



**Delivering the
Goods.**

**The Freight
Needs of a
Growing
Population.**

**Mark Pisano
Executive Director
Southern California Assoc. of Governments
NYU
June 6, 2007**

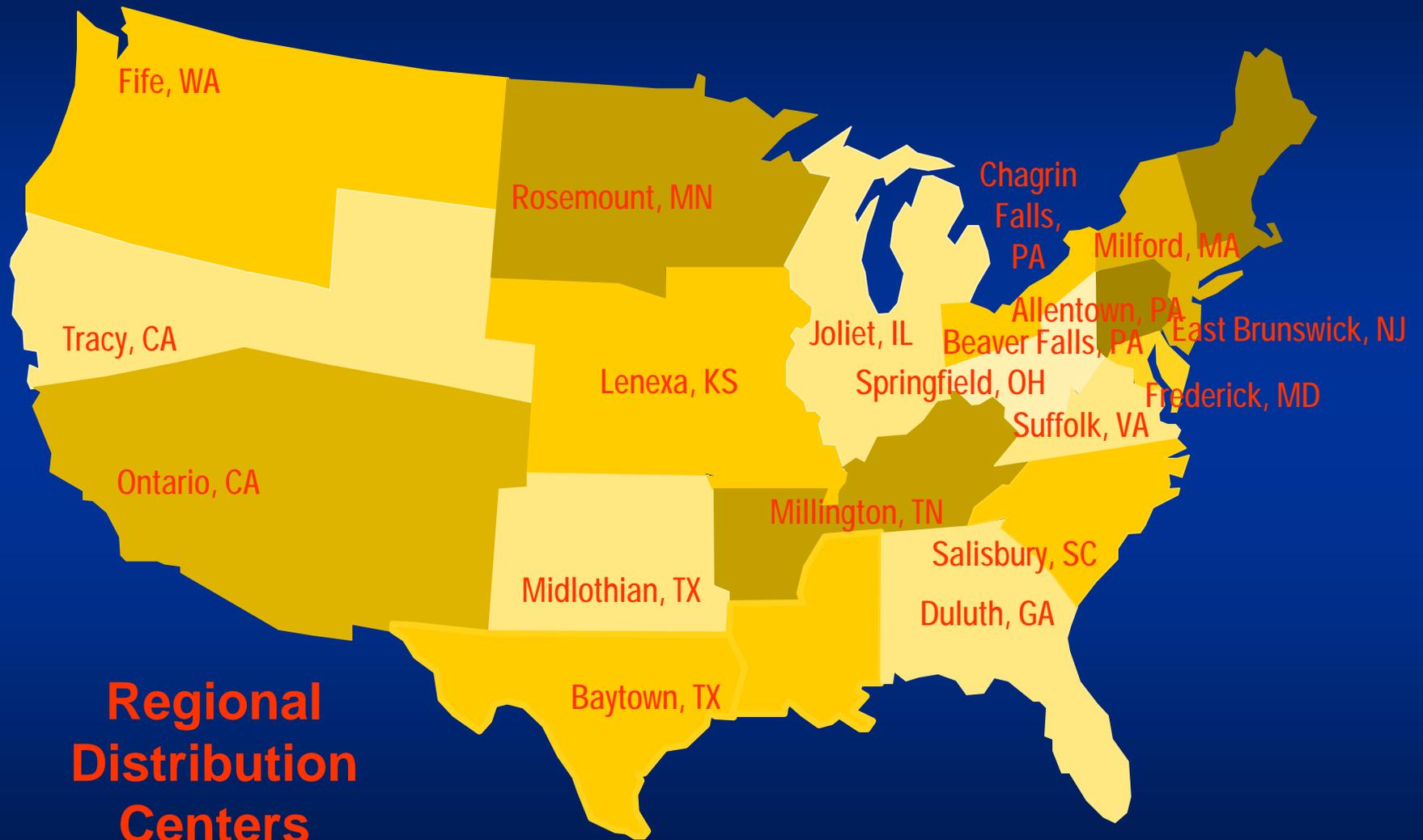
Dramatic Increase in U.S. Maritime Trade

TEUs in thousands 2004 ■ 2020 ■



Forecast figures based on 10-year linear regression

21 Major Destination Regions

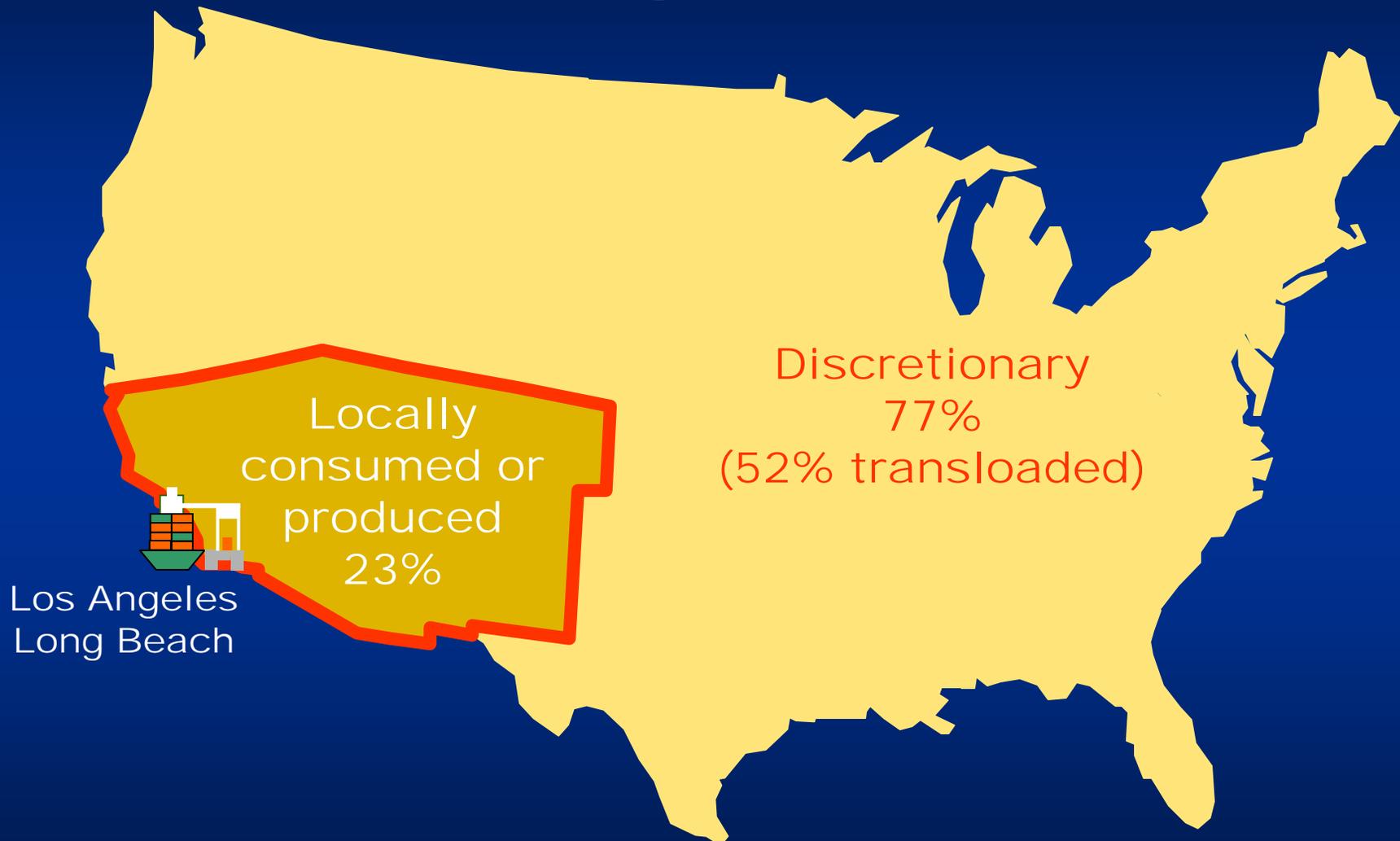


Served by 10 Major Container Ports



**Regional
Distribution
Centers**

Most Cargo Coming to LA/LB Ports Passes Through to Other Markets



Deep Harbors and Landside Facilities Make LA/LB the Preferred Destination



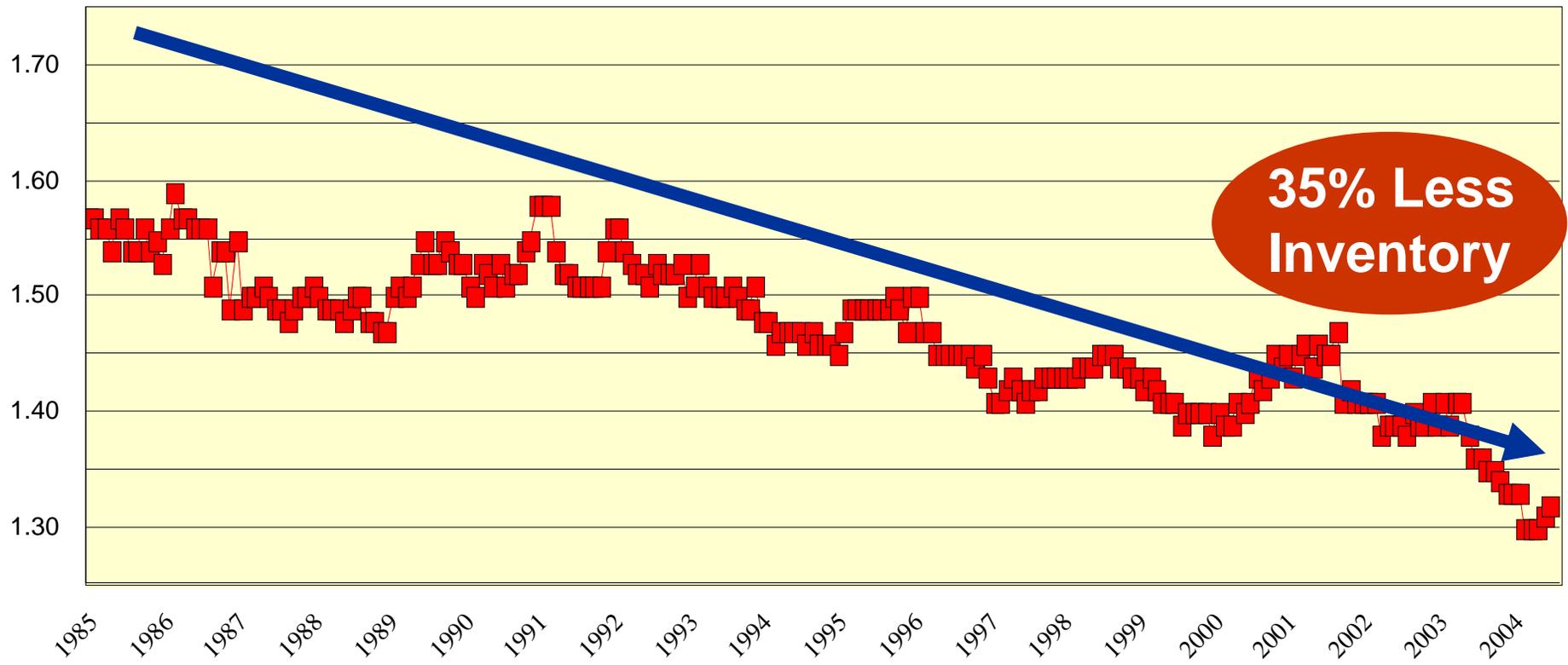
The Ports Give Shippers What They Want



“Just In Time”

Carrying Less Inventory Saves Money

U.S. Inventory to Sales Ratios: 1985 - 2004



Source: U.S. Census Bureau

“Just-In-Time” Savings

The trans-loading of weekly shipments from Asia affords large, nation-wide retailers an 18-20% reduction in their total pipeline plus safety stock inventory compared to direct shipping from Asia.

Assuming a 6% average error in nationwide one-week-ahead sales forecasts

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Direct, Non-Consolidated Shipping

Nation-wide order placed with Asian Factory

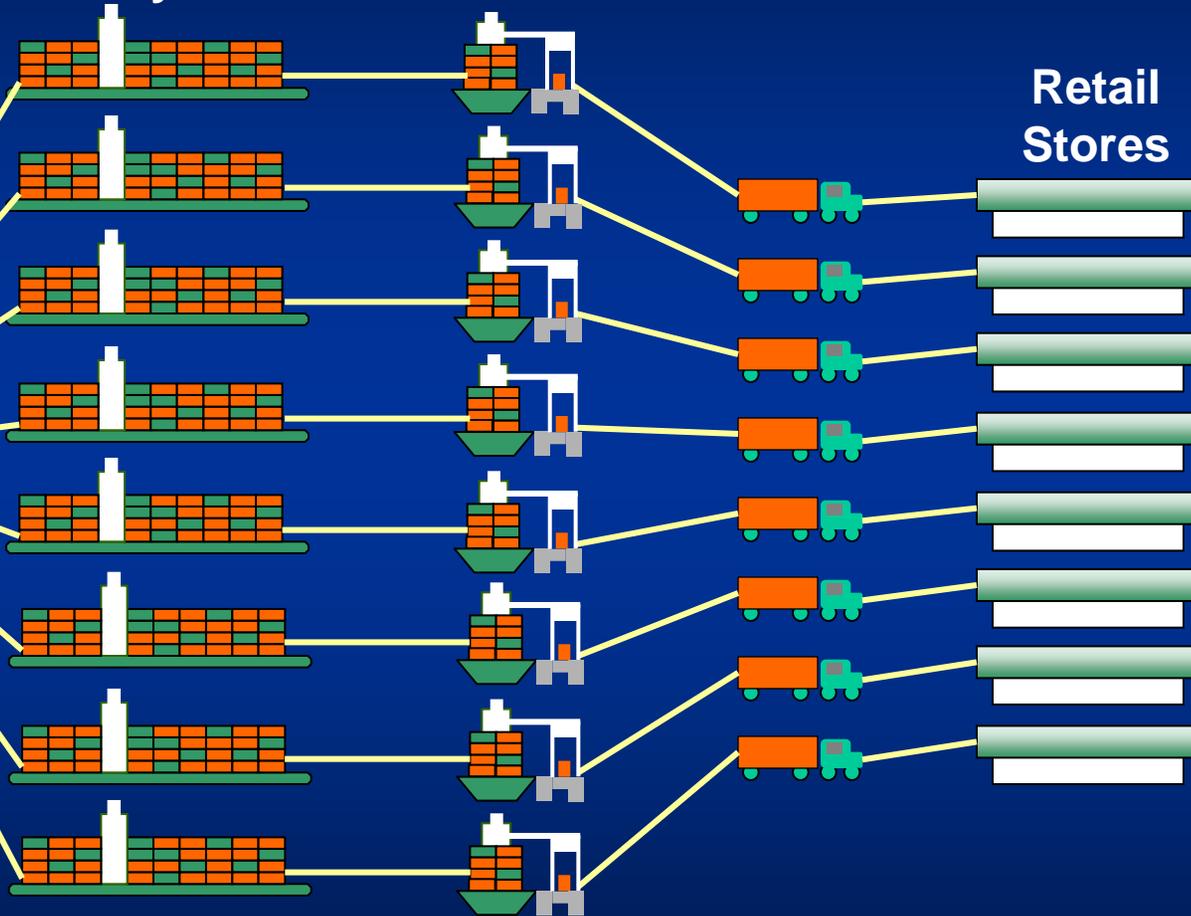
Many Ships to Many Ports

Depart Ports

Arrive at Destinations

Retail Stores

ORDER



DAYS OUT:

75 - 100

25 - 40

1 - 5

1 - 10

Allocated 27 - 55 Days Out

Consolidated Shipping Time Savings

Nation-wide order placed with Asian Factory

Fewer ships to select Trans-Loading Ports

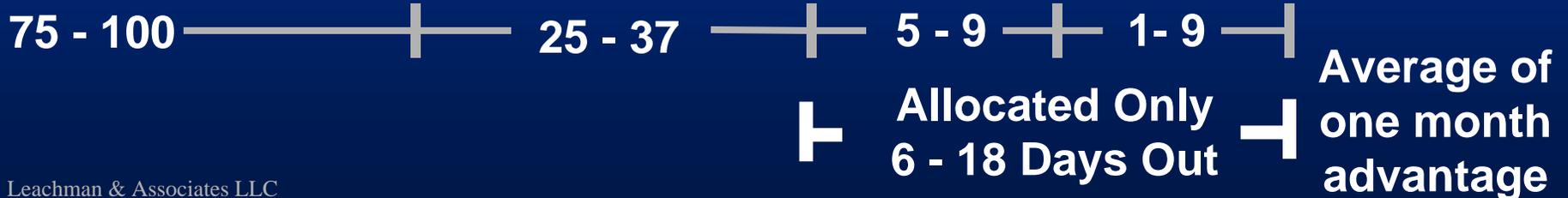
Depart Destination Ports

Arrive at Destinations

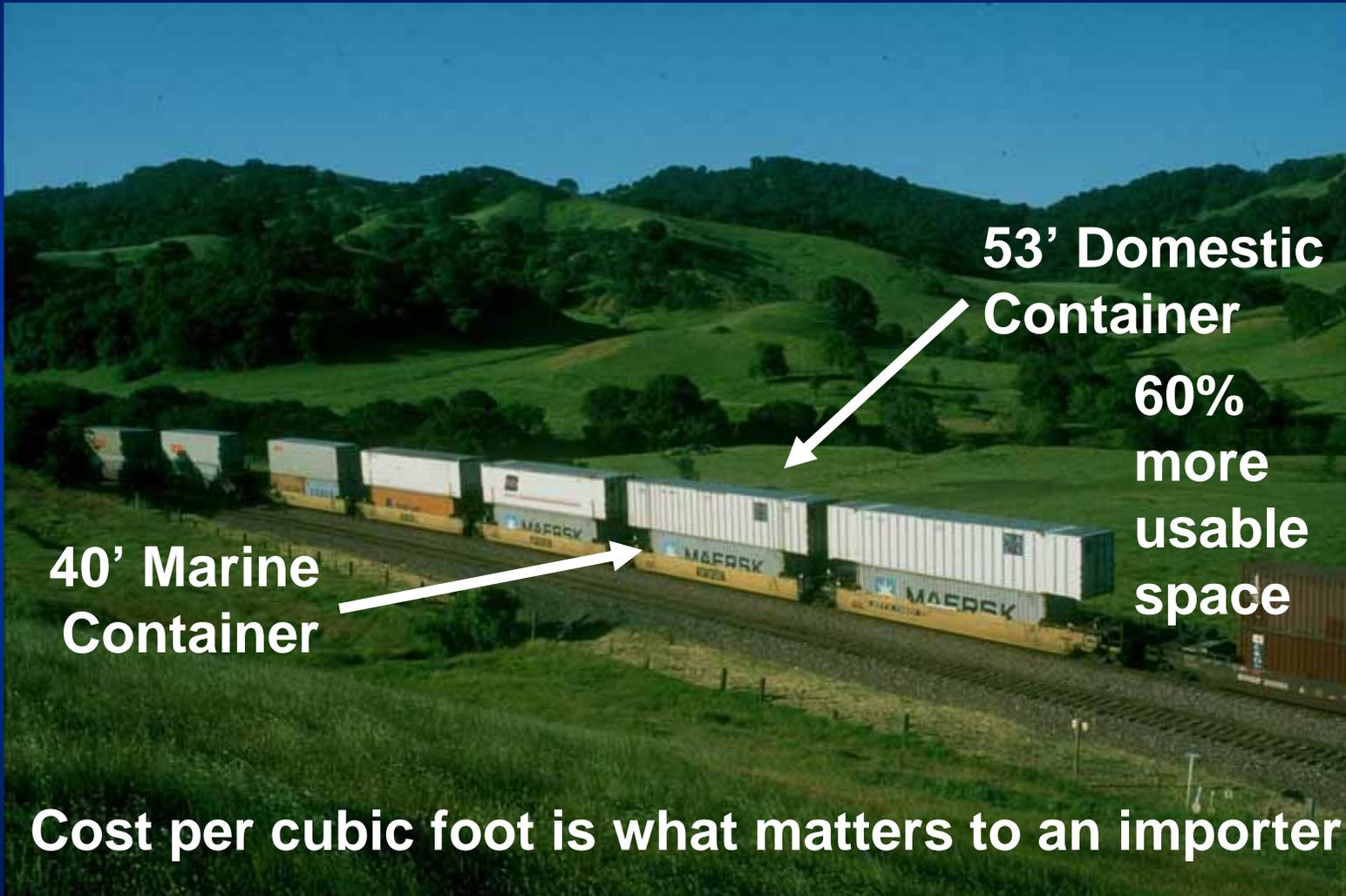
Retail Stores



DAYS OUT:



Transloading Economies

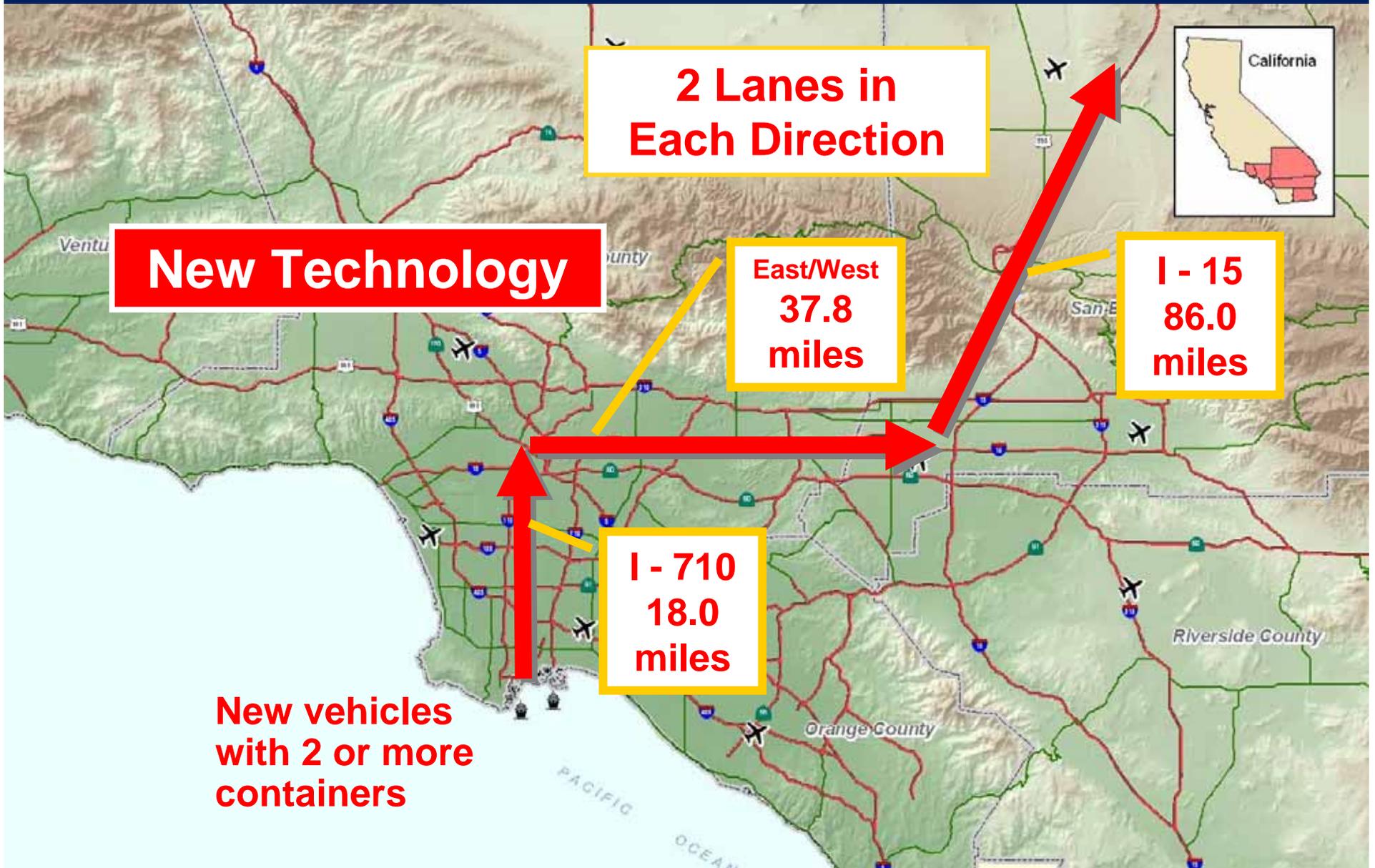


“Just-In-Time” Savings

The savings amount to over
\$1 Billion annually on inventory
interest alone.

Leachman & Associates LLC

Proposed Tolled Truck Lane System



Separated from Car Lanes



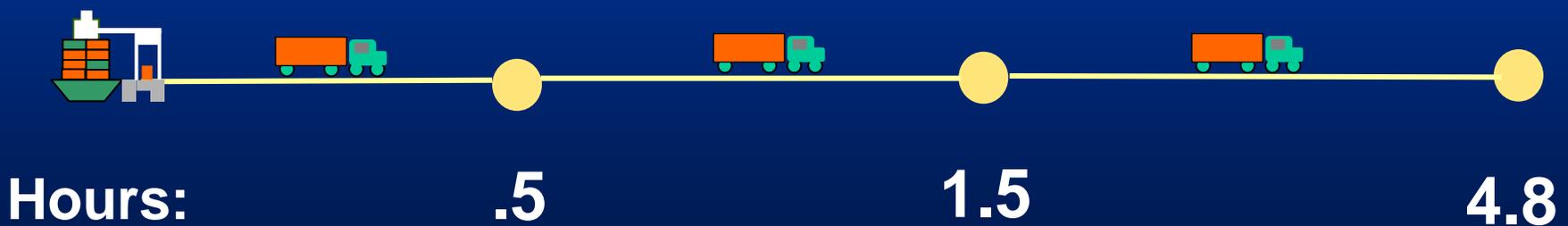
Dedicated Right-of-Ways or Elevated Roadway

Travel Time In the Year 2030

AM Peak Travel Planning Time in Hours



With Truck Lanes



Cash Value of Time Savings with Truck Lanes

AM Peak Travel @\$73 per hour



Proposed High-Speed System

New Technology

Initial Operating Segment
81 miles
6 stations
\$11 billion capital cost
\$110 million annual O&M

Freight System
90 miles
6 stations
\$19 billion capital cost
\$296 million annual O&M
4 to 13 million TEUs

**Proposed High-Speed
Regional Transport System**

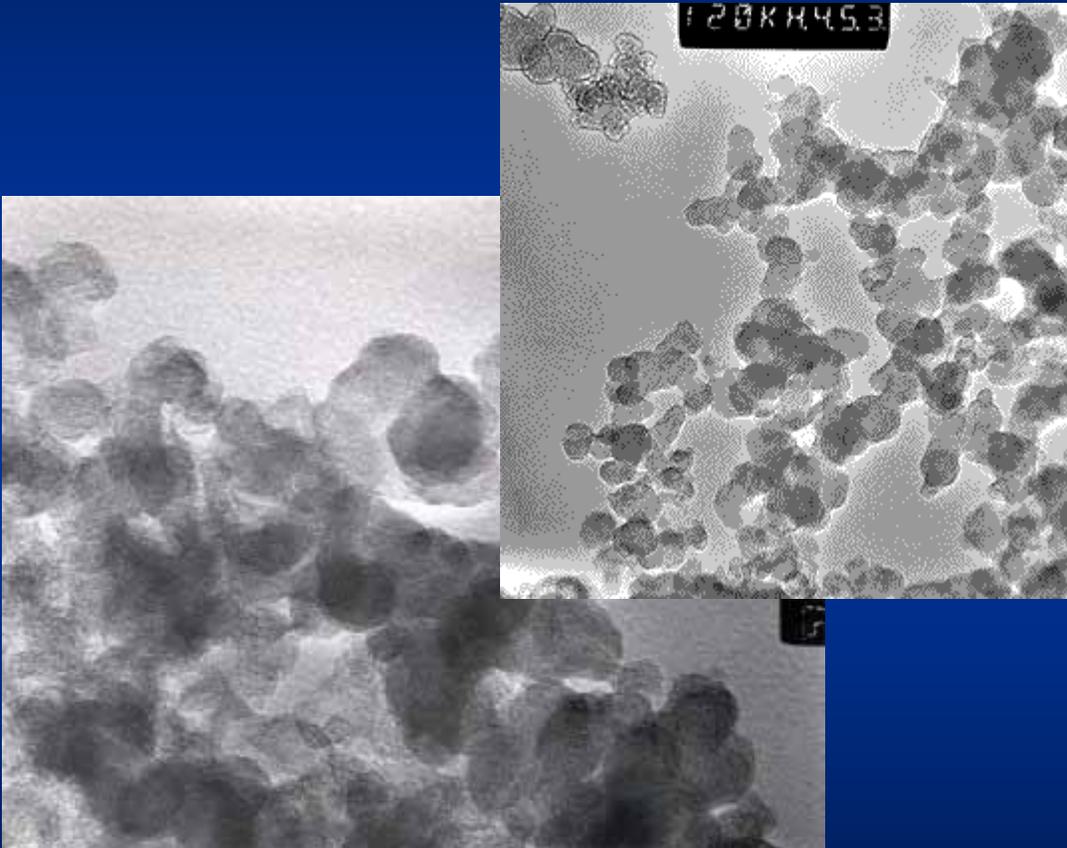


The Pollutants it Creates are Putting Our Health in Jeopardy



- Progress has stalled and diesel emissions from ships, locomotives and port complex are projected to increase
- The mega-region continues to have the worst air quality in the U.S.

Diesel Particulates Are at the Root of the Problem



They comprise **71%** of the major pollutants contributing to cancer risk in the South Coast Air Basin

Source: SCAQMD, Multiple Air Toxics Exposure Study II, March 2000

Not Nearly Enough Federal and State Funds to Fix the Problems



- Dramatic growth in traffic is running head-long into limited transportation funding and high infrastructure improvement costs.

The Public/Private Solution

Tax-Exempt
Bonds and
Tax Credit
Financing
to
BUILD
the facilities

Container
Fees & Tolls
to
USE
the facilities
AFTER
they are built

What Do We Need?

Private Sector Leadership

Political Leadership

Federal Involvement and Support

- 1. Promote pollution reductions from locomotives, ocean going vessels and other goods movement sources**
- 2. Tax Credits and Federal assistance for Public/Private Partnerships**



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Thank You

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