

# Building Bridges

Center for International Trade & Transportation, California State University, Long Beach

## Dear Readers:

"When is the next Town Hall?" I am asked frequently. I am pleased with the interest in our signature event and thrilled to invite you to attend the tenth and final CITT Town Hall on March 11. We will focus on jobs at the ports. The recent decrease in cargo at both local ports has left many people without work.

The real issue is, can we keep the discretionary cargo? What drives decision makers along the supply chain when they choose a port for cargo, particularly if it is destined for the Midwest or east coast? There are undoubtedly some in the community who would be quite happy to lose this extra cargo; but that loss would impose a new set of hardships for many local families.

What will CITT do next? A new event will replace our Town Halls. Stay tuned for announcements of new initiatives that will educate and inform our audiences.

Along with the rest of the world, our community faces unprecedented challenges. Prepare yourself with solid education and identify strong allies. We will accomplish more together than alone.

**Marianne Venieris**  
Executive Director

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## Tenth Town Hall Meeting to Address Jobs in Local Ports

When the industry and community gathers for the next Town Hall Meeting on March 11, they will celebrate its tenth anniversary and bring CITT's flagship series to a close. This year's focus will be jobs in the decade ahead as the San Pedro Bay ports complex is threatened by global economic trends and new competition from other ports along both the west and east coasts.

Called "a milestone of cooperation" by *Traffic World* after the first meeting in 1999, the series has consistently drawn praise and awards from many quarters. "The Tenth Town Hall will bring closure," said Marianne Venieris, CITT Executive Director, who launched the series in the face of considerable skepticism. "No one had brought all the waterfront parties together before.

"The need to bring in longshore labor was clear," she recalls. "We had done a survey of various stakeholders working at the local ports. Many ILWU members responded to the survey but almost none of them came to the event where we presented the results. Many of the problems were blamed on labor, an easy thing to say since they weren't in the room! We felt CITT was in a good position to reach out to the ILWU rank and file and the other parties working together on goods movement."

**Diplomacy.** At that first meeting, tensions were high due to impending labor negotiations. More than a

Waterfront Coalition in Washington, D.C., was a panelist at the first Town Hall. Speaking on behalf of her



A packed house listens to panelists at 2006 Town Hall.

Photo courtesy of Long Beach Business Journal

thousand people attended; yet the crowd was polite and restrained. *Traffic World* commented, "The Secretary of State would have been proud indeed (had she attended). The three-hour event drew throngs of 1,300 people mostly from union and industry and no one even mentioned the upcoming contract negotiations..."

"It shows it is possible to have healthy dialogue on issues affecting labor and management," commented Richard Steinke, Director of the Port of Long Beach, who spoke at that first Town Hall. "People knew more going out than going in!"

Robin Lanier, now the Executive Director of the

then-employer, the International Mass Retail Association, Lanier detailed problems of shippers.

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Tenth CITT State of the Trade & Transportation Industry Town Hall Meeting

**The Decade Ahead: Jobs, Cargo, Competition And You**

When: March 11, 6:00 p.m.  
Where: Carpenter Performing Arts Center. CSULB  
FREE!

Presented by the Center for International Trade & Transportation and METRANS Transportation Center

Info: (562) 985-2872

# Q&A

## With Attorney Cameron Roberts About Clean Trucks Program



**Cameron Roberts**

Cameron Roberts is a partner in the law firm of Roberts & Kehagiaras LLP. The company provides legal services to facilitate international business, trade and transportation.

Roberts has more than 20 years of experience in the field. A former international trade executive, he is also a licensed customs broker. His litigation clients include both customs brokers and a wide range of other transportation service providers.

Since 1997, Roberts has taught in the CITT's Global Logistics Specialist program. He has twice been honored by his students with the George Marshall Award as the program's most popular instructor.

**Background.** *On October 1, the Ports of Los Angeles and Long Beach launched the Clean Trucks Program (CTP). Designed to reduce harmful emissions, the CTP gradually bans older trucks from draying cargo in and out of the two ports.*

*Other provisions in the Clean Trucks Program include dirty truck fees which would help pay for retrofitting of older trucks and the purchase of new vehicles; and requirements on trucking companies designed to improve the quality of life for drivers. These regulations address such issues as health insurance. Only the Port of Los Angeles requires drivers to be employees—the single most contentious issue—and mandates that drayage firms follow other practices with regard to issues such as parking and routes.*

*The program was controversial as soon as it was announced. The American Trucking Associations (ATA) vowed to fight in court, promptly filing suit last summer. The Federal Maritime Commission (FMC) has taken the issue to court, threatening the entire program.*

**Q. Why has implementation of the Clean Trucks Program become so problematic?**

A. The answer is because it is not just about clean trucks—it is about a whole lot more.

The ports, rightfully or wrongfully, decided to tackle numerous issues beyond just clean trucks and sought to control the motor carriers that enter the Port. The methodology they have undertaken has gone well beyond the scope of the original intent, in my view. Had they stuck to simply reducing emissions and focusing on that, I think they would not be in such a pitched legal battle with the federal government and the Federal Maritime Commission.

**Q. Who has legal authority over truck drivers?**

A. The State of California has some jurisdiction as does the federal

government through the Department of Transportation. The federal government previously regulated all motor carriers (trucks), rail, and air carriers. In the past 30 years, there has been much legislation to de-regulate trucking and airlines.

The ATA maintains that the CTP is counter to deregulation, and their lawsuit aims to blunt the ports' attempt to regulate, particularly with regard to the drivers' status as employees or independent owner-operators. Their case is based on federal law which forbids local regulation "related to a price, route, or service of any motor carrier...with respect to the transportation of property."

The ports would say, "We're not really regulating here; we're doing what is called 'market participation.'" So in other words they are just participating in the market and it's what any port operator would do, so it's not really regulation.

Then they'd say, "Even if we are regulating, there is a special exemption which says 'if it relates to safety, we can do whatever we want.'" That's where the line between "safety" and "security" gets blurred. What the ports have essentially done is put together a program that is yes, about clean trucks, but part and parcel is security.

So far, they have been able to argue successfully that because of the security concern and their inherent ability to maintain security for all, everybody benefits.

**Q. What are the FMC's concerns?**

A. The FMC is the larger issue. It has authority over how ports do business under The Shipping Act of 1984 and, due to that Congressional authority, to create regulations consistent with the Act. Prohibited acts under those regulations are very specific, such as unreasonable port business regulations and practices, unreasonable port preferences or advantages, and unreasonable port refusal to deal or negotiate with certain people or businesses. These are the complaints being weighed in Washington now.

(Continued on page 3)

# METRANS Celebrates Ten Years of Metropolitan Transportation Research



California transportation experts gathered October 30 to hear Princeton Professor David Billington chronicle the development of America's greatest infrastructure projects.

He spoke at the tenth anniversary dinner of the METRANS Transportation Center, a partnership of California State University, Long Beach, and the University of Southern California.

The Tenth Anniversary Dinner attracted university transportation researchers as well as policy makers, practitioners, and industry leaders from the many transportation arenas within the region and beyond.

METRANS Director Genevieve Giuliano congratulated the many METRANS-funded academic researchers in the audience. Their efforts constitute an important body of work on metropolitan transportation problems and solutions. METRANS funds over \$1 million in research annually.



**David Billington, Princeton University Professor of Engineering, at METRANS Tenth Anniversary Dinner**

## Harbor Transportation Club Salutes Three Students

On December 11, the Harbor Transportation Club awarded scholarships to three students in CSULB's Global Logistics Specialist program.

The three students were honored at the Club's annual Year in Review Dinner.

**Three Recipients.** Yajaira Sandoval, a Documentation Specialist for International Solutions, received \$3,500.

Romeo Caseo, a full-time student, and Lizene Zwick a Virtual Media Technician for Direct TV, received \$1,750 each.



**L to R: Yajaira Sandoval, Romeo Caseo, and Lizene Zwick, Harbor Transportation Club Fall 2008 Scholarship Awardees**

## Cameron Roberts Q&A, cont.

**Q. What do you predict will happen in the short term ?**

A. A lot hinges on what the court in Washington, D.C., does with the FMC's motion seeking to enjoin the ports from implementing the CTP. I think the CTP will continue to be implemented, and they will attempt to maximize the goals as outlined in the program.

I do not believe there is a way to resolve this short of court order, because the parties are very polarized. There have been numerous private attempts to resolve this—people trying to meet, work it out, come to some resolution—but it has not worked. There are political forces and goals that seem intractable at a certain level and no party is willing to budge on certain aspects of the plan. They'd rather fight it out and let the chips fall where they may.

Had the Port of L.A. chosen a more conservative plan—less broadly sweeping—and drafted a plan that was more consistent with the Port of Long Beach, I think the chance of private resolution would be greater. The big sticking point is the obvious one—the employment issue—and that difference is “the elephant in the room.” That's a deal-breaker for the truckers.

**Q. How likely is it that this case will go to the Supreme Court?**

A. It is likely that the losing party would petition the Court. Of course, there is no guarantee that the Court would hear it. The Court hears very few cases and in any event that would be some years ahead.

# Building Bridges

Editor: **M.E. Barton, Ph.D.**



## Center for International Trade & Transportation

California State University, Long Beach  
University College and Extension Services  
1000 Studebaker Road, Suite 3  
Long Beach, CA 90815

Phone: 562.985.2872

Fax: 562.985.2873

E-mail: [citt@uces.csulb.edu](mailto:citt@uces.csulb.edu)



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## News Briefs

### Terminal Operators Keep Saturday PierPASS Gates.

In response to industry backlash, marine terminal operators at the San Pedro Bay Ports decided to put on hold their plans to end Saturday PierPASS gates in January. Saturday gates were added at all terminals in 2005 as an incentive to move truck traffic to off-peak hours and reduce congestion during peak travel periods. Facing a 19% drop in container volume in October and November, local marine terminals had previously announced that they would suspend off-peak shifts on Saturdays, beginning January 17. Cost-cutting is the motive, since labor rates for Saturday shifts are 150% higher than normal (or base) rates. With the drop in container volume, there is excess capacity on the docks.

### Port of Long Beach Delays Infrastructure Cargo Fee.

Due to the economic downturn, the Ports of Los Angeles and Long Beach have put on hold for at least six months the \$15-per-TEU Infrastructure Cargo Fee designated to improve port infrastructure and which was scheduled to go into effect on January 1, 2009. The Ports have also delayed collecting the \$35-per-TEU Clean Truck Program fee which was scheduled to go into effect on November 17, 2008. This time, the reason was not the economy, but unresolved issues with the Federal Maritime Commission over the implementation of the program.

## Tenth Town Hall, cont.

"Afterward, I was 'tackled' by all kinds of people—terminal operators, ocean carriers, labor. They *all* wanted to tell me the problems at the port were caused by *the other guy!*" she recalled. "That was my first initiation into what happens at the port." She credits that first Town Hall with momentum that led to birth of the Waterfront Coalition, a consortium of ocean shippers.

**Award-Winning Videos.** As in the past, the Tenth Town Hall will open with a video produced for the event demonstrating how recent trends have impacted trade through Southern California ports. This includes growing trade volumes; the rise of the green port movement in response; and the uncertainty over future growth and how to accommodate it and how to pay for it.

The videos from this series have been developed by CSULB's Advanced Media Production. The videos have won awards and been acclaimed for explaining complex waterfront issues. Their timely topics have included, "Modernization and Mechanization," "Global Connectivity," "Lessons Learned from the 2004 Peak Season Crisis," and "Port Security." Some of these videos are still available for purchase; information is available on the CITT website.

**Many Perspectives.** As the capstone event in the series, the Tenth Town Hall will include a brief look back at previous meetings and recognition of various participants. These include host California State University, Long Beach through CITT and METRANS,

and key sponsors The Ports of Long Beach and Los Angeles and the International Longshore and Warehouse Union.

The objective of the tenth Town Hall is to understand what drives decision makers along the supply chain when they choose a port of entry, and consider the impacts of these decisions on cargo volumes, jobs and the local economy.

The agenda for the Town Hall will include welcome remarks from Dr. F. King Alexander, president of CSULB, and a brief review of the past town halls by Dr. Genevieve Giuliano, Director of METRANS, University of Southern California. There will be an introductory presentation on recent trends in international trade from

leading national economist, Paul Bingham. Bingham is managing director of World Trade and Transportation Markets for IHS Global Insight's Trade and Transportation Group. A panel of experts will discuss how Southern California can keep discretionary cargo from going elsewhere. There will also be a question and answer session with the audience, followed by a panel summary and closing remarks.

Updated details regarding the Tenth Town Hall and information about the previous nine Town Halls can be found at CITT's website, [www.uces.csulb.edu/citt](http://www.uces.csulb.edu/citt).