
DeCesare Report

Janice Hahn, Councilwomen, 15th District
Marine Container Terminals Extended Gate Hours
Harbor Transportation Club – January 15, 2004
Meeting Highlights

The Time is Now

Janice Hahn, Councilwomen, 15th District (San Pedro) spoke at the Harbor Transportation Club's January 15, 2004 meeting, explaining her focus on pushing for **extended gate operating hours** at the Southern California Ports' marine container terminals.

Currently the majority of terminals operate mostly 8:00AM to 5:00PM with exceptions for vessel arrivals and land-bridge drayage work. According to Ms. Hahn, "The truck traffic congestion/pollution problems and potential solutions have been discussed for many years without any action taken, but today the situation is different for finally achieving significantly extended gate hour operations at marine terminals. She explained that the *Time is Now* due to:

- State and Federal **highway infrastructure funds are not available**. Politicians can't keep going back to voters for more money.
- The **public opinion from citizens** impacted by the problem is that they are fed up with no one solving the serious traffic congestion problems.
- **The politicians have been listening**. Politicians (Senator Betty Karnette – Long Beach and Assemblymember Alan Lowenthal) are poised in Sacramento to legislate a solution.
- The **new Truck Driver Hours of Service rules** which went in effective January 1, 2004 add pressure for extended gate hours to reduce truck idling and processing time at terminal gates.
- **Currently the Southern California infrastructure (i.e. Freeway: 710, 10, 60, etc.) are at capacity**. Many infrastructure improvements have been shelved due to lack of funds from either the State or Federal government.
- Approximately 1/3 of all U.S. trade comes in through the two Southern California ports. **It is anticipated to triple by 2025**.
- The **ports are running out of land** to load and unload vessels, stage containers and process trucks picking up or delivering containers.

Approach

During the last quarter of 2003 Ms. Hahn facilitated the establishment of a Supply Chain Stakeholders committee to discuss pros and cons of various

solutions to reduce traffic congestion and pollution. It has been estimated that a shuttle train hauling containers from piers to an inland depot would only reduce truck volume by 2%; near-dock rail yard would reduce congestion by 4%. Therefore, the No. 1 solution is extended gate hours during off peak periods. It is estimated that this would reduce day time traffic by 40%. This would likely be accomplished by the implementation of a fee for day time drayage. There is a plan to test a 2-4 month Pilot Program in March 2004.

Based on the today's "800 pound gorilla" of public opinion pressure, it is clear that the extended gate hour solution will be implemented in a short period of time.

We hope that you have found some "nuggets" which will help you in your business.

Sincerely,

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WCL Consulting – Success Story
Bakery Supply Company Assisted in Locating
Consolidated Southern California Regional DC Location

A multinational bakery supply manufacturer and distributor after recent mergers needed to consolidate its warehouses in the Western U.S. Inventory carrying costs, administration and supervisory costs, and transportation costs needed to be reduced quickly. After analyzing inbound and outbound transportation cost and routings, vendor / supplier locations, demand points and volumes, WCL Consulting using a warehouse network optimization software identified the short list of best locations for the client which provided the lowest cost and highest service alternative.

"WCL Consulting brought deep supply chain experience and expertise which we didn't have in-house. The results have been continuous strategic improvement and practical process cost reductions."

Isao Nagasako, Vice President Corporate Planning
Alpine Electronics of America, Inc.