



America's Port

Assembly & Senate Select Committees on Ports and Goods Movement
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November 3, 2021



Trade Disruptions Continue

2018-2019 U.S.-China Trade Tensions

Tariffs & Retaliatory Tariffs

Manufacturer Migration to Southeast Asia
= Cargo Routing to U.S. East Coast

Cargo Owners Pull Inventories Forward in
Advance of Scheduled Tariff Increases

Tariff Wars Exacerbate
Trade Deficit Imbalances

Record-Setting 2018 Volume

2020-2021 COVID-19 Disruptions

Distressed Supply Chain

Economies Shutter
China Manufacturing Halts

Global and Regional Workforce Shortages

Consumer-Driven Cargo Surge
E-Commerce Boom

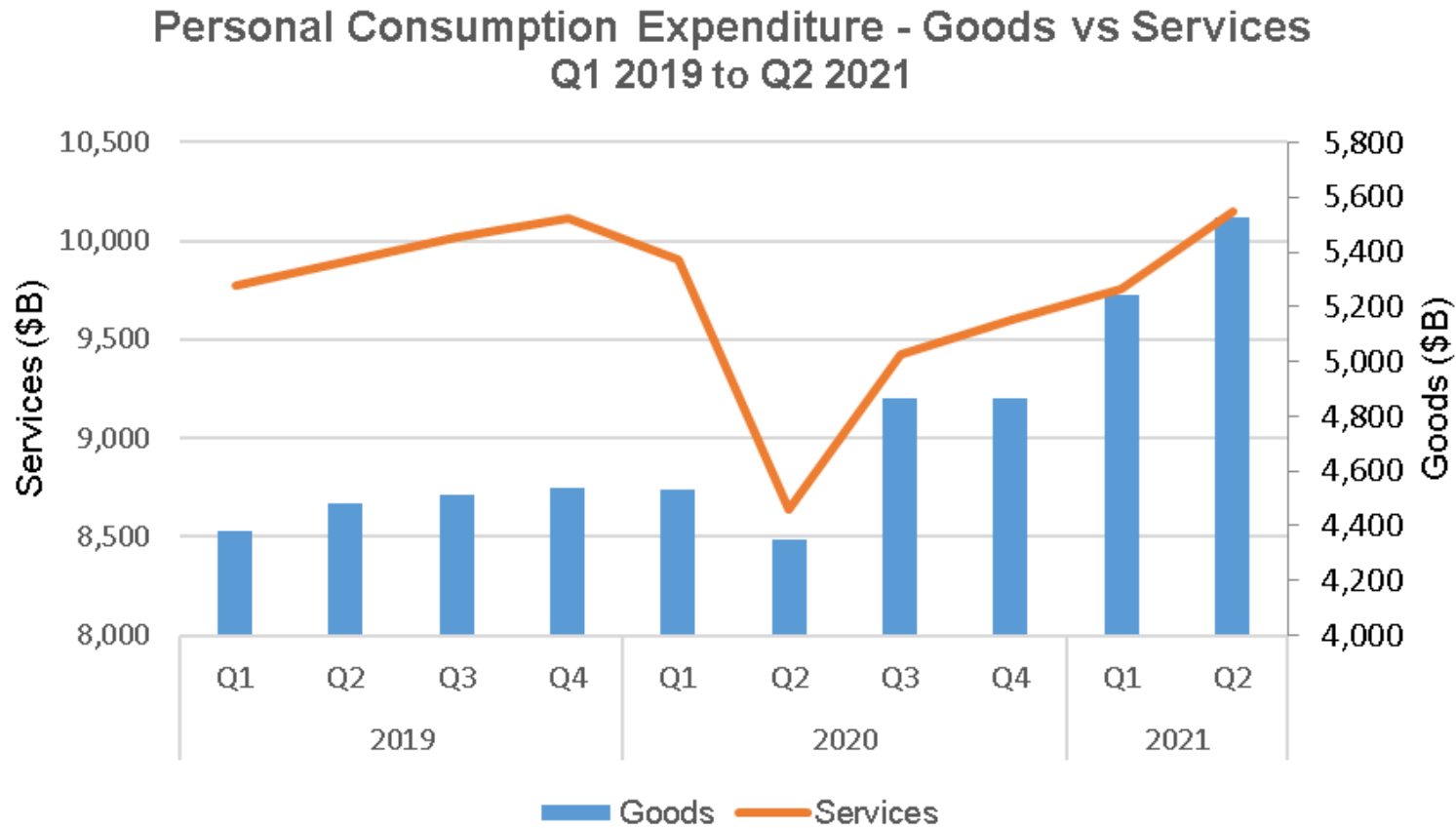
Global Supply Chain Disruptions

Container Shortages
Shipping Price Hikes

POLA Exports Down 31 out of 35 months
thru Sept. (biggest declines since 2002)

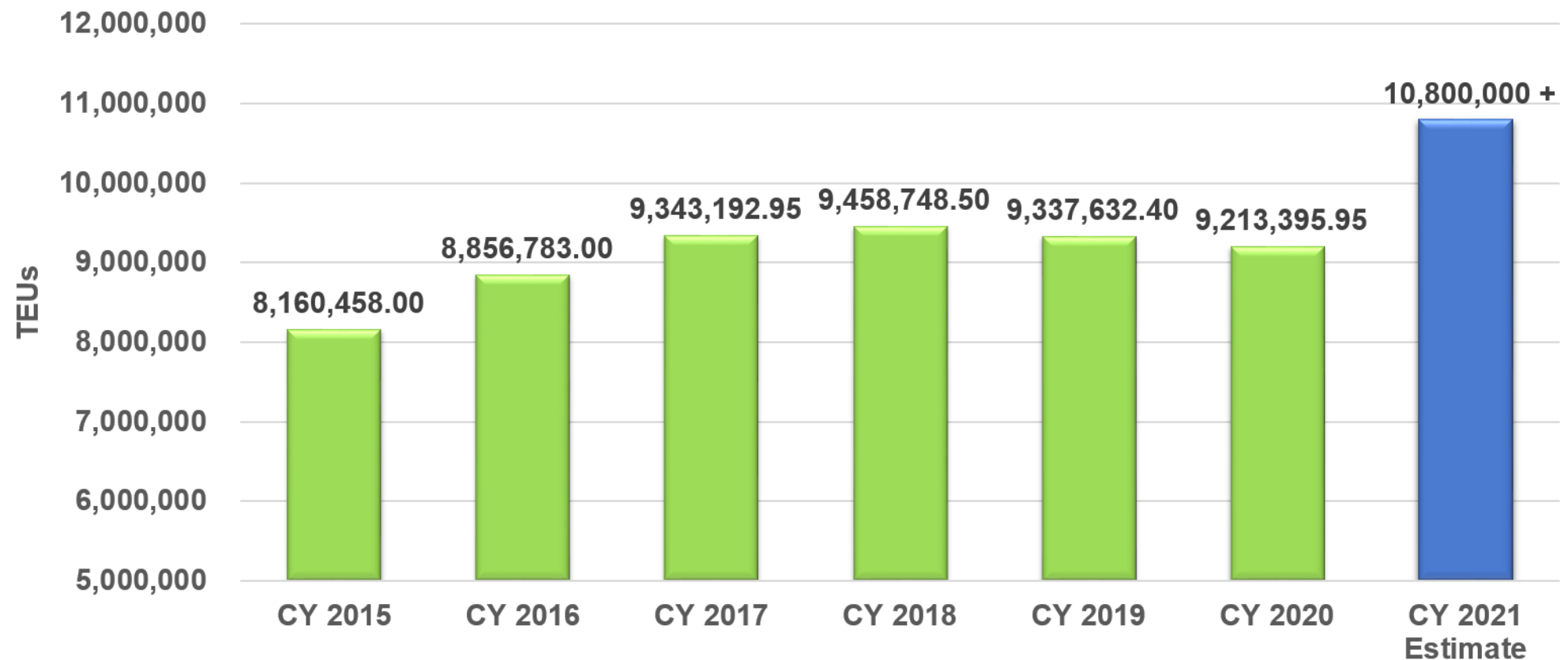
Record-Setting 2021 Volume

Dramatic Jump in Consumer Spending



Source: Bureau of Economic Analysis







Calendar Year Projection



PORT OF LA OPERATIONS REPORT

(November 3, 2021)



| | |
|----------------------------------|--|
| Container Vessels in Port (POLA) | 16 |
| Other Vessels at Berths (POLA) | 1 tanker/ATB, 2 General/Bulk, 0 vehicle, 3 cruise |
| Vessels at Anchor/Drifting | <p>SP Bay: 96 (70 containers , 7 tankers/ATB, 16 General/Bulk, 1 vehicle, 2 cruise)</p> <p>POLA: 48 (35 containers N/C = approx.185K TEUs , 0 tankers/ATB, 12 Gen.I/bulk, 1 vehicle, )</p> <p>Container vessels enroute (3 days out forecast): 19 (11 - POLA, 8 - POLB) </p> <p>Average POLA days at anchor: 14.1 days</p> |
| Terminal Update (POLA) | <p>POLA: 37 gangs working, 0 gangs cut </p> <p>POLA Dwell time - terminal (last 30 days as of Oct 28): Local – 9.7 days (9.7 days peak) </p> <p>POLA Dwell On-dock rail (last 30 days as of Oct 28) – 4.5 days (13.4 peak)</p> <p>Containers/chassis on street (per POP website) (40') – 8.8 days N/C (9.9 peak) </p> <p>(As of Nov 1) On-dock rail waiting to load – 4,661 total</p> <p>Gate, rail and vessel operations all open today</p> |

N/C = No change from previous day

Arrow direction = change from previous day/reporting period

Oct 31 – Nov 06 (Week 44)

Import Volumes (TEU)

132,722

% Change from previous week: ▲ 1.56

% Change from Previous Year: ▼ 9.79

Container Volumes (est)

| | Local Delivery | On-Dock Rail | Off-Dock Rail |
|--------------|-------------------|-----------------|------------------|
| 20 FT | 5,569 | 2,211 | 755 |
| 40 FT | 39,944 | 15,960 | 5,518 |
| 45 FT | 859 | 329 | 106 |
| Other | 106 | - | - |
| Total | 46,478 | 18,500 | 6,379 |

Nov 07 – Nov 13 (Week 45)

Import Volumes (TEU)

150,746

% Change from previous week: ▲ 13.58

% Change from Previous Year: ▼ 1.28

Container Volumes (est)

| | Local Delivery | On-Dock Rail | Off-Dock Rail |
|--------------|-------------------|-----------------|------------------|
| 20 FT | 7,207 | 2,865 | 981 |
| 40 FT | 45,557 | 18,205 | 6,291 |
| 45 FT | 966 | 372 | 122 |
| Other | 719 | - | - |
| Total | 54,449 | 21,442 | 7,394 |

Nov 14 – Nov 20 (Week 46)

Import Volumes (TEU)

158,851

% Change from previous week: ▲ 5.38

% Change from Previous Year: ▲ 0.35

Container Volumes (est)

| | Local Delivery | On-Dock Rail | Off-Dock Rail |
|--------------|-------------------|-----------------|------------------|
| 20 FT | 6,795 | 2,703 | 928 |
| 40 FT | 48,892 | 19,540 | 6,755 |
| 45 FT | 974 | 375 | 123 |
| Other | 678 | - | - |
| Total | 57,339 | 22,618 | 7,806 |

**Data based on ocean carrier manifest records into the Port of Los Angeles received through 11/02/2021 and is subject to change*

Short-Term Focus

- Implement truck turn time, dual transaction and liner incentives to improve cargo flow
- Expand use of info-sharing to improve supply chain visibility
- Work with FMC on truck gate management and D&D pilot
- Design freight data architecture & standards with MARAD
- Better use of existing capacity

Accelerate Cargo L.A.

GOAL: Expand cargo throughput capacity and move to “push” system with participating cargo stakeholders

- 24/7 operations
- Initial Beneficial Cargo Owners (BCOs): FedEx, Home Depot, Samsung, Target, UPS, Walmart
- BCOs and their drayage providers will expedite the pick-up of their containers during off-peak hours
- Cargo owners will look at how to expand their warehousing operations during these extended hours to receive, unload and expedite the return of containers and chassis
- Shipping lines will match empty returns

Reducing Excess Dwell

Goal: Free up terminal space – ~40% of on-terminal boxes dwelled for 9+ days, taking up valuable space

- Targets containers dwelling on terminals for an extended period
 - Containers dwelling 9 days or more for drayage pick-up
 - Containers dwelling 6 days or more for rail transport
- \$100 dollars per container on first day, increasing in increments of \$100 per container day
- Ocean carriers will be charged no sooner than Nov. 15

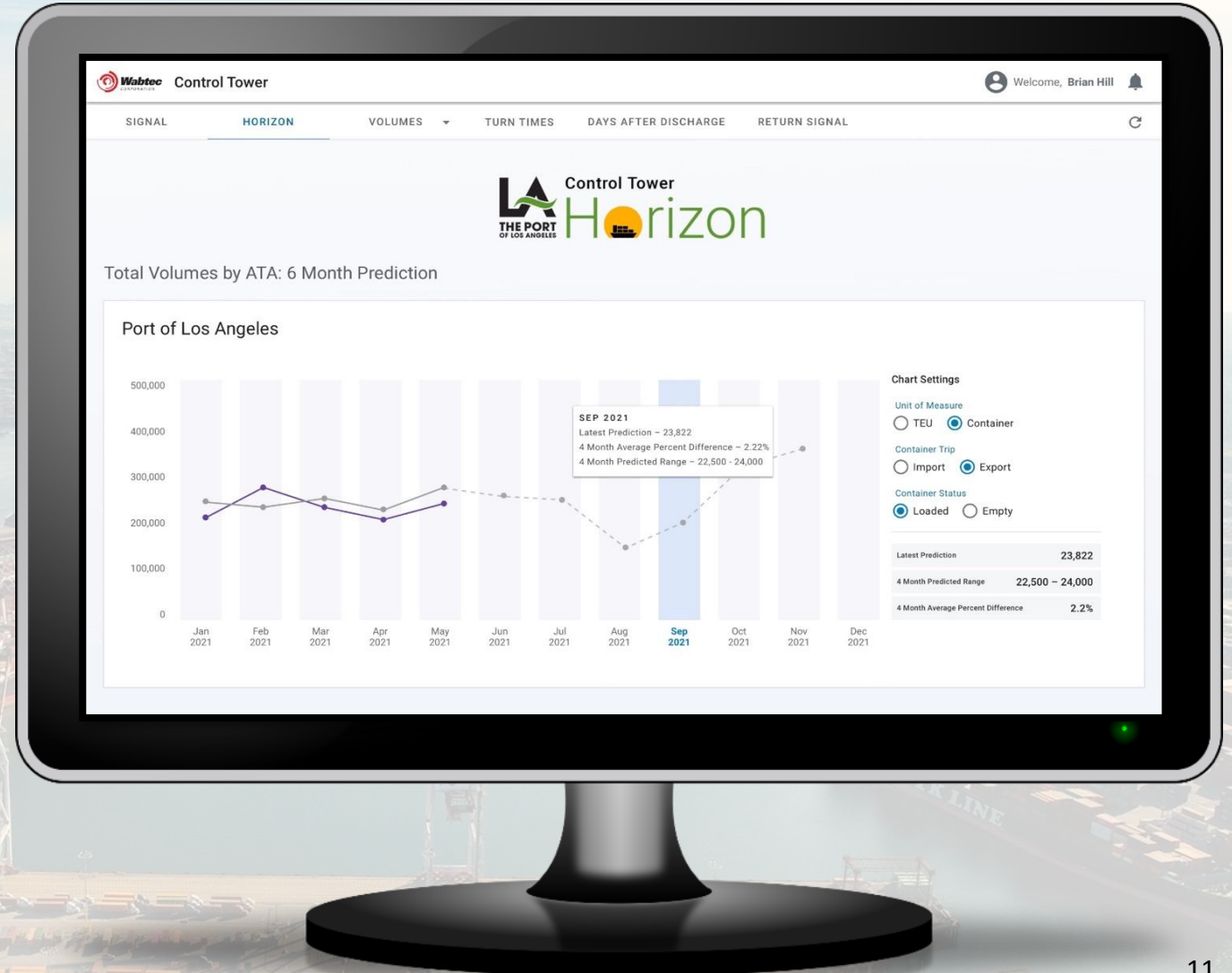
Longer-Term Recommendations

- Industry stakeholder dialogue – Use convening power of federal government
- Improve supply chain digitalization – We are 30 years behind other nations
- Develop national export policy – Get American farmers and manufacturers back in the game
- Develop workforce training centers – Create a pipeline of skilled labor
- Invest in infrastructure and enhance system resiliency – Especially on the West Coast

Port Optimizer™



- ***Signal***
- ***Control Tower***
- ***Return Signal***
- ***Horizon***



State Recommended Solutions

- Activation of Cargo Support Facility Strategic Sites and Focus on Truck Movement
- Longer-Term Projects to Address Supply Chain Disruption
 - Terminal Island Cargo Support Facility
 - Goods Movement Workforce Training Center
 - Near-Term Deployment of Zero Emission Drayage Trucks- “ZE25 Program”
 - Supply Chain Data Interconnectivity and Visibility

THANK YOU

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