

**CA Supply Chain  
Success Initiative  
And What It Means  
for the South Bay**

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**California  
Supply Chain  
SUCCESS  
Initiative**

#systemofsystems





**PORT OF OAKLAND**

CALIFORNIA STATE UNIVERSITY  
**LONG BEACH**



**CITT**  
CENTER FOR INTERNATIONAL  
TRADE AND TRANSPORTATION  
**CSULB**



Port of  
**LONG BEACH**  
THE PORT OF CHOICE



**California  
Supply Chain  
SUCCESS  
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# Initiative Purpose

- Move beyond ID of problems and issues
- Engage in solutions-based dialogues across wide spectrum of stakeholders
- Build consensus on short and long-term solutions
- Establish bridge to other efforts



# Key Questions

- What can we do better that adds value to the supply chain?
- What does supply chain success look like for you or your organization?
- What obstacles are preventing you from getting there?
- What are the risks of doing nothing?
- What is the appropriate role for government?



# Initiative Components

- Social Media Campaign
- Discussion Guide
  - [Center for International Trade & Transportation | CSULB](#)
- Virtual Workshop
- Summit
- Ag Technical Working Group
- Summary report and findings



# Workshop Approach

- Topic Questions
  - What can be done to make intermodal systems more efficient?
  - How can we improve SC visibility?
  - What strategies allow the SC to respond to rapidly changing demand?
  - What can govt. partners at all levels do to facilitate the efficient and sustainable flow of goods?



# Workshop Findings

## Systems Approach to Solutions

- “an orchestra without a conductor”
- Necessary integration of multiple systems and different stages of the supply chain; ex: carriers and ports often lack communication
- Planning for contingencies (data needs)
- Supply chain is a dynamic system that will continuously change. Stakeholders have to sit down and analyze the changes and how to integrate them
- All agencies have to coordinate and work together



# Workshop Findings

## Digitalization

- Data Sharing, including:
  - Capabilities to inform shipment routes prior to shipping, real time decision-making capabilities/updating, natural disaster/congestion warnings (goal is to eliminate blind hand-offs),
- Data Standardization
  - Common database needed, considering how different stages of the SC have vastly different models/data capabilities (measurements of fluidity?)
  - Lack of central, high-level overview of available information: ex: no single website to aggregate data, and often outdated data infrastructure; because most data is also unsorted/uncategorized, development of a comprehensive system is necessary
- Data, Equipment, and Tech Capabilities, including
  - Modernizing systems, end to end use, standardizing cargo equipment; expand training/learning for technology, expanding 5G networks, consumer demand forecasting, warnings systems (natural disasters)



# Workshop Findings

## Workforce Development

- Existing need for truckers, warehouse workers and port labor due to surges in demand
- Educational institutions, particularly community colleges that are short of funding, have a large role to play in development
- Worker safety
- Role for government in supporting worker training?
- Need for investment in workforce to publicize job opportunities in supply chain; massive marketing should be done, because jobs in supply chain are invisible to the general public



# Workshop Findings

## Industry-Government Coordination

- Need for comprehensive government ‘means of coordination’ and set of policies to fully unify the system as a whole;
- Government has a particularly large role to play in funding, but it is necessary to clearly delineate specific areas (such as infrastructure repair, on-dock rail) where government should be involved
- Identify policies that don’t fit the current needs of industry (ex: existing infrastructure must precede mandates); greater level of communication and need to eliminate conflicting regulations
- Creation of incentives for data-sharing, ‘evening the playing field’ (with regard to regulation, taxes)
- Developing the workforce (such as apprenticeship programs + findings, promotion of technology, publicity, unifying data exchanges amongst stakeholders/creating common databases)
- The Federal gov. is best equipped for building macro level cohesion and addressing supply chain fragmentation.
- What is the government's role in addressing equipment shortage?  
(ex. chassis, containers, rail flatbed cars, etc.)



# Summit Focus: The 24/7 Supply Chain

- Where do we already have 24-hour operations and what's making them possible?
- Where are there opportunities working collaboratively to get us short term relief?
- Where are the opportunities to work collaboratively to make system wide changes that get us closer to a 24-hour supply chain?
- What role could the state play in facilitating these solutions?
- What else needs to happen to make the Ports' expanded hours program work?



# Summit Outcomes

- **Capacity and Utilization.** Participants identified expanded capacity and utilization as a pre-requisite to increasing working hours, as chassis, equipment, and labor shortages, as well as limited warehouses, create immense challenges regardless of the number of hours being worked. Full efficiency also necessitates optimizing the use of existing equipment, such as cranes, which may have been underutilized during the pandemic. Post-summit, several participants began plans to coordinate crane availability to be used for training purposes when not in use for cargo handling.
- **Hours of Operation.** The summit revealed a consensus that increasing efficiency would benefit from a focus on reaching 16-5 (rather than 24-7) operations for certain sectors of the supply chain, including trucking, port operations, and warehousing. Other proposed solutions included shifting, rather than extending, hours earlier in the morning, later in the evening, or at night to avoid traffic congestion and speed up transport. Groups also recognized the need to synchronize hours of operations (e.g., unifying open gate and trucking hours). After the SUCCESS Initiative, the Port of Long Beach announced its pilot plan with Total Terminals International (TTI) to extend gate hours.



# Summit Outcomes

- **Buffer Zones.** Addressing capacity shortages may require expanding storage and buffer locations (e.g., a staging/logistics area) to reduce backlogs at the ports, warehouses, and other cargo-handling centers. These would be pursued with the general goal of reducing dwell times and preventing cargo from piling up in one location and thus causing delays.
- **Data Sharing, Access, and Modernization.** In order to enable real-time situational updates to increase communication between carriers and truckers, optimize shipment routes, and eliminate blind hand-offs, data must be made significantly more accessible and modernized.



# Summit Outcomes

- **Freight Policy Coordination.** To respond to high levels of fragmentation across the supply chain, an independent, appointed policy director for the State could help manage policy issues, and facilitate communication between and among agencies and with freight operators. As an interim step, an advisory body that communicates industry needs to the highest levels of state government on a recurring basis is advisable. Having substantial financial backing to execute coordinated efforts must also be a priority.



# Summit Outcomes

- **Several other potential solutions emerged**, including making trucking and warehouse jobs more attractive (such as by raising wages and eliminating training bottlenecks) to address labor shortages; advocating for 24/7 rail (rather than port/warehouse) operations; addressing the supply chain's market failures and tendency to reward inefficiency (e.g., higher profit for sending containers back empty); fixing the trucking appointment system; doubling/tripling cargo loads for drivers and increasing weight limits; increasing chassis and equipment manufacturing, as well as warehouse storage space; and eliminating 'free shipping culture' when shipping is not free.



# ATWG Focus

- Asset Management
  - What are the opportunities for off-port storage of containers?
  - How can we facilitate access to containers in the short term?
  - What are the opportunities for multimodal solutions , including pop up locations, to manage both containers and chassis?
- Port and Inland Operations
  - What opportunities exist for additional or modified hours of operations at ports (including for inspections) that contribute to supply chain fluidity?
  - Are there strategies that incentivize use of the Port of Oakland?
  - What changes at inland distribution are needed?
- Short Term Steps toward Longer term Solutions
  - What has been the experience with relaxed weight limitations. Is this a longer- term solution as well?
  - What can we do to support workforce shortages or misallocations, particularly in trucking?



# ATWG Recommendations

1. Restoration of vessel calls to the Port of Oakland and better information on delays
2. Increasing Overweight Corridors
3. Container Storage Facilities or Depots
4. Port provision of two sets of containers: one for food, and one for everything else; and an off-dock location for the fumigation of containers.



When are we out of this and what does it mean for the South Bay?

1. Role of regional freight planning
2. Contributions to data integration
3. Land use issues and Last mile Battle for the Curb



Questions?

