Port Congestion

Challenges & Solutions
A California Perspective

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Paul Larking,
SynchroNet Marine, Inc. San Ramon, California
www.synchronetmarine.com
The Perfect Storm

- Unprecedented Cargo Growth
- Population Growth
- Traffic Congestion
- Air and Noise Pollution
- Community ‘Quality of Life’ Concerns
- Safety and Security Requirements
- Infrastructure Funding Limitations
- Motor Carrier and Labor Shortages
- Legislative Involvement
I-710 Freeway in Southern California Under Normal Conditions & During The 2002 Shut Down Of West Coast Ports
Managing Growth is a Major Challenge

- **Port of Oakland**
  -- 1.9 million TEU’s in 2003
  -- 4.8 million TEU’s by 2020

- **Ports of Los Angeles/Long Beach**
  -- 11.8 million TEU’s in 2003
  -- 36.0 million TEU’s by 2020
Impact of International Trade Through San Pedro Bay Ports

Northwest
Trade value: $2.2B
Jobs: 24,000

Great Plains
Trade value: $8.6B
Jobs: 111,300

Great Lakes
Trade value: $25.0B
Jobs: 283,500

Atlantic Seaboard
Trade value: $34.3B
Jobs: 265,600

Southwest
Trade value: $97.9B
Jobs: 1,003,600

South Central
Trade value: $12.1B
Jobs: 141,000

Southeast
Trade value: $15.9B
Jobs: 191,500

Source: OnTrac Trade Impact Study
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Combined Impact
$ 235 Billion

Source: OnTrac Trade Impact Study © 2001 OnTrac All Rights Reserved.
Daily Truck Traffic to and From California Ports Will Grow Dramatically

- **2000**: 40,000
- **2010**: 62,000
- **2020**: 112,000
Congestion Is Hurting our *Economy* as well as our *Quality of Life*

- Delays, accidents, and freight transportation costs are increasing
- Goods movement facilities have not kept up with growth
- Communities increasingly calling for slow growth or no growth
Legislative Initiatives to Mitigate Impact at California Ports

Passed into Law January 1\textsuperscript{st} 2004:
- AB2650 - Limits truck waiting time outside marine terminals

Pending Legislation Before the State Senate:
- SB 760 - Levy a $30/TEU surcharge for LALB shipments
- SB 761 - Limit truck processing time within marine terminals
- SB 762 - Establish requirements for truck registration
- SB 763 - Priority berthing program for low sulfur vessels
- SB 764 - Zero Net Pollution for LALB Ports (2001 baseline)
- SB 45 - Regulate detention, per diem and demurrage charges

Pending Legislation Before the State Assembly:
- AB 1276 - Congestion management on key intermodal corridors
- AB 1678 - Cold ironing facilities for cruise vessels
- AB 888 - Rail yard emission reduction program
- AB 1222 - Locomotive emission testing and replacement
Operational Initiatives to Mitigate Impact at California Ports

- Appointment Systems - eModal or Voyagertrack
- Extended Gate Hours - PierPass
- Port Wide Chassis Pools
- Intermodal Rail Services - Alameda Corridor
- Short Sea Services - Humboldt Bay Barge
- Increased use of On-Dock Rail
- Local Shuttle Trains - Inland Empire & Shafter
- Trucking Co-operatives - Efficient Dispatch
- Virtual Container Yard - Equipment Matching
The Virtual Container Yard “VCY” Solution

The VCY connects Trucking Companies with Shipping Lines through a neutral technology platform to:

$ - Reduce marine terminal congestion and empty storage
$ - Reduce direct transportation costs and truck idling time
$ - Reduce traffic congestion and toxic diesel emissions
$ - Improve driver efficiency and effective land use

The “VCY” enables users to share information and to interchange empty container equipment, off-dock, via the Internet
Equipment Re-Use or Street-Turn Scenario

- Stockton Area
- Port of Oakland
- Marine Terminal

- On-line approval for valid Motor Carriers
- Single party billing for equipment damage
- Liability transfer between Motor Carriers
- Automatic updates to Shipping Line systems
### Communication Process:
Automated Posting of Equipment Information

### Execution Process:
Integrated with Shipping Line Equipment Control Systems

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<th>Type</th>
<th>Shipping Line</th>
<th>Size/Type</th>
<th>Qty</th>
<th>City</th>
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Virtual Container Yard Architecture

Portfolio of Off-Dock Equipment Matching Opportunities

- International Re-Use
- International Street-Turn
- Empty Dispatch Rail
- Empty Dispatch Depot
- Direct Off-Hire
- Direct On-Hire
- Interchange Re-Use
- Interchange Street-Turn

Online Community Member Integration

Addresses Legal and Liability Issues

- Standard community guidelines & standard EIR terms
- Shipping Line business rules, special terms and conditions
- Shipping Line visibility to approval and confirmation process
- Continued single party billing for equipment damage
- Liability transferred, Additional free days provided
VCY Benefits for Northern California

Full implementation of the VCY in Northern California will deliver a 10% gain in operating efficiency:

= Approximately 125,000 less truck trips per year
= $30 Million in transportation cost savings
= Three Million truck miles saved
= 500,000 gallons of diesel fuel saved
= Measurable quality of life improvements (emission reductions and commute time)
= $100-$200 Million in deferred capital cost (Port and Public transportation infrastructure)

Benefits multiply as trade volumes continue to grow
Examples of Collaboration and Coalition Building Efforts

- **AB2043 - Port Master Plan Task Force Bill**
  To create a body that will review issues such as port security, environmental consequences and mitigation measures for growth, as well as improved statewide coordination of California Ports. The bill calls for a strategic plan by Jan 2006.

- **MTODA - West Coast Marine Terminal Discussion Agreement**

- **LALB - Integrated Work Program to Reduce Truck Traffic**

- **Oakland - Port Access Task Force**
Collaborative Vision for Greater Efficiency

- Community Considerations
- Elements of a Regional Information Community Portal
Call to Action

- Congestion is a National Phenomenon
- There is no single solution (Silver Bullet) to this problem. Progress will be made through series of initiatives and integrated solutions

The Transportation Community is encouraged:

- To engage Innovative Technology Solutions
- To foster Process Automation and Data Integration
- To streamline Applications for Ease of Use
- To continue Coalition Building efforts and embrace opportunities for Public/Private Collaboration