



Dear Reader:

I was almost a member of an angry mob, the other day, except it never went quite that far. It was mostly just a sullen crowd, but I was a member of it, and I was as sullen as all get out

Here's the story. There was a fist fight on the sidewalk outside my office. Some joker took a cab from Alhambra to Long Beach, but when got here he didn't have enough money to pay the \$100-plus fare. The cabbie took exception to that, the passenger took exception to the cabbie, and the fight was on. Folks came running; they pulled everybody apart, the passenger fled into the building, and about half-a-dozen cops arrived on the scene.

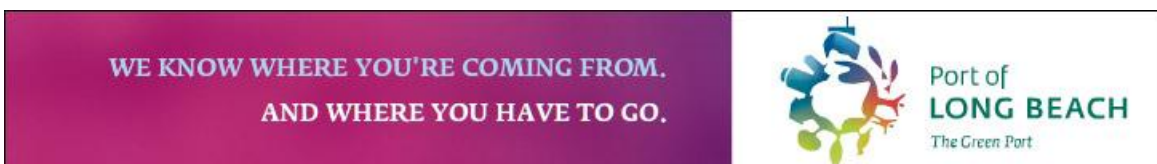
As can be expected, whenever there is blood and violence, a crowd gathers to watch what is going on. The truth is, the fight was over, the police were taking statements, they were looking for the guy who ran off, and there wasn't much more to see. In fact, I was almost ready to return to work, when one of the cops turned, swept his hand contemptuously in our direction, and said, "if you're not involved in this, then skedaddle!"

Skedaddle? Really? This is my town and my community, and you – who supposedly work for me – are going to tell me to "skedaddle?" I think not. I stood my ground. So did everybody else. And I'm thinking to myself, why is he so anxious for us to leave? Is he planning to beat up somebody? Dispense a little street justice? The truth is, the police seemed to be handling the whole affair in a very professional matter, and the crowd seemed to be in full support. But once one of the officers disrespected us and started using words like "skedaddle" and trying to order us around, that all changed.

That's when we all got sullen. Mean sullen. Anything-can-happen sullen. We stood our ground. He just looked at us, and then he meekly went back to work. He understood.

You don't mess with a sullen crowd,

Until Next Time,
George Cunningham



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an information source for the trade and transportation community

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This Week in the News

Late model big rigs – such as those being mandated by the Southern California ports and the California Air Resources Board – may indeed be cleaner, but they are also less reliable, according to a recent report by J.D. Power and Associates. The Westlake Village-based global marketing information services firm found that problem rates for heavy-duty truck engines in 2010 are almost twice as high on average as truck engines manufactured prior to 2004. There have been two rounds of government-mandated emissions standards implemented since 2004, the study notes.

The firm found 51 percent of owners of 1-year-old, heavy-duty trucks in 2010 reported some type of problem, while prior to 2004, only 26 percent of owners of 2-year-old trucks had problems. [See Release](#)



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Port of Long Beach harbor commissioners are expected to approve a [short-term lease](#) today (9/13) calling for California United Terminals – a subsidiary of Hyundai Merchant Marine – to be out of its 154-acre Long Beach terminal on Pier D and E by the end of the year. CUT announced in July that it was leaving Long Beach to lease a portion of the APM terminal at the Port of Los Angeles. Although the CUT terminal property is part of Long Beach's Middle Harbor Redevelopment Project, the company's departure is not expected to delay that construction.

Los Angeles Mayor Antonio Villaraigosa has named his former chief of staff [Robin Kramer](#) to a seat on the Port of Los Angeles Harbor Commission. She replaces former commissioner Jerilyn Lopez-Mendoza, who left the board in July after getting a new job. Kramer has a long history at City Hall. She was also chief of staff for former Mayor Richard Riordan. She was chief deputy for Councilman Richard Alatorre from 1985 to 1990, and an aide to Councilman Bob Ronka from 1978 to 1981. She was a director of the Southern California Democratic Party, a senior vice president at Marathon Communications, executive director of the Coro Foundation, senior director at the Board Foundation, and involved in numerous other organizations and causes.

The City of Richmond is pursuing criminal charges against BNSF railroad, claiming that one of the company's trains blocked intersections in the city for about an hour on Dec. 16, 2008. The city filed the misdemeanor charge in February 2009. Typically, railroads are protected from local complaints by federal law, but an appellate court panel later ruled there was nothing in the law that would stop the case from proceeding. The incident apparently involved two BNSF trains, each about a mile long, using track controlled by a Union Pacific dispatcher, who reportedly first gave permission to proceed through town, then rescinded it after other traffic interfered. The first train managed to stop between crossings. The second train did not. The parties are due back in court on Oct. 8 for closing statements.

Meanwhile, the folks at Chevron are reportedly lobbying in Sacramento to get an exemption from the California Environmental Quality Act, commonly known as CEQA, so it can upgrade its refinery in Richmond. The company is not talking, but environmental groups are in an uproar over reports that the company – which has been banging its head against the wall attempting to upgrade its facility to make it cleaner and more efficient – might be trying an end-run around state law. Environmentalists claim the proposed improvements would allow Chevron to refine a lower-grade of oil, which they fear would lead to more pollution in the future.

The Port of San Francisco has issued a [Request for Qualifications](#) to developers interested in the redevelopment of Pier 70 as a mixed-use property. The BAE San Francisco ship repair yard would remain as a shipyard with the remainder of the site developed as public park land and private commercial development – including offices, retail, and light industry. The historic buildings on the site would be preserved and rehabilitated.

San Francisco hospitality folks have managed, after some scrambling, to find room next September for a two-week pre-2011 summit meeting of the Asian-Pacific Economic Cooperation organization, commonly known as APEC. September is a busy month in San Francisco, and the first choice days for the meeting had already been reserved for an eye-nose-and-throat conference, reports the San Francisco Chronicle. With 1,000 to 2,500 folks expected to attend the APEC meeting, the city needed to clear space and round up some rooms for alternative weeks. The 2011 APEC summit is scheduled for November in Honolulu.

One hundred fourteen employees at the Port of San Diego are being offered early retirement under a cost-cutting measure that is expected to save the port authority \$3.3 million the first year and maybe more, according to how many folks sign up for the program. To qualify, harbor police officers must be at least 50-years-old with 20 years of service, non-police personnel must be 55 with 20 years of service or 62 with 5 years of service. The vote by the port board to implement the new plan was not unanimous. Commissioners Michael Bixler and Stephen Cushman voted no. They expressed doubts about how much money would be saved if replacement of the workers and training of new workers is taken into account.

On a happier note, the San Diego Port Commission voted last week to approve a lighting-design team proposal to use wind-powered, color-changing, programmable LED lights to illuminate the San Diego-Coronado Bay Bridge pillars. The project – expected to cost \$4 million to \$5 million – would be paid for by private sources and grants. Once funding is secure, a feasibility study of the project will be conducted. The chosen team is led by London artist Peter Fink of FoRM Associates working with Speirs and Major Associates and the Buro Happold engineering and design firm.

With cargo volumes up and his bosses pleased with his performance, Port of Portland Executive Director Bill Wyatt received a big pay hike last week. Wyatt took a 10 percent cut in pay last year in order to share the pain with port employees during the economic downturn. The raise approved by the board last week restored that 10 percent and added another 7 percent to it, giving Wyatt an annual salary of \$321,000 a year. The four-member port leadership committee had also wanted to give Wyatt a \$29,210 bonus, but he turned the bonus down. The port, he said, was “not out of the woods yet.”

Thousands of hungry folks from around the area will be coming to the Port of Los Angeles this coming weekend for the port’s annual three-day [Lobster Fest](#). The event will feature 16 tons of Maine lobsters flown in for the feast, \$18 lobster dinners, live music, pirate entertainment, and a chance to meet contestants from the Food Network reality show, “The Great Food Truck Race.” The festivities kick off on Friday with a special San Pedro Chamber waterfront [Lobster Mixer](#).

Folks in Tacoma are kicking around the idea of having a big mural that would welcome boats coming into the Thea Foss Waterway. The Tacoma Waterfront Association is promoting an idea that would turn the north end of a lumber warehouse into a giant welcome-to-Tacoma sign. The problem is that the Port of Tacoma is negotiating a lease extension with Capital Lumber, the tenants of the 100,000-square-foot warehouse, which includes a repainting and the right to put signage on that same space. The port board doesn’t want to mess up its negotiations, but it hasn’t said no to the idea, at least, not yet. The idea has been put on hold until the port’s next meeting – scheduled for Sept. 23.

The Port of Everett has called off its deal with a Chicago-based developer on a \$400 million waterfront redevelopment plan. Port commissioners decided to pull the plug on the plan after the developer, Maritime Trust, filed for bankruptcy on the project and failed to pay \$770,000 it owed the port. There is a silver lining. The plan, which called for building hundreds of condominium units as well as commercial businesses, was designed before the real estate market collapsed. If the port had already built the project, the outlook could have been grim.

The Port of Long Beach is planning to award \$50,000 in scholarships for Long Beach Unified School District seniors again next year, and the application window is open. High School students in the class of 2011 can apply for one of the educational freebies, ranging from \$1,000 to \$8,000. Deadline to turn in an [application](#) is March 2011. [More Info](#)

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Some consternation up and down the supply chain about this year's peak season with folks wondering whether there is going to be a holiday peak yet to come or if the peak already come and gone as shippers imported their goods early in order to be ready. Port Tracker – a monthly report sponsored by the National Retail Federation, Hackett Associates and Colliers – is saying that retail imports probably peaked in July with volumes declining in the following months, although they will still be higher than last year. Their prediction: year-to-year retail imports will be up 16 percent in September over September 2009, up 9 percent in October, up 11 percent in November, up 2 percent in December, and down 2 percent in January 2011.

Meanwhile, Union Pacific Railroad CFO Rob Knight told folks at a Credit Suisse conference in New York on Thursday, that there would be a peak season, although he cautioned that it was going to be more of a bump, rather than a spike in volumes. Knight acknowledged that there is uncertainty in the industry, but said UP customers say they think there is still more growth to come. And the Association of American Railroads senior vice president John Gray says the [August figures](#) for railroads across the country contains little data that would indicate that economic recovery is stalled. It would be nice if it was faster, he said, but so far it looks like slow, but steady progress. August intermodal traffic was up 19.8 percent over August 2009 and down only 0.3 percent from August 2008. The railroads brought 10,759 rail cars out of storage in August. Unfortunately, that leaves 348,712 – almost 23 percent – still in mothballs.

L.A.-Long Beach Stakeholders Working Group Chipping Away At Terminal Issues

By George Cunningham

Members of the stakeholders working group – put together to ease the friction between truckers and the container terminals where they pick up and deliver their loads – have been looking for ways to measure performance at marine terminals in the Port of Los Angeles and Port of Long Beach. But until they can agree on what constitutes turn-times at port terminals and how long the process should take, it will be difficult to establish long-term practices to address the issues. The battle between truckers and terminal operators over turn-times and delays in the terminal is almost as old as containerization itself.

What makes the issue of special importance now is that the ports, terminal operators, truckers, and everybody else who makes their living at the two ports want to reassure shippers that the ports have plenty of capacity to get the job done and that their cargo will be delivered in a timely manner. PierPass even released a [YouTube video](#) last week, noting the steps being taken and stressing that the Southern California transportation community is on the job.

The stakeholder group, which includes trucking companies, terminal operators, retailers and exporters, was formed after truckers complained that the port was headed for gridlock unless problems at the terminal gates were addressed. They said it takes too long to pick up and deliver boxes and long lines at the gates were making it impossible for drivers to make a living.

Terminal operators claim that the average turn-time in the terminal is about 45 minutes. Trucking folks say that doesn't



include work breaks by the terminal workforce or the time spent waiting in line outside the terminal.

There is a lot to talk about. Ability/Tri-modal Transportation Services president Josh Owen, said things already seem to be getting better. Owen, who is also Southern Intermodal chairman of the California Trucking Association, was recently named to co-chair the group along with PierPass CEO Bruce Wargo, who represents terminal operators.

Eleven of the 13 terminal operators – handling about 85 percent of the containerized cargo at the ports – have added back a fifth weekly off-peak gate, something that was discontinued during the depths of the crash in cargo volumes. Terminals have also reinstated flex gates, where they remain open during lunch hours and breaks rather than shut down and start back up again.

Now that volumes are coming back, terminal operators can afford to spend more on their operations and they are doing so.

Although the steps taken so far have been welcome by trucking folks, it is only a short-term mitigation to a long-time issue – how long it takes to pick up and deliver containers at port terminals. For years, the evidence one-way or the other has been anecdotal. Trucking folks would scream about instances where it would take hours to get into a terminal, conduct business, and get back out on the road. Terminal folks had stories of contract drivers parking their rigs in the terminal and taking extended lunch and bathroom breaks and having long conversations on their cell phones before exiting.

Now with many terminals heavily invested in computerized and automated systems, it becomes easier to produce data on how long each truck is inside the terminal. But that doesn't answer the question of how long each truck has to wait in line to get to the terminal gate and it doesn't necessarily answer what takes the trucker extra time once he is inside the gate.

Time spent in line might seem to be easy to measure, but it is not. Truck queues are not equal. Different terminals have different configurations. There are instances where one queue may break in two at some point, with trucks peeling off to separate terminals. There are some queues that are entirely on public streets, while others are mostly on terminal property, although still outside the gate.

And queues are not static. Trucks are constantly pulling forward, then stopping as the queue moves slowly forward. If the traffic is heavy, for instance, how much of that stop-and-go movement is spent in traffic while approaching the queue and how much in the queue itself?

Members of the group have suggested that one way to measure the queue would be to pick a distance from the gate that seems to be a fair measure for that terminal, then measure how much time is spent in that queue. If, for instance, that queue is a quarter of a mile long, and there were no trucks in the queue, then the waiting time for a truck moving at 30 miles an hour would be recorded at about 30 seconds.

Once everybody can agree how to measure turn-times, then terminals can begin setting goals about what is an acceptable turn-time and what to do to achieve that goal. The problem is obviously not the trucks that arrive, conduct their transactions, and then leave. It's the significant minority that ends up stuck in line and in the terminal that is the issue. That's hard to figure out with just tracking data to work with. Somebody will have to personally talk to folks, see what's going on, and report back.

Once terminal operators and trucking executives can figure out what the problems are – whether it is the drivers' faults or the terminals – they can take steps to correct those problems. Terminal operators already say the majority of truckers at the



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terminal trouble window have problems with their booking numbers. If that is indeed the problem, why does it happen, and what should be done to correct it?

The limiting factor, of course, will be what is economically feasible. How much should terminals be expected to spend on equipment and labor in order to trim how many minutes off of a trucker’s time? The stakeholders may have some differences over how much is too much and how much is not enough.

GPS System Offers Insights into What Is Going On Second-by-Second on the Freeways and in the Terminals

Dr. Val Norohna of Digital Geographic Research Corp. thinks he may have the answer to tracking trucks on the freeway and providing some of the answers needed by terminal and trucking folks, transportation planners, port authorities, and others. The GPS system he is promoting – the Metropolitan Transportation Information System or MeTrIS – was funded by the

Terminal time stats (based on 11,371 visits by 250 trucks)					
Minutes	Trucks In Queue	Trucks In Terminal	Minutes	% Trucks in queue	% Trucks in terminal
0-15	7606	792	> 0	100%	100%
15-30	1822	2485	> 15	33%	93%
30-45	902	1934	> 30	17%	71%
45-60	450	1516	> 45	9%	54%
Minutes	Queue + terminal		Minutes	Queue plus terminal %	
60-75	1202		> 60	41%	
75-90	925		> 75	30%	
90-105	659		>90	22%	
<ul style="list-style-type: none"> • In the above chart, 1,822 visits out of 11,371 spent from 15-30 minutes in line. 33% of the trucks spent more than 15 minutes in line. • 1,202 trucks spent from 60 to 75 minutes waiting in line and conducting their transactions within the terminal and 41% of trucks spent more than an hour waiting in line and conducting their transaction in the terminal. 					

Department of Transportation and the partners who put it together, including folks at UC Santa Barbara and the University of Washington.

The MeTrIS team has installed the system on 250 trucks from 12 port drayage companies, representing about 3 percent of the current drayage fleet at the two ports. When Norohna fires up the system on his laptop

to watch a typical day at 1,400 times actual speed, it looks like a giant hive of honey bees, spreading out from the port to deliver their boxes, then returning with export cargo or empties. At the speed depicted, a one-hour trip to the Inland Empire takes a little less than three seconds.

The idea behind the MeTrIS system was to model it after an air traffic control model, where planes are more than just dots or a radar screen – they are also identified as to operator, type, from where they are coming, and to where they are destined. In the case of hazardous materials, for instance, it would allow people to see where hazardous cargo was on the freeway at any time, what exactly the cargo is, and what other hazmat materials may be one or two lanes over. It would also show and document where the bottlenecks are and what routes truckers are using to attempt to get around them.

Most commercial systems download locations of vehicles every 15 minutes or so. That is not frequent enough for tracking things such as port congestion and turn-times, Norohna said. The MeTrIS team has managed to get the response time down to every 12 seconds.

What the system offers is objective third-party data based on a metric that would be agreed upon by all parties, Norohna said. The data that the development team has collected so far has already yielded some interesting results. For instance, the system shows that 83 percent of the



trucks in August waited in line to get into the terminal from zero to 30 minutes, while 17 percent waited more than 30 minutes.

To collect that data, Noronha defined the queue area as within 500-meters (about 0.31 miles) of the terminal gates. Although that seems like good measure, he did note the different configuration of each terminal and said it is difficult to find a one-size-fits-all metric.

He said the system could be used to enable people to see which terminals are busy and which are not and which terminals are performing efficiently and which are not. That kind of information could enable a dispatcher to avoid problem areas. Terminal operators would be able to see when truckers were perhaps 45 minutes away and pull their containers from inside stacks so the boxes would be ready when truckers arrived.

The system would also allow the establishment of inland off-site “empty container depots” where truckers could drop off empties from an importer and collect new empties to take to an

exporter without coming all the way back to the port. All these steps would not only save money and fuel; they would also have an environmental benefit, he said.

Noronha is now working to commercialize the system along with Bill Lyte of the California Marine and Intermodal Transportation System Advisory Council and Athenaeum Capital Partners. He expects to spread the costs of the system over a variety of customers who benefit from the data. These could include trucking companies, terminal operators, port authorities, transportation planners, government agencies, beneficial cargo owners, and others.

Interpreting the data is important. While it’s crucial to know why some turn-times take so long, extreme cases may not be so important, he said.

A truck breaking down in the terminal or a serious accident within the terminal could account for cases where drivers have to spend an inordinate amount of time transacting business.

Likewise, a driver showing up at 4 a.m. and sleeping in the cab in order to be first in line when the gates open, should not be counted as time in queue.

The key to making the system acceptable to stakeholders will be keeping the system secure to protect proprietary information and reputation and establishing a level of confidence with the folks who use it.

Members of the stakeholders working group, who recently saw a presentation of the new system by Noronha, seemed generally impressed with the system, but not at all convinced that it is something they should be talking about at this stage of the game. Many of the stakeholders noted that Noronha is a vendor trying to sell his product and that the cost of the product is still unknown. Some said they would also like to see what other vendors might have to offer. In the short term, they are looking at ways to use existing RFID sensors and GPS information to establish a base line of data.

Noronha will be one of the featured speakers at the Harbor Association of Industry and Commerce Port Technology [workshop and mixer](#) on Sept. 23.

TELL US STUFF!

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