

Dear Readers:

This spring, CITT welcomes six new members to our Policy & Steering Committee (PSC). See details at right.

As Director, I look forward to learning from them and benefiting from their expertise.

In support of CITT's mission, "a collaborative forum dedicated to the development, distillation and broad dissemination of objective information about the goods movement industry," these professionals will help keep our programs current and help us reach a wider audience.

We ask a lot from our Committee – not only do they meet monthly, but some also teach in our courses, present at our events, and provide information for our research.

Our students and the industry are the primary beneficiaries. It is that hands-on industry connection that makes our trade and transportation programs truly unique, and we value it more than we can ever express.

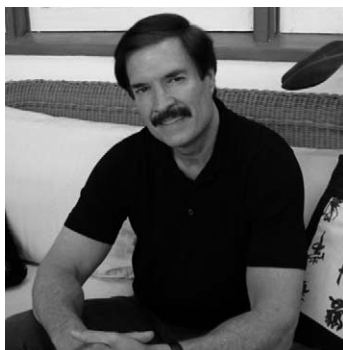
Marianne Venieris
Executive Director

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New Members Join Policy and Steering Committee

There are 6 new members that recently joined the Policy and Steering Committee (PSC) for the Center for International Trade and Transportation (CITT) bringing the totals to 23 committee members and 11 advisors. The group meets monthly to address transportation problems in a neutral setting.



Mike Armstrong, Aviation Program Mgr, Southern California Association of Governments

Mike Armstrong, SCAG.

Launching his career as an environmental planner, Mike Armstrong became interested in transportation while developing environmental impact reports for the region's aviation plans in the 1980's. Now Aviation Program Manager at the Southern California Association of Governments (SCAG), he says, "I enjoy aviation system planning due to the complexity and diversity of the region's airports." Armstrong is no stranger to cargo, however. He authored the first regional air cargo study in 1995.

"I am also involved in port issues by participating in SCAG's ongoing Comprehensive Regional

Goods Movement Study and Implementation Plan." Armstrong is proud of the fact that he was able to convince "the March Joint Powers Authority that air cargo was the best use for March Inland Port." It had been an Air Force base.

Rich Dines, ILWU. "A bright and secure future" is what Rich



Rich Dines, President, ILWU Southern California District Council

Dines expected when he joined the industry as a member of the ILWU. Today, he still says, "There's never a dull moment! The shipping industry is exciting and has huge potential for growth."

In addition to his work at the ports, he has a volunteer role as President of the ILWU Southern District Council. There he coordinates union political and legislative issues. He estimates these activities require easily 40 hours a week.

The District Council, said Dines, cooperates with business whenever there are common issues. "I bring labor to the table, educate businesses about

labor, and try to break down walls and stereotypes so we can all work together," he concluded.

Mary Beth Eves, Kohl's Department Stores. Mary Beth Eves says she "fell into" logistics. A college art major, she hung pictures in her uncle's company – a freight forwarding firm. He asked her to help out.



Mary Beth Eves, West Coast Manager Deconsolidation-Logistics, Kohl's

"I loved it and worked there almost ten years. In short, I was hooked."

Since then, she has worked in a wide variety of logistics arenas, including warehousing, harbor drayage, manufacturing, and more. As a new member of PSC, she said "I feel my background will be useful, as I have sat on all sides of the fence."

Mark Hirzel, YRC Logistics.

Despite 24 years in logistics, Mark Hirzel says, "It seems like a short while...and I am still learning!" In college, he took a professor's suggestion to work for a customs broker so he would better understand the different parties to international shipping.

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New Members Join **Policy and Steering Committee**, Continued

Almost a quarter-century later, Hirzel is still in the field, but he says, “We are in the communication business much more than a transportation business. The important part is knowing what to move, when to move it, and keeping everyone who has a stake in that movement *aware* of exactly where the item is.”

Hirzel is now an executive at YRC, the company formed from the merger of Roadway and Yellow Freight. He firmly believes in what he does. “As world-wide economic interdependence increases, so does the chance that we will live in a peaceful world,” he concluded.

Pilar Hoyos, Watson Land Company. Some of Pilar Hoyos’s earliest memories are of tuna canneries that used to line the local waterfront. “My mother was a cannery worker,” she reminisced. “I guess because of that, I have recognition of the importance of having a job, and that quality of life begins with a job!”

As Vice President for Public Affairs at Watson Land Company, she helps the community understand the firm’s master-planned industrial centers as a key link to jobs in the region.

“Even though Watson Land Company is not in the business of logistics, our customers are; and so we have a very big stake in helping our customers succeed.”

A graduate of USC, Hoyos has been with Watson for 23 years, during a period when the firm’s portfolio changed drastically—from 80% of its activities in manufacturing to today’s 80% in distribution or logistics.

“Historically, we have promoted that ‘quality of life begins with a job,’ and Watson Land Company has a long history of recognizing the importance of good-paying jobs. Those good logistics jobs have replaced many jobs the region lost in manufacturing.”



Mark Hirzel, Senior Manager, Global Trade Management, YRC Logistics



Pilar Hoyos, Vice President, Public Affairs, Watson Land Company



John Taeleifi, CEO, Pasifica Financial Services; President, West Long Beach Associates

John Taeleifi, Pasifica Financial Corp.

“I was brought on the PSC not because of my occupation, but because of community involvement,” said John Taeleifi, CEO of Pasifica Financial Corp. His company invests in mortgages, but Taeleifi is also president of the West Long Beach Association. “Over the years we have been working with the Port of Long Beach and supporting and cooperating with the Port going green.”

The Association represents neighbors at the northern border of the Port of Long Beach. “Our idea is to ‘build bridges’ and work collectively, rather than go out and demonstrate.” Taeleifi’s experience with port environmental issues will be a unique contribution to PSC discussions.

He also hopes to share good job opportunities with his local community. “I see a huge opportunity for our young people to work in this industry, or even worldwide, as they learn about ports. If we can get some

college grads here to look at building a career through CITT, people in our community will learn to appreciate it as an occupation,” he said.

California Maritime Leadership Symposium Held in Capital

The 10th Annual California Maritime Leadership Symposium was held on May 5-6 in Sacramento. It serves as an educational function for industry and legislative bodies. It included two days of panel discussions, maritime exhibits, and networking that educated the State’s legislative and administrative leadership about industry issues.

Sen. Alan Lowenthal moderated a panel on federal freight policy. Assembly Member Bonnie Lowenthal led a discussion on what is new in California shipping this year. CITT’s Director of Research, Dr. Thomas O’Brien, participated on the Symposium’s workforce development panel.

For more information, see www.maritimesymposium.com.

Gerald Desmond Bridge, Other Projects Inch Forward, Then Back

Regional transportation construction projects are inching forward, albeit with occasional steps back.

The Gerald Desmond Bridge Replacement Project is a case in point. After release of the revised draft environmental impact report and two public comment sessions in February, Eric Shen, Director of Transportation Planning at the Port of Long Beach, is optimistic that the final draft report will go to the Harbor Commission late this summer.

Approximately 60% of the \$1.1 billion funding is secured, he said. That's the good news. The downside: Despite a

Caltrans rating of "low sufficiency" (based on functional and structural design standards) and a mesh net strapped underneath to capture debris, the project was not included in the latest round of federal infrastructure funding awards.

Referred to as TIGER Grants, the U.S. Dept. of Transportation's grants were designated for projects contributing to "economic competitiveness of the nation," among other criteria. Since 15% of the nation's imported containers travel over the 42-year-old bridge, locals were hopeful. The Port will continue to pursue other funding sources, which if successful may lead to construction as early as 2013, said Shen.

"ILWU Local 13 and the District Council are on record as supporting the bridge replacement," noted Rich Dines, President of the ILWU Southern California District Council.

Colton Crossing Peril. Meanwhile, the Alameda Corridor East, which hopes to eliminate rail chokehold in Colton east of downtown Los Angeles, was slated in February for a \$33.8 million TIGER grant but may relinquish it if local transportation agencies will not support it. Said Jane Dreher, Public Information Officer, San Bernardino Associated Governments, "It is viewed as private enterprise." Public benefits will be stressed in a May review by the California Transportation Commission.



Artist rendering of possible replacement for Gerald Desmond Bridge in the Port of Long Beach.

Photo courtesy of the Port of Long Beach

Cargo at LAX and Ports on Upswing

Regional cargo is on the upswing, led by a remarkable increase at Los Angeles World Airport (LAX). In recent months, air cargo (tonnage) has been up an average of 25% over the same period last year. LAX is the 9th largest foreign trade gateway in the U.S. as measured by value of shipments.

Both the Port of Los Angeles (POLA) and the Port of Long Beach (POLB) report increases as well.

For three months POLA has averaged almost 8% over a year ago, punctuated by an astonishing 26.95% surge in February. Meanwhile, POLB's volume has averaged 16% higher than last year's figures.

At LAX, Korean Airlines topped the list of 2009 international air freight carriers, though its 88,477 tons pales next to FedEx's 349,244 tons of domestic freight carried through LAX last year. (FedEx carries no international freight at LAX.)

Comparisons with the early volumes of 2009 are favorable, of course, because last year's volumes were so low. All forms of shipping have been hit, and California's unemployment rates hit double digits. Only last January, the International Air Transport Association (IATA) said that during the recession, air cargo was operating at only 49% capacity. In contrast, today's cargo numbers are making the industry optimistic.

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Building Bridges

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News Briefs

Port of Long Beach Announces Grants to Mitigate Pollution Effects. Starting April 26, the Port invites grant applications from schools, healthcare and senior facilities, etc., to mitigate the effects of pollution caused by the port's operations. A total of \$15 million is available for the grants. An advisory committee of six mayoral appointees will review applications and make recommendations for funding awards. Deadline for applications is June 14.

Riverside to Appeal Port of L.A. Expansion Plans. If the City of Riverside has its way, the ports of Los Angeles and Long Beach will either curtail expansion or pay to create train overpasses in Riverside, so that inland-bound port cargo does not disrupt Riverside traffic. Despite a recent judge's ruling, the City of Riverside has indicated that it will fill an appeal in the case involving the China Shipping Container Line terminal at the Port of Los Angeles. Riverside has also sued the city of Port of Long Beach and the City of Long Beach over the Middle Harbor project. That case is still pending.

Port of Los Angeles Receives National Attention for Reducing Pollution. Two notable "kudos" went recently to the Port of Los Angeles for its environmental accomplishments. First, Richard A. Lidinsky, Jr., Chairman of the Federal Maritime Commission, awarded the first-ever FMC Chairman's Earth Day Award to the Port of Los Angeles for innovation and environmental leadership in developing its Clean Trucks Program. Second, the Port was featured on a CNN Earth Day segment highlighting its environmental efforts. Recently the Port's monitors reported the third year of reduced airborne elemental carbon.

Cargo at LAX and Ports on Upswing continued

More Good News. Shipping giant UPS made it formal in announcing a 33% increase in first-quarter profits on April 27. UPS noted that it is seeing economic recovery in countries around the world where it does business.



In mid-March, IATA revised its 2010 forecast dramatically upward, predicting a smaller loss of US\$2.8 billion compared to US\$5.6 billion in December. Early 2010 reports had indicated retailers, worried reduced cargo shipping capacity (partly due to recession-mothballed vessels), had been forced to divert cargo to expensive air freight in anticipation of Chinese New Year plant shutdowns in Asia.

Local Forecasts for 2010. Facing probably the most turbulent Asia-Pacific market in recent memory, local ports and shippers have been anxious. Hundreds of them gathered to hear the "Pulse of the Ports" in Long Beach on March 31. Cautious optimism was the theme.

"People are replenishing inventories," said POLB Executive Director Richard Steinke. Joseph Magaddino, CSULB economist and forecaster, agreed. He noted that the ports should see more cargo than in 2009; but he cautioned, "While the recession is over, the recovery remains weak."

Peter Peyton, President of ILWU Local 63, told the crowd at the event that union members were already getting more work in 2010, even the casuals who had been particularly hard hit by the slump of 2009.

Looming darkly over all cargo forecasts is the Panama Canal, scheduled to be widened by 2014. With the potential for cargo to be diverted away from West Coast ports, the Canal's impact remains to be seen.