local officials who enrolled in the latest CITT and METRANS-

sponsored course entitled "Understanding Goods Movement and the Supply Chain—Part II: Focus on Air Cargo."

"As far as we know, it's the first class of its kind," said Tom O'Brien, Director of Research for CITT, who targeted the course for government officials in the region.



Inside cargo bay.

Instructor Jim Powell, President of Transport Development Group, explained the history of air cargo, including its astonishing growth of 1,395% in the last 30 years.

Southern California is a major user of air cargo, with LAX by far the largest U.S. import air cargo gateway. Powell emphasized the high value, high-tech nature of air cargo. Goods shipped by plane are the "hot sellers" of today's global economy or those with short life cycles such as apparel and perishables.

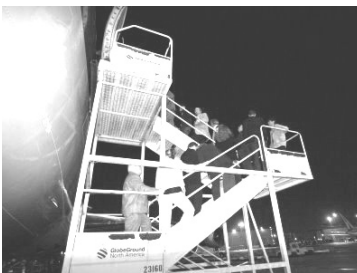
Powell noted the vast web of support businesses, such as air freight forwarders, integrators,

and truckers, who keep the industry working. It is clear that planning for such an "aerotropolis" is a major challenge for local officials.

The class was held at the Flight Path Learning Center and Museum near LAX. A highlight was a tour of a Pacific Air Cargo plane as it loaded for its nightly flight.



Checking the cockpit.



Climbing up for a peek at a cargo plane at LAX.

Study Emphasizes Trade Role of SoCal in National Economy

“Southern California has become the primary gateway for trade between the U.S. and the Pacific Rim,” according to a recently completed trade impact study. While that conclusion may not surprise locals, the rest of the nation is expected to pay more attention.

The research, conducted for the ports of Los Angeles and Long Beach and the Alameda Corridor Transportation Authority (ACTA), was released in late March.

Among the research findings:

- Together, the two ports handle more than 40% of the nation’s total containerized cargo import traffic and 24% of the nation’s total exports;
- Since 1994, the growth in the national impact of trade for goods being transported at the San Pedro Bay ports increased 246%, from \$74 billion to \$256 billion, with \$62.5 billion of that trade in California;
- Direct and indirect jobs associated with the trade activity generated by the

San Pedro Bay ports increased by 200%, from 1.1 million jobs nationally in 1994 to 3.3 million jobs in 2005;

- State and local taxes generated throughout the nation from this trade activity grew from an estimated \$6 billion in 1994 to more than \$28 billion in 2005;
- With more than 60% of the cargo arriving at the San Pedro Bay Ports ultimately destined for markets outside of Southern California, the Alameda

Corridor has seen 106% growth in cargo movement over the last four years;

- In 2006, the Alameda Corridor carried 19,924 trains, an average of 55 trains per day. This represents a 15% increase over the number of trains which used the Corridor in 2005.

Port and ACTA executives hope such huge numbers will prompt federal legislators to accept the idea of more assistance with infrastructure development..

Panel Reassures Port Community About 2007 Peak Season

A panel of experts in the logistics industry assured a crowd of 400 that the 2007 peak season for the San Pedro Bay ports will be smooth.

In the annual Pulse of the Ports forecast, sponsored by the Port of Long Beach on March 27, the biggest unknown seemed to be the im-

plementation later this year of the Transportation Workers Identification Credential or TWIC. The controversial security measure, observers say, may create a shortage of truck drivers, which could lead to a backlog of freight piling up at the waterfront terminals.

Forecaster Paul Bingham, an economist with Global Insights, predicted that the U.S. economy will grow by 2.3% this year, but there will be no logjam at the local ports during peak season.

One reason for less risk of a heavy peak season, said Allison O’Donnell with the Na-

tional Retail Federation, is increasing use of gift cards which prolong holiday shopping into the new year. Better forecasting and logistics help, too, she said.

Other industry panelists said they, too, expect the peak season to be smooth.

Town Hall, cont.

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Secretary Jackson, representing that Department, noted that his visit here included a mile-by-mile inspection of our borders, ending at the Ports of Long Beach and Los Angeles.

Richard Hollingsworth, President of the Gateway Cities Partnership, Inc., moderated a panel of experts, including Todd Hoffman, U.S. Cus-

tomers & Border Protection; Capt. Paul Wiedenhoef, U.S. Coast Guard; John Schwartz, Transportation Security Administration; Ethel McGuire, Federal Bureau of Investigation; and Kenneth Konigsmark, the Boeing Corporation.

Concluding the presentations, Domenick Miretti, Sr. Liaison for the International Long-

shore and Warehouse Union, noted that there is still plenty of security work to be done. He particularly noted that empty containers on the docks are largely uninspected, and dock workers worry that those containers may be a ready source of sabotage. Of similar concern, he said, are the many individuals who still find their way to the docks

without credentials and the relatively lower surveillance given to break bulk cargo and rail transport.

The CITT website, www.uces.csulb.edu/citt contains the entire proceedings via a webcast, as well as a new White Paper with a Primer on Port Security authored by Tom O’Brien, CITT Director of Research and Allyson Park.

Building Bridges

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News Briefs

Traffic Dramatically Improved on Terminal Island—Drivers will notice a major decrease in the time required to cross Terminal Island, thanks to a new road 20 ft. higher than the previous roadway and eliminating two traffic lights. The Port of Long Beach announced completion of the much-awaited improvement on March 26. Total cost: \$65 million

New Plan for Truck Pollution Proposed—A recently released white paper calls for an environmental overhaul of diesel truck rules in California. A coalition of shippers, marine terminal operators, ocean shipping lines and freight haulers authored the document. Several suggestions are expected to be controversial, including:

- Gate fees on drayage trucks failing proposed state diesel emission standards;
- Use of state bonds strictly for infrastructure, rather than the truck replacement projects advocated by others;
- Tolls for bridges and roadways to pay for upgrades to support goods movement.

The paper is entitled "A Program for Establishing Public-Private Partnerships for Infrastructure Financing and the Improvement of Harbor Drayage Trucks in the State of California." It was published by the American Association of Railroads, National Retail Federation, Pacific Merchant Shipping Association, Retail Industry Leaders Association and Waterfront Coalition.

ICTF May Be Upgraded—Union Pacific Railroad submitted a \$300 million proposal to upgrade its Intermodal Container Transfer Facility, originally opened in 1986. Citing a need to mitigate its environmental impact, the UP says the improvements will also allow more throughput. L.A. Harbor Commission must approve the plan.

Alameda Corridor cont.

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The fact is that all the systems we put in place, from drainage to keep it free of water, to security, etc., have functioned extremely well. We've experienced no operating hiccups at all. We're very fortunate in that regard," says Doherty.

Pollution Reduced. The Corridor has cleaned up the air,



Before: truck crosses tracks prior to building Corridor.

according to Doherty. First, emissions are reduced by faster trains, since they no longer slow for local street crossings. Second, pollution is reduced by allowing cars and trucks to cross *over* the Corridor. "For every ton of emissions reduced due to rail efficiency, we got another half-ton due to no rail crossings," he commented.

The Future. A recent study (see p. 3) confirms the Corridor is a vital part of the U.S. economy. "Destinations beyond 800 miles are exclusively met by rail," noted Doherty. "We are highly dependent on the rail system to

get the rest of the nation's goods to them.

"We're nearing 18 million TEUs annually. If the ports receive what's expected in terms of doubling or tripling volume by 2030, we can handle it. But if these ports are to remain the national asset they are, we'll need to beef up the other infrastructure, such as



Today: Trains parallel streets and freeways using Corridor.

grade crossings east of downtown Los Angeles."

Doherty expects ACTA to play a role in local transportation infrastructure upgrades. One example is a planned replacement of the Commodore Heim Bridge spanning the water north of Terminal Island. Since CalTrans had planned to replace the bridge, ACTA suggested an extension by an elevated connector with Alameda Street, for better access to logistics companies and near-dock rail facilities.

At completion, Doherty says it will draw 5-10% of port-generated trucks off the 710 and 110 freeways, directing them onto Alameda Street.