

Dear Readers:

As we celebrate our tenth anniversary, we look both forward and backward. We are proud to have graduated more than 750 GLS[®] alumni. We have a solid record of industry dialogue, but we know we must keep pace with the changing world of goods movement. CITT recently held a retreat to shape our future. I thank our Policy and Steering Committee and retreat facilitator, Ken Pilon, for an excellent start to the “new CITT.” Revising a mission statement (see p. 3) and taking account of changes in the logistics industry will keep us focused.

Meanwhile, Fall is almost upon us and we eagerly anticipate welcoming a new cohort of students into the MAGL (Master of Arts in Global Logistics) program. Education will continue to be important to the many segments of the logistics industry. We eagerly embrace the chance to modify our education, research, and outreach to accommodate new developments and changing workforce needs.

*Marianne Venieris
Executive Director*

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GLS[®] Celebrates Tenth Anniversary

A happy crowd of new graduates, their families, instructors, and well-wishers saluted the tenth anniversary of the Global Logistics Specialist[®] program in July.

Celebrating at the Port of Long Beach Board Room, the group was congratulated by Harbor Commissioner Mike Walter. Formerly the Dean of the College of Business Administration at Cal State, Long Beach, and an international businessman himself, Walter told the group that their new skills will be increasingly in demand as international trade continues to grow.

Success. Marianne Venieris, Executive Director of CITT, thanked the instructors. “The success of the program,” she said, “is because of the instructors. It is wonderful to see so many still teaching after ten years.”



Celebrating ten years and the latest GLS[®] graduation, CITT instructors gather at the Port of Long Beach Administration Building

Many students have benefited from the instructors' professional dedication. More than 1,000 students have enrolled in the module-based program, and approximately 750 have earned the Global Logistics Specialist[®] designation.

The on-campus program attracts students from all over California, and the online program expands the reach worldwide.

Today, it is even taught in China under a licensing agreement.

Industry Support. The logistics industry has been extraordinarily helpful, too, Venieris noted. The Harbor Transportation Club, for example, has donated approximately \$100,000 in scholarships throughout the years. (Story below.) In addition, scholarships have been provided by the Port of

Long Beach, the Los Angeles Transportation Club, and the International Business Assoc. of Southern California.

New Accolades. The GLS[®] program was recently saluted as the 2007 Outstanding Program by the University Continuing Education Association (UCEA). Venieris accepted the award in April at UCEA's annual meeting.

“We've reached our goal of setting the standard by working together with the industry,” she noted.

Harbor Transportation Club Funds GLS Students

The Harbor Transportation Club (HTC) has a long history of supporting education. So when the GLS[®] course was launched a decade ago, HTC decided to fund students who commit to lifelong learning. It's unlikely, though, anyone would have predicted that sum would be \$100,000 in ten years. According to Fred Johring,

HTC President, one of the Club's goals is to give to the educational community on behalf of the membership, “so that there will be a better employee pool. It's very important!”

Raising Money. According to Johring, “We raise funds by having various meetings, and generally the profits are used partially to fund schol-

arships. It gives us some purpose, other than just being self-serving. The Board of Directors is very, very supportive of GLS[®].”

The two local ports help the HTC build their scholarship fund, too. “We ask people to help sponsor our events, such as the annual harbor cruise, terminal tours, etc., spon-

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Ports' Clean Trucks Program Stirs Unrest Among Harbor Trucking Industry

It appears that cleaning up the air at the two local ports is stirring up some dust for truck drivers.

According to the historic Clean Air Action Plan (CAAP), adopted last year in a high-profile meeting of the Commissioners of both the ports of Los Angeles and Long Beach, the ports propose to eliminate “dirty” diesel trucks from their cargo terminals within five years. How? By helping to gradually replace or retrofit older drayage trucks from among the 16,000 diesel rigs routinely driving between the docks and railroads, warehouses, and distribution centers. The cost? Expected to be \$1.8 billion.

Emissions from those trucks are acknowledged carcinogens. Many organizations and officials along the heavily used truck routes have vowed to fight the threat of dirty diesel trucks.

According to Port of Long Beach spokesman Art Wong, since launching the CAAP, pollution has been reduced from ships and from trains at the ports, so it is important now for truck pollution to be reduced, too. A working group of stakeholders has been meeting with the ports for some time to come up with ideas.

The Plan. The ports' clean trucks plan, still in development, apparently will have three major components:

- A Truck Impact Fee will be



imposed on trucks not meeting newer clean-air standards; the fees would help pay for grants to replace or retrofit trucks for less emissions;

- Port access will be allowed only to “concessionaires” (i.e., port-approved firms);
- Concessionaires will be required to own all their trucks, in order to assure that they use “clean” trucks, and to use employee drivers.

Wong noted that many details, such as the number of concessionaires allowed, are still undecided. An economic impact study is expected to be completed soon.

Challenges of Harbor Trucking. Part of the challenge for the ports as they wrestle with truck pollution arises from the fact that there are literally *thousands* of individual harbor trucking businesses in the region. It is exceedingly difficult to negotiate with all of them.

Since deregulation swept the U.S. economy, probably no industry has been more transformed than harbor trucking.

Deregulation revolutionized a heavily regulated industry, allowing virtually anyone with a truck to enter—hence the term “owner-operator.” Critics say the ports are turning back the clock on deregulation.

In the long-haul trucking industry, drivers are often employees, and companies own the trucks. Today's typical harbor trucker is an owner-operator and is paid by the load.

Trucking firms contract with the owner-operators to pick up their customers' cargo and transport it typically less than 100 miles.

Competition has driven down the rates to where many truckers barely survive. In many of the nation's ports, first generation immigrants play a large part in drayage. Hence, they typically fall at the bottom of the “transportation chain.” Few individual drivers can afford to buy newer, less-polluting trucks. Nor can they negotiate higher pay rates due to anti-trust laws.

With Pacific Rim trade growing every year, the local

owner-operators forego long-haul truckers' higher wages in favor of being close to home every night, participating in their children's lives, and being their “own boss.”

Many barely make a living wage until they pay off their trucks. It's that dream—finally owning their cab—that keeps owner-operators going. According to CSULB economist Kristen Monaco, who has been researching truckers for years, drayage truckers make significant returns only after their trucks are paid off.

Environmental advocates bemoan the fact that the low-income drivers continue to ply local freeways in old, pollution-spewing trucks with little hope of ever being able to pay for a newer, cleaner one—and even little hope of owning their old cabs and making a better return.

Opposition to Clean Trucks Plan. No one opposes cleaning the air, but the trucking industry opposes *how* the ports propose to do it. According to Curtis Whalen, Executive Director of the Intermodal Motor Carrier Conference of the American Trucking Associations, the obstacles are not about clean air but instead, the problem is “the business structure imposed on us. The motor carriers are being asked to take on incredible expense,” said Whalen. The costs of owning all the trucks, keeping them maintained, insured, and in

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“Greening of Region” Subject of Joint Conference Oct. 18

How are fears of climate change influencing plans for local development?

This provocative question will be discussed, along with workforce development needs, in a conference October 18 at the Long Beach Convention Center.

“Climate of Change: A Decade of Progress” is co-sponsored by the Gateway Cities Partnership, Inc., and the Gateway Cities Council of Governments. The Center for International Trade and Transportation serves as the Partnership’s Trade and Transportation Cluster.

Richard Hollingsworth, President of the Gateway Cities Partnership, Inc., said, “We will explore greening the region, including technology and transportation, and green development—for example buildings and building standards for cities. Finally, we will address the looming labor

shortage caused by Baby Boom retirement, and how to address it.” City and regional officials, business leaders, and economists will address the audience. For more information, phone the Gateway Cities Partnership, Inc., at (562) 817-0825 or visit www.gatewaycities.org.

CITT Reframes Mission and Vision; Plans New Directions

A “new and improved” Center for International Trade and Transportation (CITT) will soon emerge from a renewal effort by the Policy and Steering Committee. The group, who serve as advisors to CITT, met on a recent Saturday at the home of CITT’s Executive Director Marianne Venieris. “Their purpose was to review CITT’s mission, goals, and programs,” said

Venieris. “We’re not finished, but it was an excellent start.” The meeting was facilitated by Ken Pilone, of Sterling Methods Consulting Group and instructor in the GLS® program. “Their passion to stay on top of industry trends is remarkable and refreshing,” he noted.

The group drafted a new Mission Statement: “CITT is a



Ken Pilone, far right, seated, leads CITT’s Policy and Steering Committee in a retreat.

collaborative forum dedicated to the development, distillation and

broad dissemination of objective information about the goods movement industry. We accomplish this through the development and delivery of targeted education, innovative research, and outreach programs serving the mission of the university and the needs of industry and the community.”

New programs and outreach will flow from this statement, said Venieris.

Ports’ Clean Trucks Program, cont.

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compliance with air quality standards are major financial commitments, of course.

“Our members are meeting with banks and financiers,” Whalen noted, “and they’re saying, ‘How are you going to do that?’ Going from a non-asset-based business model to an asset-based model, changing the structure of the industry, is not something the ports should be doing.”

Employees vs. Owner-Operators. Underlying much of the concern for the ports’ clean trucks plan is the issue of who will drive the trucks. The Teamsters have made no secret that they would like to

unionize local port truck drivers, but they have been stymied by the owner-operator structure.

Hiring employees to drive the trucks, as the ports suggest, will undoubtedly drive up costs, as the firms take on depreciation, insurance, etc., now paid for by owner-operators. Opponents argue that the ports have simply borrowed a proposal the Teamsters have wanted for years—with drivers as employees, a unionization effort will become possible. Wages will likely go up as a result, and new employees will be attracted to the industry.

Most agree there is a shortage

of drivers now, and that a higher wage will help.

Trucking firms worry that they will be forced to absorb at least some of these costs. More likely, some costs will be passed on to the shippers and ultimately to consumers.

Says economist Monaco, “That’s exactly what we want as economists! Those who benefit should pay for it. I am willing to pay for it as a person who lives here and benefits; and my mother who lives in Wisconsin needs to pay for it too because she gets these cheap Chinese goods.” Some evidence shows Californians agree (see story p. 4).

Administering Grants for

Trucks. Some opponents worry that the ports should not be in the business of administering grants. The fees collected from non-compliant (essentially pre-1997) trucks will be sizable, and the rules undoubtedly cumbersome. Port of Long Beach spokesman Art Wong said it is a given that a third party would administer and enforce the grants.

Economist Monaco noted that an enforcement arm will be required to keep the replaced trucks from showing up elsewhere. In the words of one anonymous industry expert, “There is no difference

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Building Bridges

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News Briefs

Homeland Security Secretary Visits Port of Long Beach. On July 20, Department of Homeland Security Secretary Michael Chertoff examined the first test of a new radiation-portal screener while visiting SSAT's Pier A terminal at the Port of Long Beach. Chertoff viewed the new equipment, known as the Advanced Spectroscopic Portal. The Portal detects radiation in much smaller quantities than existing equipment. Thus, the numerous "false alarms" caused by inspections of bananas, ceramics, etc., should be drastically reduced once the equipment is installed at every port. Pier A is one of the first test sites in the country.

Californians OK With New Container Fees to Reduce Pollution. Responding to a mid-July survey conducted by the Public Policy Institute of California, a majority of Californians (68%) say tougher air pollution standards are desirable, even if they increase the costs of doing business.

Californians are more likely to agree that the state government is doing its share of environmental cleanup compared to what the federal government is doing, by a margin of 49% - 33%.

Local Exhibit by Smithsonian Highlights America's Coasts. How did the vast coastline of the U.S. become charted so that it could be safely navigated? Learn the story through 20 historical posters featured in an exhibit at El Dorado Park Library in Long Beach. Co-sponsored by the Smithsonian Institution Traveling Exhibition Service, the Port of Long Beach, and 5th District Councilmember Gerrie Schipske, the free exhibit will run until August 30. For hours, see www.lbpl.org.

Ports' Clean Trucks Program, cont.

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between a diesel truck at the port and one at a grocery store (closer to our homes)." Replaced trucks will need to be kept off a black market.

Parallel Regulations. As the ports ponder details of their own regulations, many observers wonder why they seem to be duplicating forth-

coming statewide regulations. Karen Caesar, of the California Air Resources Board (CARB), noted that as early as Nov. 17, the Board may adopt a very similar phase-in plan for diesel trucks. Truckers feel the CARB plan is the lesser of two evils, since it does not affect industry structure. Says Whalen of the

ATA, "The footprint of the ports is quite small when you look at the big picture. The states ought to be dealing with this [air pollution] issue."

What's Next. While the ports await an economic study of the impacts, opponents are poised for action. According to Whalen, "If they continue on the path,

we'll be in court." He predicts the court will side with the truckers, "that the state authority, the ports, may not force a business model that is illegal."

With the traditional "peak" shipping season imminent, the stakes are enormous and many eyes are watching from around the world.

Scholarships, cont.

(Continued from page 1)

sored among others by the ports of Los Angeles and Long Beach, enabling us to give away two full GLS® scholarships every year."

Meeting the Students. "The people on the scholarship committee who do the interviewing every year," he continued, "are very energized by selecting a winner.

"We try to rotate the committee each year so more people

get the chance. Everyone has been thrilled and has become an advocate of our support for education."

What's Next. Johring says the Club would like to hear from their scholarship recipients to know how they are

using their newfound knowledge. Together with CITT, they hope to do more student tracking and follow-up so that they can use "success stories" and motivate more students to attend the program and to apply for GLS® scholarships.