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Thriving or Surviving?



■ Trade and Transportation

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On March 28, the Center for International Trade and Transportation (CITT) at California State University, Long Beach will host our 2012 Point/Counterpoint event. Point/Counterpoint is an educational forum where experts discuss different perspectives on an issue of importance to the goods movement industry.

This year's topic is "The Future of Southern California Goods Movement: Will We Survive or Thrive in 2025?" Container volumes at the Ports of Los Angeles and Long Beach are projected to significantly increase by 2025. In 2011, the ports moved approximately 14 million twenty-foot equivalent units (TEUs). Experts predict that the number of containers handled in 2025 will be 25 million. The question on the table is this: are we ready or not to accommodate the projected growth?

The evening begins with a video featuring two fictitious and somewhat extreme alternatives done in the form of newscasts from the future. One scenario describes how the Southern California goods movement industry learned from the past and how stakeholders came together to plan for growth while improving the quality of life for both the workers in the industry and the residents of the communities through which trade passes. The other scenario presents a world where the region has lost cargo as a result of poor planning and an inability (or unwillingness) to tackle the tough problems that confront the industry and the region. Despite the fact that one person's heaven might be another person's hell, in the second scenario it's hard to find winners.

It's not likely that either of the extreme scenarios will play out exactly as we lay them out in the videos, and that's fine. The truth is probably somewhere in between. The scenarios are designed to stimulate a discussion about the steps that will get us to a future that most people can (and will have to) live with.

The march forward to 2025 begins now. Most of the debates surrounding the future of the goods movement industry in Southern California focus on the environmental impacts of increasing trade volumes and what it means for our air quality, traffic congestion and the state of our infrastructure. In developing the road map to the future, I expect that the participants at the Point/Counterpoint will start with what has and hasn't worked up to now.

The Ports of Los Angeles and Long Beach Clean Trucks Program can certainly be considered a success if you consider that, as of January 1 of this year, only vehicles meeting 2007 federal emission standards have been able to service the ports. That is an impressive accomplishment for a plan adopted late in 2006 and for a trucking industry where older, dirtier vehicles were not uncommon. A combination of political and community pressure, industry investment and unprecedented cooperation between the two ports helped make it happen. But the courts have also played a role; and one of the questions that must be addressed at Point/Counterpoint is if it's possible to get to 2025 without lawsuits determining winners and losers when it comes to clean trucks.

The same can be said of cleaner locomotives used by the freight railroads. Both the Union Pacific (UP) and BNSF railways are deploying newer technologies that result in reduced diesel emissions under agreements with the California Air Resources Board. However, this hasn't resolved complaints about emissions at rail yards, which are currently the subject of a lawsuit brought by the Natural Resources Defense Council (NRDC) against both UP and BNSF.

Lawsuits have also played a role in the development of new regulations requiring ships in California to plug into shore-side power (also called cold ironing), which come on line in 2014. The technology, a legacy of a lawsuit filed by the NRDC against the Port of Los Angeles and China Shipping, has more recently been brought to the Port of Oakland in anticipation of the new rules.

Ocean carriers will also be contending with a new emissions control area that takes effect this summer throughout North America and that requires the carriers to use low-sulfur fuels within 200 miles of the coastline. These regulations were negotiated at the international level through the International Maritime Organization. The industry tends to support standards with predictable outcomes that don't differ from place to place, so this may be a model for moving forward.

But the reality is that the situation on the ground does differ from place to place. The impacts of trade in a major hub or gateway are not the same as they are further along the supply chain. These days, the economics of trade dictate that greater trade volumes move through a fewer number of ports. Southern California is one of those places. As a result, the stakes are higher here and I suspect they will be even higher in 2025. Whether we survive or thrive depends upon the ability of all stakeholders to work together to build upon the lessons of the past. When it comes to the future, there's no time like the present.

(Dr. Thomas O'Brien is the director of research for the Center for International Trade and Transportation at CSULB and associate director for Long Beach Programs for the METRANS Transportation Center, a partnership of USC and CSULB. For past articles in this series, please go to www.ccpe.csulb.edu/IndustryArticles.)