

Collaboration to increase port efficiency: The Supply Chain Optimization Group

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TRB Workshop

Research Success: How to Create a Freight
Research Community that Learns from
Failure

Introduction

- Where?
- Why?
- Who?
- What?
- What happened?

San Pedro Bay Port Complex

Where



Why: Fall 2014 the “perfect storm”

- Increased trade
- Impacts of carrier alliances
- Big ships
- Drayage truck and labor shortage
- Longshore labor contract disputes
 - Alleged slow downs and short crews

Why: Congestion at the ports

- Extreme congestion on docks
 - Throughput slows
 - Vessels delayed in harbor; some diverted to other ports
 - Stock shortages
- A wake-up call
 - Business as usual would lead to more losses
 - Each port could not be as successful acting alone
 - Ports are not operators; hence operational changes require actions of others
- Outcome: Supply Chain Optimization Group

Who

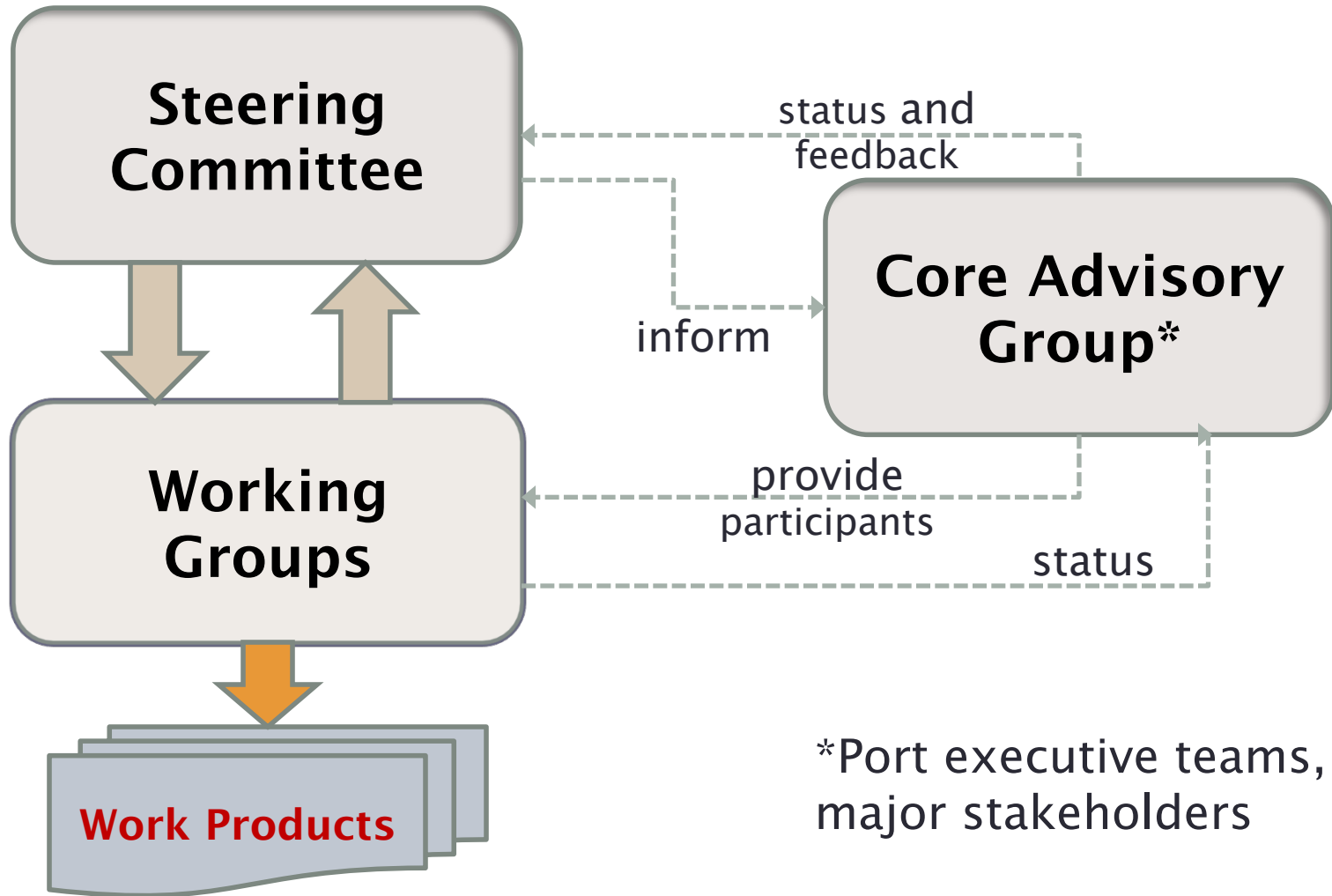
- Initiated by port CEOs
- Gathering of stakeholders (informally before formally)
- Governance agreement
- Committees, task forces, working groups

Goal

*“...Maximize the **velocity** and **reliability** of goods movement through the Ports...”*



What: SCOG organization



*Port executive teams, major stakeholders

What happened

- Peak season 2015 changes
 - Common chassis pool (“pool of pools”)
 - Free flow (“peel off”) container area off dock on underutilized property
 - Better alignment of longshore labor assignments and demand
- Other
 - Prioritization of issues to be addressed
 - Negotiations with ocean carriers re stowage data

After the crisis, not much action

- The “easy” changes were made; further action more difficult
- Many contentious issues
 - PierPass
 - Appointment system
 - Truck turn times
 - Data sharing
 - KPIs (key performance indicators)

Indicators of demise

- Less participation, leadership from port CEOs
- Less frequent meetings
- More devolution to subcommittees
- No decisions on key issues
- PierPass announces its own appointment system

SCOG has quietly faded away

- Once the crisis was over, insufficient motivation among stakeholders to proceed
- Ports revert to competing with one another
 - LA goes own way with port information portal
- Contentious problems hard to resolve through broad-based consensus process

THANK YOU



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