



# Supply Chain Dynamics Impacting North America's Containerized Trade

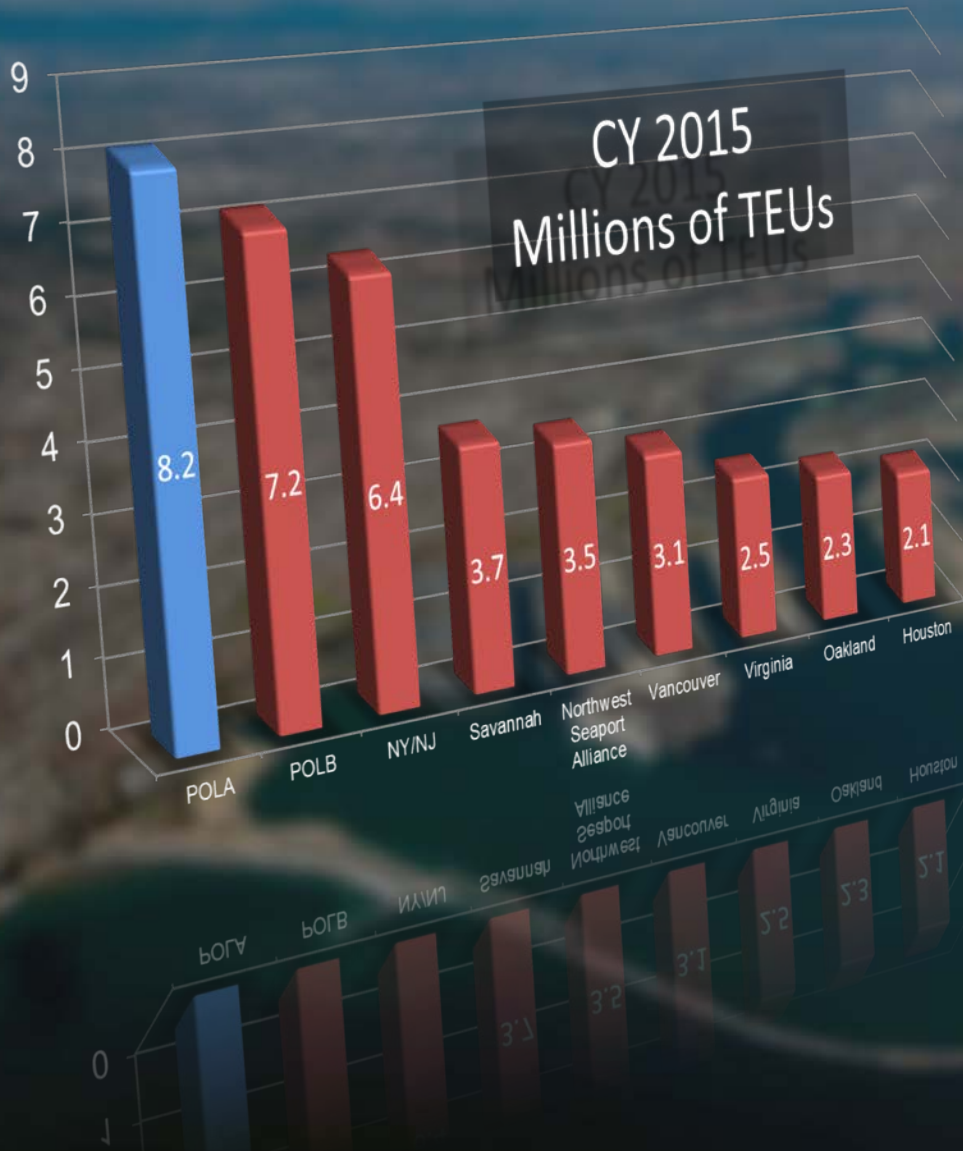
*Gene Seroka, Executive Director  
Port of Los Angeles*

October 26, 2016





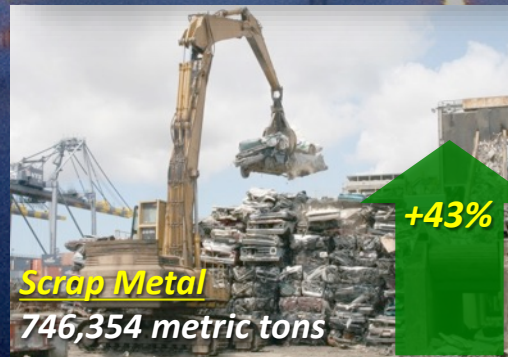
# America's Port At-A-Glance



- #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



# Our Lines of Business

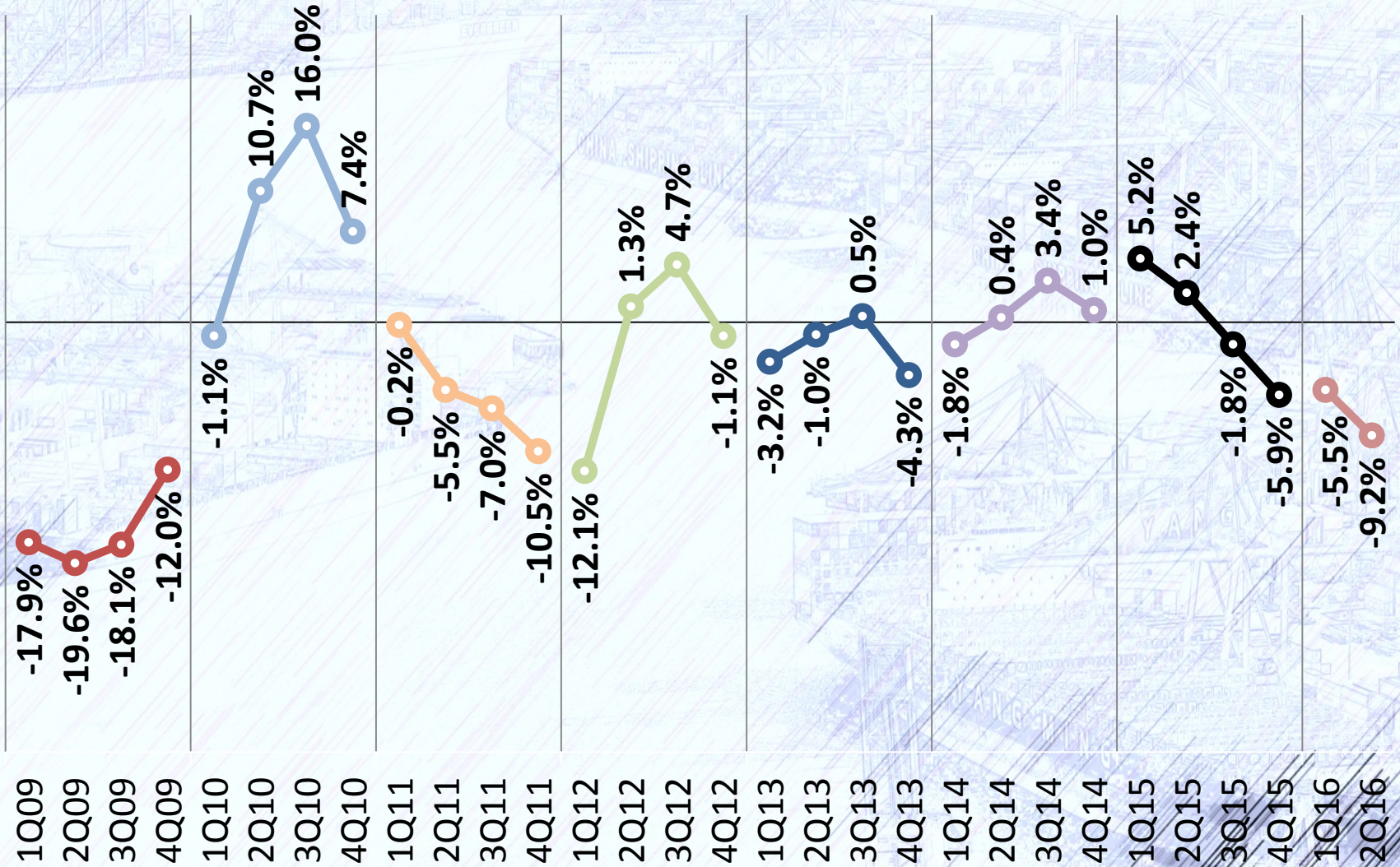


**A "Full Service" Port**



# Many Carriers Continue to Struggle

Average Carrier Operating Margin



Source: Alphaliner. Average of APL, CMA CGM (fr 2010), CSCL, EMC, Hanjin, Hapag-Lloyd, HMM, KL, Maersk, MOL, NYK, WHL, YML, Zim.



# Mega Shipping Alliances Today

## G6



## Ocean 3



## CKYHE



## 2M





# Shipping Alliance Outlook by Q2 2017

## Ocean Alliance



## THE Alliance



## H2M

and others



*\* Lines that have recently merged or combined through acquisition*



# 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



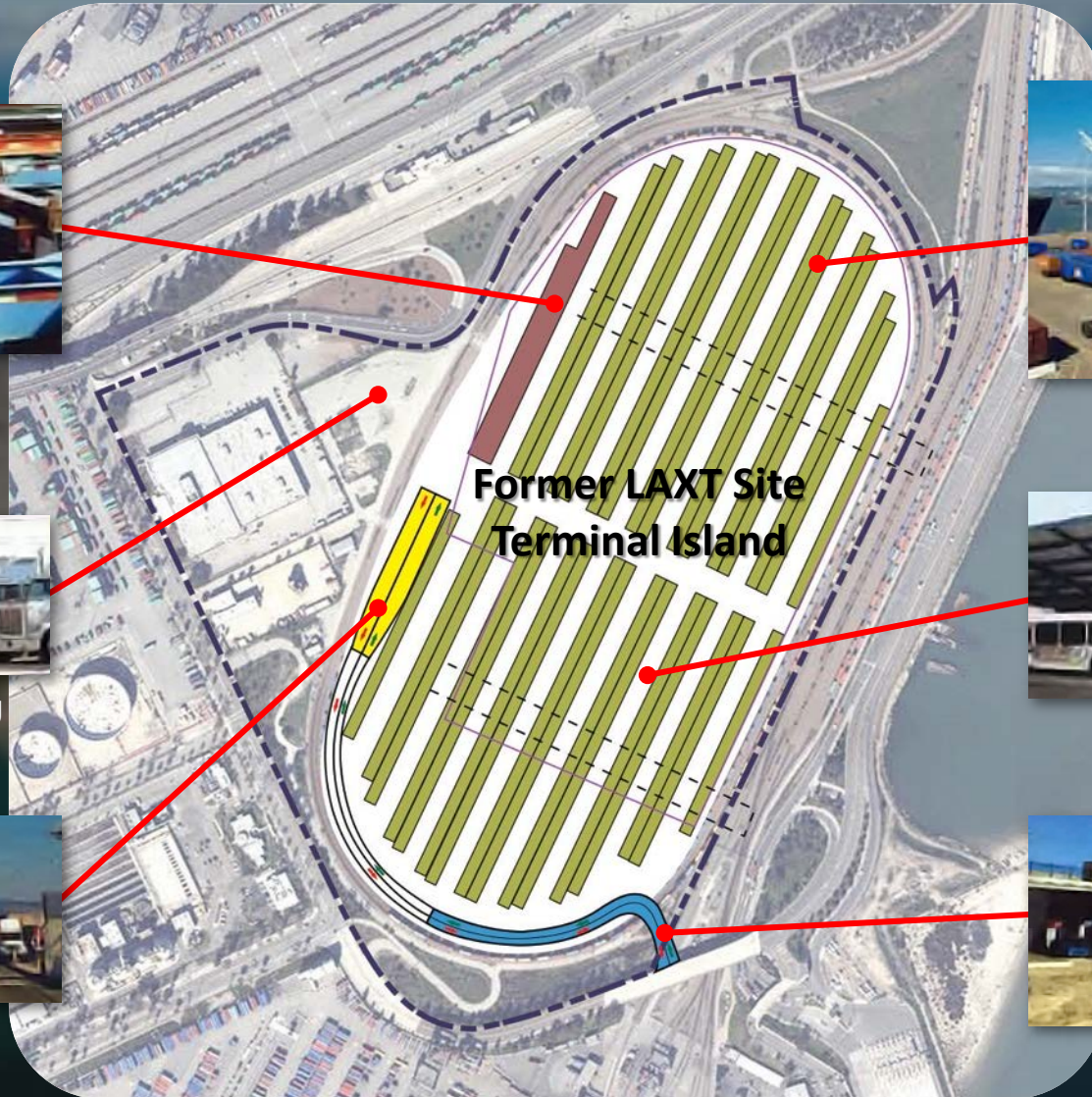
Chassis Pool



Cell Phone Holding Yard / Bobsails



Gate Facility



Former LAXT Site  
Terminal Island



Wheeled Storage



Potential Solar Operation



Gate Facility



# 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**