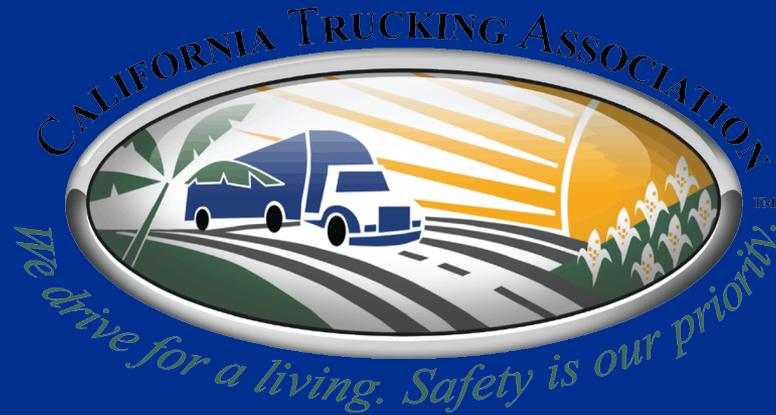


**City of Long Beach
Tidelands and Harbor Committee Hearing
Alex Cherin**

May 24, 2018



Current State of Intermodal Drayage Challenges and Opportunities

- Legacy of 2008 CTP / CAAP
- Operational Constraints
- Regulatory Pressures
- Downward Pricing Pressures Throughout Supply Chain
- Snapshot of Current Misclassification Issues



Legacy of 2008 CTP/CAAP

- Immediate Contraction in Drayage Market / Increase in Barrier to Entry
- 30%-40% of Capacity was Removed Resulting in Additional Pressures on System
- More Emphasis on Productivity / Need for Better “Turn Times” at Terminal Gates



Current Operational Constraints

- Metric for Productivity in Drayage is “Turn Time” and Turn Times Impacted by:
 - Pier Pass
 - Equipment Constraints
 - Terminal Practices



Regulatory Pressures

- Environmental Regulation:
 - Drive Toward “Zero Emissions” Embraced but Adds Financial Pressure;
- Other Regulation:
 - Berman Hearing / Misclassification Claims



Downward Pricing Pressure Throughout Supply Chain

- BCOs Continue to Demand Service for Increased Volume Coming Through POLA/POLB Despite Capacity Constraints
- Margins Remain Same
- Driver Shortage



CTA and Misclassification

- Current Litigation with State DOL Over Berman Hearing Process
- Driver Pay Study with IEEP / Dr. John Husing
- SB 1402 (LARA) Discussions



Questions

