

Highlights of the 2009 METRANS National Urban Freight Conference

Opening Plenary Session: October 21, 2009

Dr. Genevieve Giuliano, the Director of METRANS, welcomed everyone to the 3rd National Urban Freight Conference. She addressed many aspects of why the conference is a great venue for the large Los Angeles metropolitan area. She stated that the conference is also an important forum for sharing the latest research.

Dr. Randolph Hall, Vice Provost for Research Advancement at the University of Southern California, began his welcoming remarks by explaining that the National Urban Freight Conference is a forum for serving research sponsors through research and education. Hall also emphasized the importance of having partnerships between public and private universities, such as the partnership between California State University, Long Beach and the University of Southern California. He also explained that METRANS is a highly interdisciplinary center that reaches far beyond universities and into the labor and port communities.

Douglas Failing, Caltrans, welcomed attendees on behalf of Caltrans Director, Randell Iwasaki who was unable to attend at the last minute. Dr. F. King Alexander President of California State University, Long Beach, did the same on behalf of the university.

Richard Steinke, the Executive Director of the Port of Long Beach, reminded the participants of the importance of the Long Beach and Los Angeles Ports. He explained that the Port of Los Angeles is the nation's largest and busiest, closely followed by the Port of Long Beach. Steinke provided other interesting details about the Port of Long Beach, including the fact that it accounts for over \$140 billion in trade. He also addressed the challenges of growth, such as dealing with pollution, and the ports' Clean Air Action Plan and Green Port Policy.

Michael Christensen, the Deputy Director of the Port of Los Angeles, told the audience that the Los Angeles and Long Beach ports are operating at about 16% below last year's capacity. He also explained that ports are all looking to find the "new normal" in goods movement. Additionally, Christensen gave great detail about the Clean Trucks Program that the Ports of Los Angeles and Long Beach have in place. He said that the Port of Los Angeles currently has 6,000 clean trucks registered and will have 9,000 by the end of the year.

Dr. Giuliano then introduced Michael Onder from the Federal Highway Administration and Douglas Failing from Caltrans who were the two speakers for the Opening Plenary Session.

Mike Onder began his presentation by talking about "mega-regions," regions that have over 20 million people. In the United States these mega-regions are located in the Northeast (from Boston to Washington D.C.), the Upper Midwest (from Ohio to Wisconsin), and in Southern California (Los Angeles to San Diego). Mr. Onder explained that urban areas greatly affect transportation speed and freight movement. He said that the two most livable cities in the world are Vancouver, B.C. and Vienna, Austria. The most livable city in the United States is Portland, Oregon. Onder suggested there are different reasons why a place may be livable or not, and said that a key issue with regard to livability is access to freight and goods movement. Since freight is a key component to determining if a city is livable or not, he said, how do we address the problems of freight movement, such as pollution, while maintaining a vast and efficient freight network? Onder also reflected on the fact that Vancouver is the largest port in Canada. Since Vancouver ranks as the one of the world's most livable cities, obviously having a port complex is not the issue. So how do we apply what Vancouver is doing here in the United States? He concluded by inviting everyone to the Intermodal Freight Technology Working Group in Anaheim, California on November 18, 2009.

Doug Failing began his opening keynote address by asking, "Why is research so important?" He explained that there are tons of data, yet there is no information. He continued by asking how we turn data into information, and explained that this is where research comes into play. Failing then discussed the stimulus money currently being spent by the United States government and answered the question, "Will stimulus money go into freight projects?" Failing's response was a resounding "definitely!" He further explained that over \$50 billion was requested for transportation/freight projects, and that currently \$1.5 billion was being reviewed for freight projects.

Keynote Speaker: October 21, 2009 -- Dr. Eddy Van de Voorde

Dr. Giuliano introduced Yannis Yortsos, the Dean of the Viterbi School of Engineering, University of Southern California. Dean Yortsos in turn introduced Eddy Van de Voorde, Professor of Applied Economics at the University of Antwerp in Belgium, the keynote speaker.

Dr. Van de Voorde began by explaining that ports are economic assets of high value and that they create wealth and competition. He further explained that wealth and competition not only exist within ports, but between ports and on the world scale.

He discussed how we never discuss passenger and boat transport at ports, only freight, and that passenger transport is important too. He talked about a port in Italy where there are high levels of passenger transport, the economic benefits it brings, and how it increases the vitality of the port.

Dr. Van de Voorde explained that the unique port does not exist. He discussed the cost of port congestion. If a port is congested, it can be detrimental to its vitality, because goods need to be moved on time. He also talked about subsidies to ports--governmental subsidies to the port, and subsidies the port will give to those using the port. Subsidies play a key role in a port being able to attract business versus its competitors.

He further discussed benchmarks in concessions, and how they play a vital role in ports. He also talked about how the government can spend money in the Los Angeles or Long Beach ports, but there is no assurance that goods will come through the Southern California gateway.

Van de Voorde stressed that the number one thing you can do is to know what your neighbors are doing.

A question came from the audience: "The Los Angeles and Long Beach Ports' green efforts are scaring cargo away, but your model shows that capacity and making friends with your neighbors will draw business. Is that correct?" He responded with an enthusiastic, "Yes!"

Spotlight: *Freight and Livability Panel: October 21, 2009*

Serving as session moderator was Dr. Thomas O'Brien, Director of Research, Center for International Trade and Transportation, California State University, Long Beach. He introduced the panel that consisted of David Pettit, Natural Resources Defense Council; Victor LaRosa, Total Transportation Services Inc.; Dr. Douglas Houston, University of California, Irvine; and Dr. Lisa Schweitzer, University of Southern California.

Dr. O'Brien started the discussion by asking, "Are 'freight and livability' exclusive concepts?"

Mr. Pettit said no. He stated that ports can implement measures to reduce particles--changing trucks and getting rid of polluting trucks. These are short-term actions that just depend on money. State legislation exists to bring down levels, and international regulations limit use of diesel marine fuel within 200 miles of a coast. There is a need to transition away from fossil fuel to electricity; but where does the electric source come from?

Victor La Rosa suggested that TIGER Grant funds should be put into research and development of the existing technology to battle pollution without affecting consumers.

Dr. Houston stated that livability and sustainability go together, but they happen on different levels. He asked the stakeholders to make sure that trucks are not occupational hazards. He noted that particle counts by ports are the highest. Houston

proposed solutions to this problem through improved community relations by creating a park buffer zone, such as between Wilmington and the Port of Los Angeles.

Victor La Rosa commented that there is a need to protect workers in the ports as well. He added that since the implementation of the clean truck program, there has been a drastic decrease in breathing problems of port guards.

Dr. Schweitzer took an alternative view. She said that freight and livability aren't compatible: People getting sick is not an aspect of livability. She added that the freight industry and local government need to "clean their acts." She asked, "Should people be able to walk to industry like in the past, or should we segregate industry?" She continued, "But then, the only place for affordable housing is next to industry since the land values are lower."

The moderator then questioned, "So get rid of jobs to create livability, but don't jobs create livability?"

Schweitzer replied we should not get rid of anything, but rethink land use and have better urban design. You can't have livability without freight. But things are not transparent in the system, so people don't see why their "wants" create pollution.

Dr. Schweitzer noted that if we can change the process, design, etc., then we can create compatible uses; otherwise we have to segregate them.

Pettit brought up ads from the Port of Seattle that state, "Bring your business here, we don't have any the pesky environmental regulations that Southern California has."

Pettit commented that it is hypocritical of the Port of Seattle. Immigrants and others by the port need protection. An audience member responded that just because the Port of Seattle is not subject to regulations doesn't mean that it isn't taking steps to be environmentally conscious. Seattle is a much smaller port and is in an attainment zone, unlike Los Angeles and Long Beach.

Dr. O'Brien asked, "Does size and scale matter?" He provided the example of Vancouver, B.C., which is considered the most livable city in the world, and yet is the largest trade gateway for Canada.

Dr. Houston said that scale does matter, but more so is balancing all costs of freight movement, environmental and otherwise.

Mr. La Rosa commented that container fees are not fair and commented on the role of governance that sets the policy.

The moderator asked about the appropriate role of governance.

Mr. Pettit suggested working with Sen. Barbara Boxer (D-CA) on a national policy on ports and environmental impacts and having a national bar set on port environmental standards. He said that 75% of industry leaders favor a national policy to regulate freight.

Dr. Houston said that local jurisdictions meet their limits in what they can do. State agencies are good at looking at data and making recommendations; but what good does it do when it gets to the local level? There is a need for local cooperation.

Dr. O'Brien asked, "What benefits of urban goods movement contribute to livability?"

Victor La Rosa stressed that there should not be any radical changes made, only incremental changes are needed.

Dr. Schweitzer said, "Playing the devil's advocate, no one is going to wrestle boxes of Cheerios out of little kids' hands but there really is no current research on mixed goods movement and livability. You can't have everything built in the environment."

Dr. O'Brien followed up by stating that the panel had not defined livability, but had only said what it is not.

La Rosa raised the issue of railroad crossings. He asked why not build overpasses, for example; but whose responsibility is it to pay for that?

Houston said that Orange County has money, but the railroad doesn't want to pay more than 5-7%. He added that the responsibility is a partnership; it is just a matter of getting the railroad companies and others to the table. He commented that court rulings force people to the table.

LaRosa argued that the problem is that the state is broke, so there is no bond money, and the TIGER money is tied up.

An audience member asked, "Is there a national effort to try to get port standards and how has it dealt with railroads on a national level?"

Mr. Pettit said there are national efforts to have standards for the ports, but they are failing so far. In terms of the railroads, he stated that the railroad companies are powerful and it is unlikely that we will see any change. It is also hard to deal with the issue of idling locomotives.

Schweitzer commented that changes in transit can be made without rearranging land use; so it is possible with freight. She stressed the idea of making things nice for living purposes, and argued for getting classism out of urban design. She added that environments need to be working environments as well, i.e. a recycling plant next to a florist. There is a need for real changes in the way people perceive urban environments.

Houston said that the planning process encourages citizen participation, and it is very important. Litigation puts things on hold, but it gets people to the table. Mitigation efforts have changed the livability process. He emphasized the need for meaningful citizen and industry participation.

Another issue is the role of agricultural land. Agricultural uses enjoy more protection and political support than industrial uses. Residential uses crowd out industry. Where it remains, it is in conflict with greater residential density.

Schweitzer commented, "No refinery, no jobs equals 'bad.' A refinery that kills 50 people equals 'bad.' A refinery that works with surroundings is the best solution for everyone—equals 'good.' What will business give up and what will communities deal with?"

Dr. O'Brien asked, "Where would you start as the next step in research?"

Pettit noted that the SCAG region is dominated by non-urban cities that are dependent on industry. He would like to see national standards to avoid competition and more money and work put into technology--to move to zero emission technologies for freight and transit movement.

Dr. Houston and Dr. Schweitzer agreed that planners need more meaningful tools such as public involvement and technology. The latter must be reliable and transferable and should be cost effective.

Dr. O'Brien concluded the session by saying, "Freight isn't talked about, particularly in planning schools. This needs to change."

Lunch Session: October 22, 2010 -- Interview with James Hankla

During the luncheon session, Mary E. Barton, Ph.D., Principal at The Barton Group, interviewed James Hankla. Mr. Hankla is a distinguished public servant in Southern California. He has occupied many important positions in the cities of Los Angeles and Long Beach. He was an administrator at the County of Los Angeles, the City Manager for the City of Long Beach, the Executive Director of the Alameda Corridor Transportation Authority, and, most recently, a Long Beach Harbor Commissioner.

Dr. Barton asked Mr. Hankla about his personal concerns that made him want to serve on the Alameda Corridor Board. He replied that there were many things to be accomplished. He said that the Alameda Corridor Project increased travel speed, got rid of at-grade crossings, and improved traffic. Regulatory Agencies were a big problem with the Alameda Corridor project. The Alameda Corridor has proven to be successful but hard to duplicate because it made the railroads more efficient. The same conditions do not exist with other projects.

He spoke about his frustration with regard to environmental impacts that have held up port projects. He said that he never witnessed a completion of a single EIR during his six-year term on the Commission. He called for the rewriting of the CEQA process since it is easy to stop a project by litigation. He then discussed the need for being efficient at increasing capacity and cleaning up goods movement.

Ms. Barton asked Mr. Hankla what he would do differently if he were on the Commission now. He answered, "Nothing." He commented that the Ports of Los Angeles and Long Beach need to fiercely compete against new ports like Prince Rupert to retain what they have. The San Pedro Bay ports need to learn about the new ports in terms of productivity.

Mr. Hankla was asked what advice he would give policy makers. He said that they shouldn't take the two ports for granted. Each port always took the other for granted; yet now ports know the importance of community. It is hard to get the community to admit the importance of the ports.