Supply Chain Dynamics Impacting North America’s Containerized Trade

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October 26, 2016
• #1 U.S. container port
• Imports and exports to every corner of the U.S.
• Economic engine
• Diverse uses
• Connectivity to US markets
• Gateway to the Pacific Rim
• Eight lines of business

America’s Port At-A-Glance
Our Lines of Business

Containers
8,160,457 TEUs

Autos (WWL)
164,231 units

Liquid Bulk (Petroleum)
93,660,059 barrels

Steel (PASHA)
2,690,097 metric tons

Scrap Metal
746,354 metric tons

Fruit (SSA)
90,323 metric tons

Cruise
123 calls in 2015 (up by 1 call)

Visitors to LA Waterfront
1.6 million in 2015

A “Full Service” Port
Many Carriers Continue to Struggle

Mega Shipping Alliances Today

G6
- Hapag-Lloyd
- NYK Line
- OOCL
- HYUNDAI
- APL
- MOL

Ocean 3
- CMA CGM
- UASC

CKYHE
- "K" Line America, Inc.
- Hanjin
- Evergreen

2M
- MAERSK
- MSC
Shipping Alliance Outlook by Q2 2017

Ocean Alliance

- CMA CGM
- APL
- OOCL
- EVERGREEN LINE

THE Alliance

- MOL
- NYK Line
- Hapag-Lloyd
- "K" Line America, Inc.
- UASC

H2M

- HMM
- MAERSK
- MSC

and others

* Lines that have recently merged or combined through acquisition

As of October 2016
The Complex Global Port Landscape

Europe
Complexity due to new Alliance structures

Middle East
Ample capacity & capability for larger ships and adjusting to new Alliance structures

India & Subcon
Congestion, Poor infrastructure (not Alliance impacts)

Japan & Korea
Complexity of Alliances; Japanese & Korean carrier-owned/operated terminals

China & Asia
In general, adequate capacity and capability to adjust to Alliance structures...some challenges in Hong Kong (HIT/MTL)
The Complex Global Port Landscape

U.S. West Coast
Several carrier-owned and carrier-operated terminals; multi-terminal environments; less than optimal “big ship” servicing capabilities

Latin America
New trade opportunities (Panama Canal); larger vessels will bring rapid changes in carrier networks

USEC & Gulf Coast
More carrier-owned/operated terminals; less than optimal “big ship” servicing capabilities; Panama Canal impacts

As carrier network complexity increases, the impact on landside cargo conveyance is the biggest challenge for most of the expanded alliances.
Three Priority Areas of Focus

❖ Strategic Land Use
  • Re-purposing surplus land to support short- and mid-term cargo needs

❖ Process Management
  • Supply Chain Optimization initiative w/ 100+ stakeholders
  • Active engagement with State & Federal Policymakers

❖ Technology
  • Bay-wide truck appointment system by year-end
  • Port Community System (PCS) is longer-term goal
Container Terminal Support Facility Concept

- Chassis Pool
- Cell Phone Holding Yard / Bobtails
- Gate Facility
- Former LAXT Site Terminal Island
- Wheeled Storage
- Potential Solar Operation
- Gate Facility

THE PORT OF LOS ANGELES
Future-Facing Teamwork: “Partnering Port” Model

✓ Facilitating dialogue with Supply Chain Stakeholders … creating buy-in to develop efficiency programs that help improve cargo flow

✓ Deeper joint-port collaboration
  - Federal-level visibility through 4 national supply chain committees:
    1. FMC Innovation Team
    2. US Dept. of Commerce Advisory Committee on Supply Chain Competitiveness
    3. US DOT Bureau of Transportation Statistics Working Group
    4. US DOT Marine Transportation System National Advisory Committee

✓ Secondary conveyance models and digitization of data

✓ Focusing on workforce development
  - Workforce Training Center
  - Educational MOUs to develop training programs & curriculum
Thank You