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Wells Fargo/Gallup Report: **Highest Optimism Among Small Businesses Since 2007**

By SAMANTHA MEHLINGER Assistant Editor

his National Small Business Week (April 30 through May 6), small business owners in the United States have a lot to be optimistic about. The latest Wells Fargo/Gallup Small Business Index report found that optimism among small business owners was at its highest point since the start of the Great Recession.

In February, the overall index score - formulated by scoring the results of a 12-question survey – was at 100. In 2016, the first three quarterly

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Ben Alvarado, president of Wells Fargo's Southern California region, joins California State University, Long Beach President Jane Close Conoley at his alma mater. Wells Fargo sponsors the university's athletics department and provides financial literacy resources to students through its on campus branch. (Business Journal photograph by Evan Patrick Kelly)

Local, Regional, National Economies Are Stronger Than People Think, Economists Say

By Brandon Richardson Senior Writer

espite pessimistic narratives regarding the economy coming out of Washington, D.C., over the last year, economists at the Cal State Long Beach (CSULB) Regional Economic Forum on April 14 said local, regional and national economies are not as disastrous as many Americans think.

"This entire rhetoric about the U.S. economy can be summed up in one word: miserabilism.

Miserabilism is the philosophy

of pessimism or trying really hard to make people think things are erabilist in Chief, it really was about painting what I would call the most miserable picture of the U.S. economy."

In general, Thornberg noted that the economy is as difficult to forecast as politics and that his predictions last year were based on a Hillary Clinton victory in the

presidential election. He said he woke up on November 9 and realized his entire economic forecast had changed: however, after more than 100 days of a Trump presidency, he is still uncertain of how it has changed.

Trump won the election because of an electorate that is angry over economic problems that do not exist, according to Thornberg. He said economic growth remains around 2% to 2.5%, similar to the last few years, but that people are worried because in the past, average growth

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San Pedro **Bay Ports Poised For** Growth

By Samantha Mehlinger Assistant Editor

etween major shifts occurring in the shipping industry and President Trump's vacillating rhetoric on trade, the outlook for international trade might seem foggy to the casual observer. But maritime and trade experts interviewed by the Business Journal have a solidly stable outlook for 2017, one that forecasts cargo growth at both San Pedro Bay ports.

The U.S. Consumer Confidence Index hit its highest level since 2000 in March. Higher consumer confidence typically means more expected

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The Trump Presidency

Business Owners 'Feel They Have An Ally'

By Brandon Richardson Senior Writer

fter a big burst of optimism from small business owners following the election of President Donald Trump, many are predicting confidence to falter slightly, including Mark Vitner, senior economist for Wells Fargo.

"I think we'll see the optimism numbers come back down a little bit in the wake of the health care law not getting done," Vitner said.

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worse than they actually are," Christopher Thornberg, founder of Beacon Economics LLC, said during the event. "Really, when it comes to the election of Donald Trump, who I might call our Mis-

ENNIAL PULSE

By Assistant Editor Samantha Mehlinger

he Political Slacktivists Learn Their Lesson?

As I sat on my couch changing my social media banners to proclaim solidarity with Sexual Assault Awareness Month, I could not help but ponder a word that has been inspired by my generation's penchant for taking to social media to demand change: slacktivism.

It's a pretty self-explanatory word. I'm sure Oxford will sneak it into its dictionary any day now, if it hasn't already. I would put the definition of a slacktivist as: "One who takes to social media to proclaim solidarity (Please Continue To Page 5)

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Dr. Reagan Romali has been selected to serve as president/superintendent of the Long Beach Community College District, effective May 15. The decision was made by the district's



five-member board of trustees. Romali comes to Long Beach from Harry S. Truman College in Chicago, where she has served as president since 2011. She is very familiar with Southern California, having served as a vice president at both Moreno Valley College and Los Angeles City College. Romali earned her doctorate in education from Walden University, an M.B.A. from the University of San Diego, and her bachelor's in English from Rutgers University. . . . Norihito "Jack" Tanahashi has been named senior vice president of original equipment supplier sales for DENSO Products and Services Americas, Inc., in Long Beach. The firm is an affiliate of global automotive supplier DENSO Corp., based in Japan. Tanahashi joined DENSO in 1988 and has served in a variety of key positions with the company across the globe. . . . the five airports in L.A. County. . . Derek Jones is the new president of



Smart & Final's Cash & Carry Smart Foodservice division. He previously worked for SpartanNash in Michigan. While Cash & Carry is primarily in North-

ern California, the Long Beach area has several Smart & Final stores. . . . Curt Castagna, president and CEO of Aeroplex/Aerolease Group, an aviation property management

and consulting company, has been appointed to the Los Angeles County Airport Commission. The 10-member commission advises the county board of supervisors



Castagna on the operation and development of the five

is the fleet manager at Caruso Ford in Long Beach, has been named to the board of advocates for the Boys and Girls Club of Long Beach. Ford Motor Company is partnering with Caruso Ford to implement the Jr. Youth of the Program with a \$10,000 grant. . . . The Community Hospital Long Beach Foundation added four new members to its board of directors. They are: Nancy L. Eilers, a longtime volunteer at the hospital; David J. Fernandez, an architect with APTUS Architects; William W. "Bill" Lorbeer, vice president and secretary of Lorbeer Equity Management; and Calvin Warren, administrator at Regency Oaks Post-Acute Care Center. . . . During the 50th Anniversary award gala for the Long Beach Section of the National Council of Negro Women held earlier this month, Dr. Felton Williams was recognized for his contributions to the Long Beach Community, as were the following charter members of the organization: Margaret Brown, Eleanor Butler, Dale Clinton, Clifford Cobb, Dr. Ruth Hayes, Gloria Hughes, Patricia Lofland, Charlene Smith, Marie Treadwell and Mildred Whisenton. . . . Long Beach resident Perla Hernandez Lastra, senior project manager with S.L. Leonard & Associates, a real estate development and project management firm, recently served as "Principal for A Day" at Wilson High School. Lastra is a mentor for the school's Advancement Via Individual Determination (AVID) program. . . . The Long Beach Police Department recently announced the promotion of the following personnel: Paula Gallegos to personnel administrator; Darren Lance and Ty Burford to lieutenant; Adam Sturgeon to sergeant; and Manuel Flores and Andrew Gonzalez to special services officer IIWI. . . . Andy Fee has been named athletic director (AD) for California State University, Long Beach. For the past seven years, Fee has served as intercollegiate athletics director deputy AD/chief development officer the University of California, Santa Barbara.

airports in L.A. County. . . . Alan Rich, who

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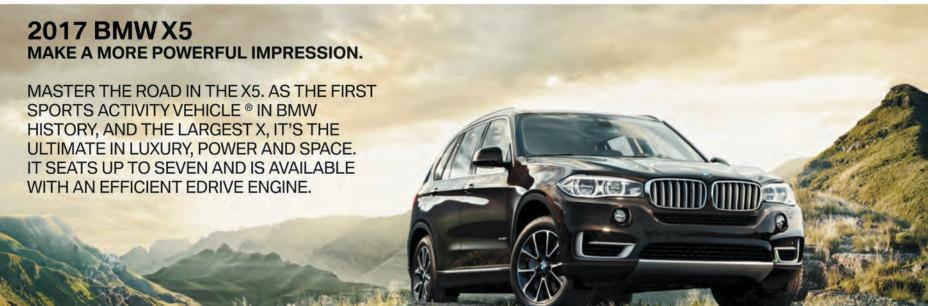
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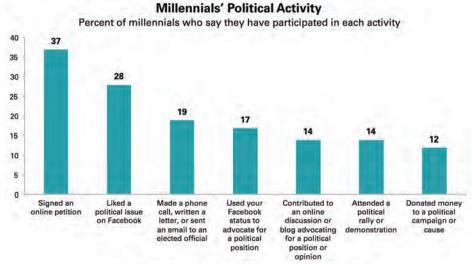


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Millennial Pulse



(Continued From Page 1)

with or disdain for a cause but who takes little to no action in real life to effect the desired change." Or less eloquently: "Someone who does not pass the age-old 'if it walks like a duck and quacks like a duck' test."

More than once, I have unfollowed and unfriended people who flooded my Facebook feed with hashtagged-to-death posts about whatever latest social justice outrage was currently in the spotlight. I often agreed with their stances, but their hourly cries of outrage eventually blurred together, their frequency drowning out any meaning. And frankly, that kind of behavior with little evidence of real-life followthrough begins to reek of attention seeking after a while.

In general, I don't believe that Millennials are slacktivists. Our participation in advancing the Women's March, the Black Lives Matter movement, the push for marriage equality and other recent social rights movements have proven that.

But when it comes to politics, we have a problem.

When I think of the political activism of prior generations, I picture envelopes. Campaign donations dropped without fanfare into the neighborhood mailbox. Political mailers stuffed by parents and their unwitting children around dinner tables after school. Letters to congressmembers written by hand.

This is not to imply that what I view as the Millennial political slacktivism problem has anything to do with our unfamiliarity with snail mail. But it does, perhaps, have to do with our preferred alternative: social media.

A March 2015 study put out by PRRI (Public Religion Research Institute), a nonprofit, nonpartisan research institution, may have foreshadowed what was to come in 2016.

PRRI surveyed Millennials about what types of political action they had engaged in, and the largest grouping, 37%, responded that they had signed an online petition. The second largest grouping, 28%, had demonstrated their political leanings by liking an issue on Facebook.

Smaller percentages took actual action. Of those surveyed, 14% attended a political rally or demonstration, and 12% donated money to political cause or campaign.

In May 2016, Pew Research published an article on its website titled, "Millennials match Baby Boomers as largest generation in U.S. electorate, but will they vote?"

Only half of the Millennial electorate turned out to vote, as I noted in my last

column. I guess when you compare that with the fact that only roughly 20% of the Long Beach electorate voted in the last municipal election, you know, half doesn't seem so bad.

. . . But it is. Millennials are the largest age cohort in America. As such, our voices should be heard. But they can't be heard unless we use them.

President Trump lost the Millennial vote by a wide margin - only 37% of Millennials who voted cast ballots for Trump, according to the Brookings Institute.

Considering how our generation voted, it doesn't seem too far-fetched to assume that the views of the 50% of us who did vote mirror those of the Millennials who didn't. That's a pretty large sample size,

When I think back on this election, I recall a Facebook feed absolutely inundated with posts glorifying Bernie Sanders. He would fix student debt! He'd level the economic playing field! He would all but solve global warming! He'd fix the prescription drug cost crisis! Oh, and have you seen how big his rallies are?!

A good friend of mine was one of the Berners. He was absolutely enthralled with the prospect of a Bernie presidency. He preached Bernie wherever he went. He even bought a bumper sticker.

But this zillionth-generation American citizen was not registered to vote. And, despite my prodding, he did not register in time for the primaries - or for election night.

Bernie didn't win the Democratic nomination, despite inspiring mass enthusiasm among my age group and drawing massive crowds.

Pew's May 2016 article pessimistically noted, "While the growth in the number of Millennials who are eligible to vote underscores the potential electoral clout of today's young adults, Millennials remain far from the largest generational bloc of actual voters. It is one thing to be eligible to vote and another entirely to cast a ballot."

The article pointed out that the highestever turnout of Millennial voters was in 2008. At the time, only half of the generation turned out to vote.

Clearly, we are not improving with age. Expressing yourself on social media until

your fingers turn numb does not count as activism. The web is nebulous. You may think your voice is being heard, but it is just being drowned out by all the other people who think the same thing.

If you didn't vote, don't complain. Learn your lesson. Use your voice.

Walk like a duck, or find another pond. ■



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Dr. Lee was born and raised in Seattle, WA, and graduated from University of Washington with a Bachelor of Science degree in Biology. She then earned her Doctor of Optometry at Marshall B. Ketchum University in Fullerton. Dr. Lee received further optometric training at New Eyes Las Vegas, University Eye Care of Los Angeles, and the Veterans' Affairs Medical Center in Salt Lake City.

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Real Estate & Development



Above, officials and executives gathered for a "FUNstruction" groundbreaking ceremony for the Long Beach Cruise Terminal expansion by Carnival Cruise Line on April 12. The expansion will increase terminal size from 66,000 square feet to 142,000 square feet, allowing it to accommodate larger vessels. Pictured from left: Steve Goodling, president and CEO of the Long Beach Area Convention & Visitors Bureau: Carlos Torres de Navarra. vice president of commercial port operations for Carnival Cruise Line; Mayor Robert Garcia; and Duane Kenagy, interim chief executive of the Port of Long Beach. At right, during the groundbreaking ceremony, Carnival Cruise Line and the Carnival Foundation made a joint donation of \$25,000 to the Mayor's Fund for Education. Pictured from left: Mayor Garcia; Karissa Selvester, executive director of the Mayor's Fund for Education; and Torres de Navarra. (Photographs by the Business Journal's Larry Duncan)



■ By **Brandon Richardson**Senior Writer

Carnival Cruise Terminal Expansion

On April 12, Carnival Cruise Line marked the beginning of a multimillion-dollar renovation of its Long Beach Cruise Terminal with a "FUNstruction" ground-breaking featuring a ceremonial piece of drywall and sledge hammers.

"What's exciting to me is this idea that Long Beach is essentially the largest cruise terminal in North America and that we're going to grow," Mayor Robert Garcia said. "We're already seeing record numbers of visitors and tourists. We believe this expansion is only going to grow and continue to make that stronger and a larger part of our local economy."

Carnival unveiled designs for the terminal, which will increase space from 66,000 square feet to approximately 142,000 square feet, activating the entire geodesic dome structure, former home to Howard Hughes' Spruce Goose. Garcia noted the dome's prominence as a Long Beach landmark, known by millions worldwide.

Carlos Torres de Navarra, VP of commercial port operations for Carnival Cruise Line, explained that the terminal expansion will increase passenger movement because the terminal will no longer be one-way.

"One of the challenges that we have always had here is it is a one-way terminal, meaning everybody needs to get out of the terminal before letting one guest in to get onto the ship," Torres de Navarra said. "That has limited the size of the ships we have been able to deploy here."

With the expansion, passengers will be able to check in while ships offload passengers, allowing larger ships to be utilized. Carnival currently operates three ships out of Long Beach: Carnival Inspiration and Carnival magination, which each offer three- and four-day Baja cruises, and Carnival Miracle, which operates weeklong Mexican Riv-

Realty Views

Apartment Markets Shifting



By Terry Ross

coastal and urban markets have long been the key drivers of multifamily housing growth in terms of prices and development. Rising rents increase the value of these properties, and both have traditionally

been highest in the areas closest to the ocean and major city centers.

But according to a study by the John Burns Consulting Company of Irvine, this trend is starting to go in another direction. The company recommends that investors look at secondary markets which are now showing more rental growth and opportunity because they have been overlooked over the past few years in terms of building.

In the recently published Burns Apartment Analysis and Forecast, the company

notes that the double-digit building permit increases of 2014-15 have brought a glut of supply to many Class A apartment markets, which are going to take time to fill up. Because of this increase in supply, rental rates are stagnant, while in so-called secondary markets fewer rental choices are driving rates higher and making investments in these markets more attractive.

These secondary markets have been more affordable in the past, but demand outstripping supply has begun to make them less so because of increasing rental rates. The Burns study noted that primary markets – such as Los Angeles, Orange County, San Jose, San Francisco and the East Bay area in California – are now seeing lower rent increase rates than secondary California markets like Riverside and San Bernardino.

In the tech-heavy areas like San Francisco, rents have dropped 2.3% year-over-year, and San Jose rents fell 2.5% in the fourth quarter of last year. REIT operators are now reporting negative lease growth and are giving two-months of rent concessions to get new tenants. The Burns group expects rents to continue to slide over the next few years with a large amount of newer Class A buildings coming on line later this year.

Other national markets are underper-

forming when it comes to rental increases. Rents are down in New York City by almost 1%. Houston saw rents fall by 3.6% over the past year, and occupancy fell by 1.7% in the fourth quarter.

Nationally, the study points to markets like Las Vegas, with 5% rental growth, and Phoenix, where Burns expects a 4% annual growth rate in rents through 2020. The reasons are expanding job growth and the fact that they are early in the apartment building/economic cycles.

In the Southeast, Atlanta is experiencing 4.7% growth in rents that is helped by 2.7% growth in jobs. Occupancy is also up by nearly 1.5% as well. Charlotte and Raleigh in North Carolina are also showing good rent increases at around 3% yearly. Orlando is showing a 4% rise in rents during the fourth quarter, along with a glowing 4% rise in job growth. The prediction for that city is much of the same through 2020.

In California, the secondary market of Riverside/San Bernardino is being called "the strongest of any market in the country" with rents rising by 7% in the fourth quarter of last year. The reason is that it is one of the few markets where the current multifamily construction is below annual historical averages, and the coastal and

city center areas are rapidly becoming unaffordable for many families. The recent expansion of the 91 Freeway is also given as another reason, since it is making commuting less onerous.

Among the other primary markets that have declined, cities such as Austin, Baltimore, Boston, Chicago, Dallas, Miami, Philadelphia, Washington, D.C., and Seattle make up that group, while Denver, Jacksonville, Nashville and Tampa are secondary markets that are now showing greater rental increases.

Another factor is the net in-migration to various markets which creates more demand and rising rental rates. This study also looked at the trends for the shifting population and found that of the 15 markets with net in-migration, 10 of those were secondary markets. This bolsters the findings of the Burns study that when it comes to apartment building and investing, the so-called secondary markets may be the new hot spots in this changing economy.

(Terry Ross, the broker-owner of TR Properties, will answer any questions about today's real estate market. E-mail questions to Realty Views at terryross1@cs.com or call 949/457-4922.) ■

Long Beach Business Journal • April 25-May 8, 2017 • Pa

Real Estate & Development

iera cruises and 14- and 15-day cruises to Hawaii and Alaska.

In 2018, the larger *Carnival Splendor* will replace the Miracle and will result in the cruise line carrying more than 700,000 guests annually from Southern California on nearly 250 three- to 14-day cruises.

Duane Kenagy, interim chief executive for the Port of Long Beach, made special mention of the expansion's addition of shore power, also known as cold-ironing, which allows docked ships to plug into the local electrical grid to reduce exhaust emissions.

"We applaud Carnival for its commitment to air quality and the improvements that you have planned," Kenagy said. "At the Port of Long Beach, our goal is to lead the world in the most productive and sustainable facilities. So the Carnival project is helping Long Beach to thrive and keeping us on track to a bright, green future."

Carnival has run the Long Beach Cruise Terminal since 2003, making it the only privately operated cruise terminal in the United States. Ships dock at the facility five days per week, resulting in a more than 70% utilization rate, making it one of the busiest terminals in North America.

"I think, together with the expansion that Carnival is seeing, together with everything we are doing in our new development and in our master plan – I think it's just a winwin for everybody," Taylor Woods, principal at Urban Commons, leaseholder of the terminal property, said. "It creates a tremendous amount of synergy and allows people to spend more time in Long Beach, which is great for everybody."

In addition to the groundbreaking ceremony, Torres de Navarra announced a donation of \$25,000 to the Mayor's Fund for Education. Carnival Cruise Line and Carnival Foundation made the donation jointly as part of the Carnival Corporation's ongoing support of nonprofit education and charities within the communities it operates.

"For those of you who are unaware, the Mayor's Fund is set up to help education and support our schools in Long Beach — in particular, supporting preschools," Garcia said. "This contribution is going to help so many young minds and young kids and families have access to quality preschool. Thank you, Carnival, for your support."

For more information about Carnival Cruise Line, visit www.carnival.com.

LAB Holding Easement

At its April 18 meeting, the Long Beach City Council voted unanimously to reduce the initial deposit for The LAB Inc. for 18 for-sale properties, as well as various future development and government use properties, from \$500,000 to \$50,000. The down payment reduction is meant to assist The LAB in moving the project along more quickly by preserving the cash assets necessary for investment into the development. Additionally, The LAB will be reimbursed \$350,000 from the North Redevelopment Project share of the original total purchase price of more than \$6.94 million, to be used to contribute to the North Village development concept through tenant improvements and exterior building renovations. The forsale properties are located along Atlantic Avenue between 55th and South streets and (Please Continue To Page 8)

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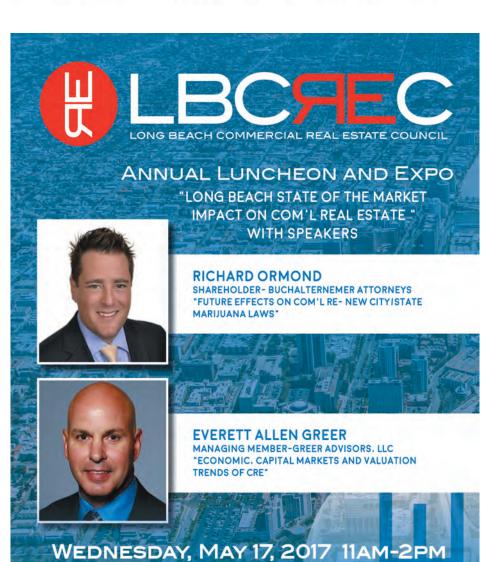
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Real Estate & Development

(Continued From Page 7)

at 620 and 635 South St. The future development properties are identified as North Village Development Blocks C and D, and the government use properties are located at 5834 and 5870 Atlantic Ave. and 5885 and 5895 Lime Ave.

AES Plant Approved

On April 12, the California Energy Commission approved energy company AES's plans to construct the Alamitos Energy Center at the site of its current facility at 690 N. Studebaker Rd. on Long Beach's eastern boundary. If built out to full capacity, the replacement natural gas-fired plant could eventually be capable of generating 1,040 megawatts of electricity. Jennifer Didlo,

president of AES Southland, said the \$1.3 proposal calls for the demolition of the current facility, including the 1950s smokecompletely eliminate the use of ocean water, currently used for cooling purposes. In adfacility would have a storage capacity of up to 300 megawatts. According to regulators, a megawatt is the amount of electricity needed to power 750 to 1,000 homes, de-

billion project would be cleaner, sleeker and have more curb appeal. Once completed, the stacks. The modernized facility will cut potable water usage by more than 60% and dition to upgrading the power-generating facilities, AES plans to build the largest battery energy storage system in the world to reduce the need for peaking stations. The pending on usage. The commission also approved AES's proposal for its Huntington Beach Energy Project. The company estimates the projects to be operational in 2020, at which time demolition of the current Long Beach facility would begin.

Bank Buildings Sold

On April 13, CBRE Group Inc. announced the sale of Bank of America properties in Long Beach and Torrance for \$4.56 million to two separate local private investors. The properties are located at 600 W. Willow St. in Long Beach and 1266 Sartori Ave. in Old Town Torrance. The Long Beach site consists of two parcels totaling 0.82 acres and includes 66 parking spaces. The property sold for \$1.86 million. The Torrance property consists of two parcels totaling 0.61 acres and sold for \$2.7 million. CBRE represented the seller, GPT GIG BOA Portfolio Owner LLC, in both transactions, as well as Friendly Investment LLC, which purchased the Long Beach property. Stream Capital Partners represented the Torrance property buyer, El Faro Partners LLC. Both properties sold for above the asking prices.

City To Assess Real Estate Potential And Development Review Process

A \$241,950 contract for an assessment of Long Beach's development review process and real estate market potential was approved unanimously as one of 11 consent calendar items voted on at the April 18 city council meeting.

In November 2016, the city issued a request for proposals (RFP) for a consultant to assess internal and external factors impacting real estate development in the city and how to capitalize on growth opportunities. According to John Keisler, director of economic and property development, the RFP process was unsuccessful. The city received only two proposals - one was withdrawn and the other was deemed inadequate.

After the unsuccessful RFP process, the city requested a proposal from Arup North America Ltd., which was awarded the contract. The company "recently provided the Port of Long Beach with public-private development services that integrated financial, commercial real estate, design, engineering, cost consulting and community outreach for redevelopment of the civic center complex." according to the staff report.

BAE Urban Economics, a subcontractor to Arup, focused on private real estate components of the civic center project by "creating financial criteria and minimum deal terms for the private development."

"Because of Arup's and BAE's technical qualifications, local knowledge and intimate familiarity with the city, they are in the unique position to effectively and efficiently execute the scope of work: an assessment of the factors that influence the quality and quantity of real estate development investment with the city, as well as recommendations on how to increase high-rise and high-density development in Downtown Long Beach," the staff report said.

Arup will evaluate city policy and procedure and compare the cost of developing property in Long Beach with surrounding cities, including Los Angeles, Santa Monica, Culver City, San Diego, Huntington Beach, Anaheim, Santa Ana and Irvine.

One public commenter said paying for this service is not a smart business decision on the part of the city council. However, after a clarification, Vice Mayor Rex Richardson said, "It sounds like an executive decision that makes good busi-

The contract is for a one-year period, with a one-year renewal option. ■

Marijuana Dispensaries

The application deadline for people wanting to open a medical marijuana business in Long Beach closed on April 11. Of the 194 applicants, only 32 will be selected to operate within the city, as restricted by November's Measure MM ballot issue. The measure passed with 59% voter approval and reversed the city's ban on medical marijuana businesses. Up to 24 priority applications may be submitted, meaning they operated a legal dispensary in 2012 prior to the ban. These priority applicants have until July 24 to submit applications. As of April 21, 15 of the 24 priority applicants had submitted requests, according to city staff. Priority applicants are granted the "right of first refusal." Priority or not, all applicants must own or have a current lease on a property to submit an application. A property owner authorization is also acceptable and must be submitted with the application. According to city staff, officials cannot limit the number of medical marijuana businesses allowed in each district. Aside from guidelines regarding distances from schools and other facilities, the business applicants have complete control over where medical marijuana businesses are located.











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California Chamber Releases 2017 Job 'Killer List'

Long Beach Area Business Owners Need To Pay Attention

■ By George Economides Publisher

The California Chamber of Commerce last week released its annual list of what it refers to as "job killer" bills being pushed by Sacramento lawmakers. The pro-business group identified 20 proposed measures it says would have a negative impact on California's job climate and economic recovery if they were to become law.

All 20 bills are proposed by Democrats in the state assembly or senate. Nine of the 20 bills are tax increase proposals, including one by State Sen. Ricardo Lara, who represents Long Beach and Signal Hill, that impacts the inheritance of a family business. Lara also is pushing a bill to create a single-payer, governmentrun health care system in the state, but has not identified a funding source, according to the chamber.

While these proposed bills would hurt the business community, two are especially important to watch as they would lower the threshold to 55% for voters to approve parcel taxes.

If you wish to track the current status of specific job killer bills that would impact your business or industry, visit www.cajobkillers.com or by following

"Economic growth and job creation are the keys to making California a great place to live, work and do business," said Allan Zaremberg, president and CEO of the California Chamber, in a press statement. "The 23 bills on this year's job killer list are a threat to our state's future prosperity and our quality of life. The goal of the job killer list is to remind California policymakers to keep their focus on the paramount issue affecting their constituents – job creation and prosperity for all."

The 2017 list of job killer bills are:

Affordable Housing Barriers

• SB 224 (Jackson; D-Santa Barbara) Barrier to Housing and Economic Development - Creates a significant hurdle to brownfield and urban redevelopment, infill housing, and economic development by requiring all projects to mitigate not only the impacts of the project itself, but also the impacts of other historical activities for which the applicant has no legal liability and over which it had no control.

Arbitration Discrimination

- · SB 33 (Dodd; D-Napa) Discrimination Against Arbitration Agreements -Unfairly discriminates against arbitration agreements contained in consumer contracts for goods or services with a financial institution, as broadly defined, which is likely preempted by the Federal Arbitration Act and will lead to confusion and unnecessary litigation.
- SB 538 (Monning; D-Carmel) Arbitration Discrimination - Unfairly discriminates against arbitration agreements by prohibiting arbitration between a hospital and a health care plan or contracting agent, leading to confusion and litigation

over preemption by the Federal Arbitration Act. Senate Health Committee hearing April 26.

Economic Development Barriers

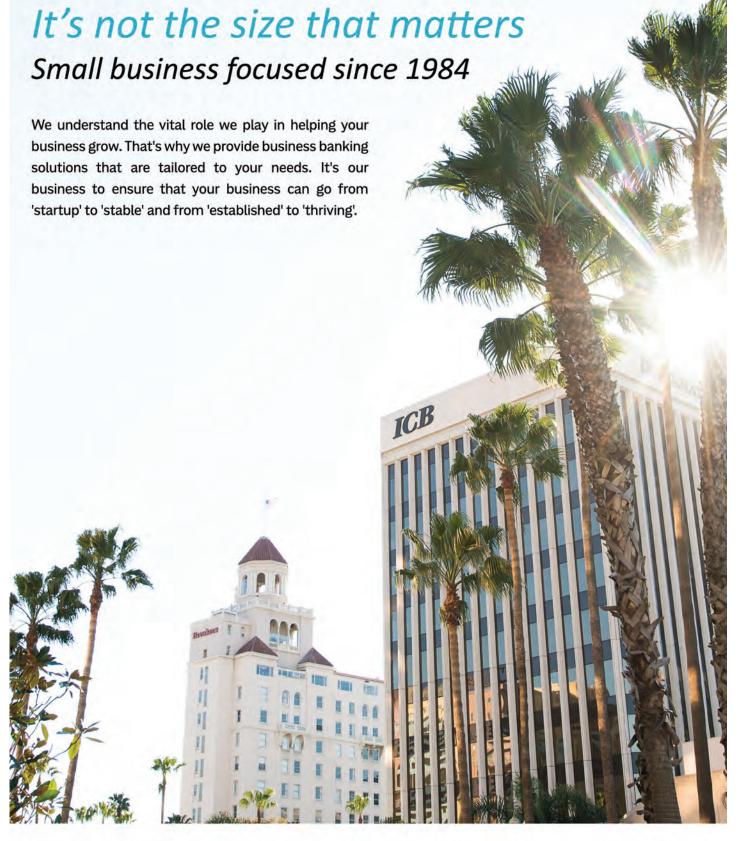
- AB 421 (Santiago; D-Los Angeles) Extends Superfund Liability to Emissions into the Air - Imposes statutory liability on businesses and individuals for clean-up recovery costs associated with deposits or redeposits of certain substances that were emitted into the air under a statutory scheme that places the burden of proof on the defendant.
- AB 1645 (Muratsuchi; D-Torrance) Gas Price Increase – Jeopardizes the production of California-based fuel by ban-

ning the use of hydrogen fluoride and hydrofluoric acid at refineries that use more than 250 gallons and are located within two miles of a residence, notwithstanding the fact that there are significant safety regulations in place at the local, state and federal levels. Assembly Environmental Safety and Toxic Materials Committee hearing April 25.

Increased Labor Costs

• AB 5 (Gonzalez Fletcher; D-San Diego and Kalra; D-San Jose) Unfair Scheduling Mandate - Burdens small and large employers with a scheduling mandate that requires employers to offer additional hours of work to employees before hiring a new employee or contractor and exposes employers to multiple threats of costly litigation for technical violations that do not cause an employee any harm.

- SB 562 (Lara; D-Bell Gardens) Government-Run Health Care - Creates a new single-payer government-run, multibillion-dollar health care system financed by an unspecified and undeveloped "revenue plan" which will penalize responsible employers and individuals and result in significant new taxes on all Californians and California businesses. Senate Health Committee hearing April 26.
- AB 1209 (Gonzalez Fletcher; D-San Diego) Public Shaming of California Employers - Imposes a mandate on California employers to collect data on the mean (Please Continue To Page 10)



2017 'Job Killer' Bills Identified By CalChamber

(Continued From Page 9)

and median salaries paid to men and women under the same job title or description without also considering any bona fide reason for differences in compensation, to publicly shame California employers and expose them to costly litigation for alleged wage disparity where no violation of the equal pay law exists.

• SB 63 (Jackson; D-Santa Barbara) Imposes New Maternity and Paternity Leave Mandate – Unduly burdens and increases costs of small employers with as few as 20 employees by requiring 12 weeks of protected employee leave for child bonding and exposes them to the threat of costly litigation.

Increased Unnecessary Litigation Costs

• SB 49 (de León; D-Los Angeles) Creates Uncertainty and Increases Potential Litigation Regarding Environmental Standards — Creates uncertainty for businesses with respect to the federal environmental standards proposed to be incorporated into California law if backsliding occurs at the federal level in the future, and increases the potential for costly litigation by creating private rights of action under California law when certain events occur. Senate Judiciary Committee hearing April 25.

• SB 300 (Monning; D-Carmel) Lawsuit Exposure – Increases frivolous liability claims and exposes beverage manufacturers and food retailers to fines and penalties by mandating state-only labeling requirements for sugar-sweetened drinks.

Tax Increases

• AB 43 (Thurmond; D-Richmond) Targeted Tax on Contractors — Unfairly targets one category of taxpayers to fund a benefit for all of the state by imposing a tax on contractors for the privilege of doing business with the California Department of Corrections and Rehabilitation, and requires the contractor to absorb the cost while maintaining a price of lowest responsible bidder. Assembly Revenue and Taxation Committee hearing April 24.

• AB 479 (Gonzalez Fletcher: D-San Diego and C. Garcia; D-Bell Gardens) Targeted Tax on Alcohol – Unfairly imposes an additional targeted excise tax on

manufacturers, importers and wholesalers of distilled spirits and a floor tax, that will increase their costs and force them to reduce in other areas, including labor.

• AB 1003 (Bloom; D-Santa Monica) Targeted Tax on Sweetened Beverages – Unfairly imposes a targeted excise tax on distributors of sweetened beverages to fund health related programs for all, which will force distributors to reduce costs through higher prices to consumers or limiting their workforce.

• AB 1356 (Eggman; D-Stockton) Targeted Tax on High Earners – Unfairly increases the personal income tax rate to 14.3%, the highest in the country, on one category of taxpayers (including sole proprietors), who already pay over half of the income tax revenue to the general fund, forcing them to mitigate costs through means including reducing workforce, in order to fund higher education that will benefit all of California. Assembly Higher Education Committee hearing April 25.

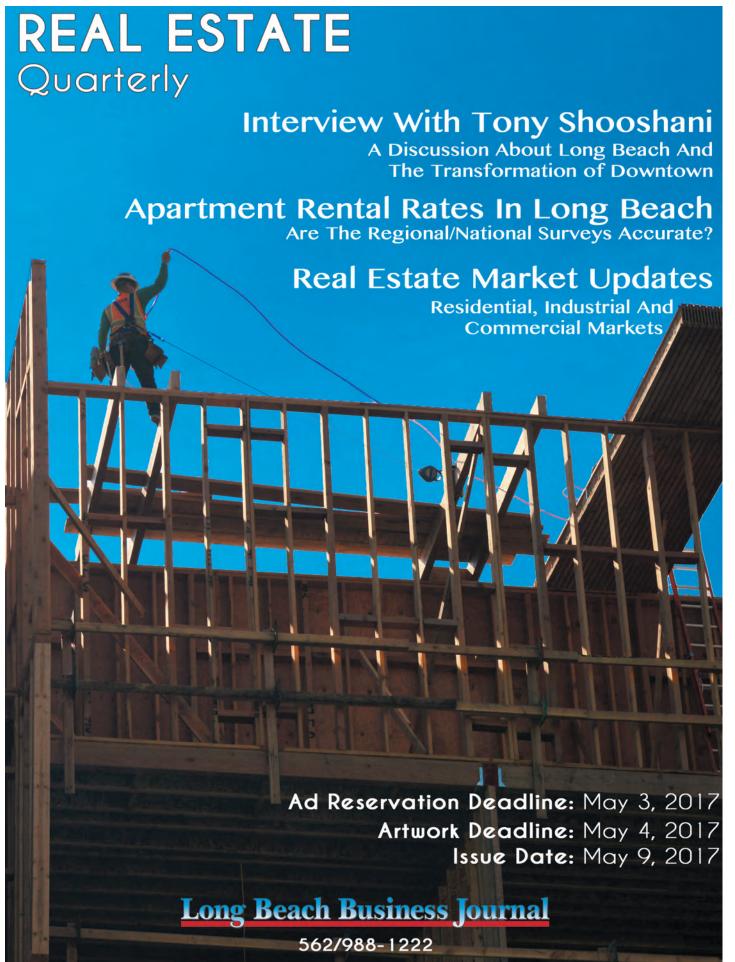
• AB 1512 (McCarty; D-Sacramento) Targeted Tax on Opioids – Unfairly imposes an excise tax on opioid distributors in California, which will increase their costs and force them to adopt measures that include reducing workforce and increasing drug prices for ill patients who need these medications the most, in order to fund drug prevention and rehabilitation programs that will benefit all of California.

• ACA 4 (Aguiar-Curry; D-Winters) Lowers Vote Requirement for New Tax Increases – Adds complexity and uncertainty to the current tax structure and pressure to increase taxes on real property by giving local governments new authority to enact special taxes, including parcel taxes, to fund construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing, or the acquisition or lease of real property for public infrastructure or affordable housing, and lowering the vote threshold to impose such new taxes from two-thirds to 55%.

• ACA 11 (Caballero; D-Salinas) Targeted Retail Industry Tax Increase – Exposes the retail industry to increased taxes by imposing a quarter-cent sales tax increase to fund affordable housing and homeless shelters, without creating greatly needed market rate housing.

• SB 567 (Lara; D-Bell Gardens) Multiple Tax Increases on California Employers – Proposes multiple tax increases on California employers, including eliminating the water's edge election and requiring payment of capital gains on the inheritance of a family business, when California already has the highest personal income tax and sales tax rates in the country, as well as one of the highest corporate tax rates, which will discourage job growth in California.

• SCA 6 (Wiener; D-San Francisco) Lowers Vote Requirement for Tax Increases – Adds complexity and uncertainty to the current tax structure and pressure to increase taxes on commercial, industrial and residential property owners by giving local governments new authority to enact special taxes, including parcel taxes, by lowering the vote threshold from two-thirds to 55%. ■



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<u>Newswatch</u>

City Hires KPMG To Evaluate Future Operator Of The Grand Prix Race

■ By Brandon Richardson Senior Writer

At its April 18 meeting, the Long Beach City Council voted unanimously to approve a \$150,000 agreement with KPMG Corporate Finance LLC to assist the city in the evaluation and selection process for the operator of the Grand Prix of Long Beach.

On November 18, 2016, the Grand Prix request for proposals closed with two responses. One response was from the Grand Prix Association of Long Beach, currently affiliated with IndyCar racing, while World Automobile Championship of California LLC proposed a Formula One affiliation.

John Keisler, director of economic and property development for the City of Long Beach, said, "Essentially, [KPMG] will conduct outreach of places that both have Formula One and the IndyCar race operators and work with those organizations to both review technically what was accomplished there and ultimately what the financial impacts and results were of those events."

KPMG's scope of work will include

"review of technical qualifications, references, referenced engagements; assessment of technical proposal for reasonableness and achievability; comment and review on proposal economic data and sensitivity analyses; assessment of financial capability of proposed teams; review of financial plan and financial data in proposals provided; assessment of commercial viability; and review of risks allocated between parties," according to the staff report.

Second District Councilmember Jeannine Pearce said, "I think that making sure we are activating that space in downtown is so important, and the fact that we are taking the time out to really look at the best financial impact for the city is a great opportunity."

Concerns were voiced regarding the time frame of the analysis, with 7th District Councilmember Roberto Uranga noting the recently approved four-year contract with the current operator. Additionally, one public commenter said that bringing the findings back to council so close to 2018 race time leaves too much uncertainty for operators and sponsors.

Fourth District Councilmember Daryl Supernaw asked that the process not be dragged out over a long period of time, which could destroy the energy of the

"Clarity for our current partner and other possible folks that are interested, I think, is really important," Mayor Robert Garcia said. "I know that I – and others – will be ensuring that we stay on track and get this done as soon as possible." ■



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Newswatch



California State University, Long Beach's Office of Economic Research hosted its annual Regional Economic Forum in the Seaside Ballroom at the Long Beach Convention & Entertainment Center on April 14. Speakers included Christopher Thornberg, founder of Beacon Economics LLC; Jennifer Didlo, president for AES Southland; Cliff Ratkovich, president of Ratkovich Properties; and Wade Martin, director of CSULB's Office of Economic Research. (Photograph by the Business Journal's Larry Duncan)

Economic Forum

(Continued From Page 1)

was around 3.5%. Thornberg explained this is not due to any political policy but rather residual effects of the recession, as well as a slowdown in population growth.

Contradicting common economic complaints, Thornberg claimed that labor markets are tight, inflation and interest rates are low, businesses are investing, the energy sector is too successful for its own good, manufacturing is doing fine and net trade is good.

"Things are fine. The U.S. economy is in a perfectly sustainable trajectory, if a mediocre one," Thornberg said. "That's not to say there aren't true challenges out there. There are. But sadly, the challenges that we need to talk about are not the challenges on the table."

Thornberg said his major concerns are the political gridlock in D.C., state and local government budget stresses, decaying infrastructure, health cost inflation, underfunded pension and entitlement programs, wealth inequality and the underperforming housing market. He explained that the complete disconnect between current political conversations, American citizen mentality and the true economic situation is what worries him most.

Blue-collar workers staying in the workforce longer and women participating in the workforce at a record level is keeping the job market tight, Thornberg said when discussing misinformation about qualms over unemployment, job availability and the idea that labor markets are terrible. To illustrate his point, Thornberg discussed Wisconsin, which was a big win for Trump during the election.

Thornberg said Trump won Wisconsin because people are upset over a bad labor market. However, he noted that last year the state had one of the lowest unemployment rates in the country at 4.1% and one of the highest participation rates at 68%. He pulled no punches when he said people were really upset because they lived in Wisconsin. He explained that state economies in the Midwest are not growing because people are moving away from those areas.

Another discussion that is misguided, according to Thornberg, is the fight for a \$15 per hour minimum wage. He said what concerns him more is that 90% of Americans have less net worth now than they did seven years ago and that more and more wealth is being concentrated to the upper echelons of society. A \$15 minimum will not solve these issues, Thornberg said; instead, a major reform in tax policy is needed.

When it comes to health care, Thornberg noted that Trump quickly found that throwing 20 million people out of their new health care was not an easy political decision to make. However, Thornberg said who is paying for health care, be it individuals or the government, is not the conversation the country should be having.

"Obamacare was health care insurance

reform. But the problem with health care is not who pays, it's what we are paying for," Thornberg said. "And we haven't had health care consumption reform. That's the big issue."

He cited the fact that France, with similar demographics and equivalent health outcomes, paid \$5,428 per person on health care in 2015, while the U.S. paid \$9,402 per person. Thornberg said excessive lawsuits, overpaid hospitals and doctors, and overconsumption of services lead to this disparity.

Thornberg also zeroed in on the California economy, saying that it's doing great. He said it has slowed down but is still outperforming other states.

"We're doing great folks. Over the past five years, California is the eighth fastestgrowing economy," Thornberg said. "We've added one out of six jobs in the country right here in this state."

In Los Angeles County, Thornberg noted many great things happening that will only strengthen the economy, including welcoming the Rams and Chargers football teams to the area, the forthcoming \$1 billion "Star Wars" museum by George Lucas and the potential for the Olympic Games to come back.

However, there are three areas of concern in the state, according to Thornberg. First is the fact that city officials are still up against a financial wall, despite revenues being up. He said this is because of out-ofcontrol pensions that are severely underfunded, with unrealistic goals. Next is the

Public outreach was conducted for the

project, including stakeholder meetings,

workshops and a survey of 774 residents,

commuters and tourists. The survey in-

cluded questions about describing Long

Beach in one word, what makes the city

unique, primary modes of travel, top

three wayfinding tools and top destina-

"A thoughtful wayfinding system is es-

sential to the way people navigate

places," City Manager Patrick West said.

"The new signage will enable Long

Beach residents and visitors to more eas-

ily explore amazing destinations through-

tions in the city.

state's dependence on capital gains as a major revenue source, which Thornberg says is an extremely volatile source of income that will disappear at the first sign of an economic downturn, leading to another state deficit of more than \$20 billion.

Lastly, Thornberg discussed the state's housing issues, which he said is not an affordable housing crisis but rather a housing shortage that is creating affordability issues for every class, not just low-income families.

"If California had a bread shortage, what would we talk about?" Thornberg asked. "We need bread control. Bakers are greedy. We need to tax new loaves. We need to have an affordable loaf mandate. No. You bake more bread. This isn't complicated, but we can't seem to get our heads wrapped around this."

If the state does not keep up with housing demand, eventually it will become "Country Club California," Thornberg said. He explained that high-income earners will continue to buy up all the property, forcing out low-income people until the state is one big country club. He said he prefers a solution based on creating an environment where everyone can live and enjoy California, regardless of income brackets.

Wade Martin, an economist in CSULB's Office of Economic Research, spoke about the Long Beach economy directly, citing a 5.6% unemployment rate citywide, an all-time low. Additionally, he said private wages continue to rise, household incomes are going up and real estate is doing well.

All real estate markets are tight, according to Martin. He said the retail vacancy rate is just over 6% citywide, with industrial space even tighter and office space just above 15%. Residential apartment vacancy rates in West Long Beach are 6%, East Long Beach about 3% and North Long Beach about 4.5%. Also, Martin noted that median single-family home prices have topped \$561,000.

"The price of housing has definitely rebounded and is above the pre-recession levels at this time," Martin said. "If you look at defaults and foreclosures, defaults have continued to decline, and that's a positive picture. Foreclosures are still at about twice the pre-recession level."

With regard to business in the city, Martin said a survey conducted by Scott Flexo from the small business monitor at CSULB showed business owners remain optimistic. The survey showed that 56% of small businesses with two to five employees expect growth in 2017, up from 43% in 2016, while 62% of small businesses with five to 50 employees expect growth, up from 51% last year.

The survey also showed an 8-point (Please Continue To Next Page)

New Wayfinding Signage Headed To Long Beach – Once Funding Identified

■ By **Brandon Richardson** Senior Writer

The Long Beach City Council reviewed a report and presentation of a comprehensive wayfinding signage program for major gateway entries, parking and coastal access in the city at its April 18 meeting.

The council voted unanimously to receive and file the presentation, which city staff said reflects community values and identity while exhibiting a cohesive de-

sign that clearly directs residents and visitors to their desired destinations.

"These reimagined gateway signage create and establish a true sense of place in Long Beach," Mayor Robert Garcia said in the press release. "The new signage will welcome visitors to our city and promote greater accessibility and safety throughout the community."

out our entire 52-square-mile city."

City staff is preparing a list of recommended locations, as well as installation methods, to be installed over time as funding becomes available. The need for a citywide sign program was identified as part of the fiscal year 2016-2017 budget. In December 2015, the city selected Selbert Perkins Design as the consultant.

For more information on the city's

For more information on the city's wayfinding signage program, visit www.lbds.info/wayfindingsignage.



Newswatch

bump to 19% of larger small businesses that had more willingness to use additional credit or financing, which is a good sign of their views about their businesses' long-term sustainability.

Martin said there are several factors to consider when examining the sustainability of the Long Beach economy, including the strength of the global economy, the strength of the dollar, minimum wage, energy prices, wealth distribution, business and consumer confidence, and political uncertainty.

Other indicators of economic prosperity in Long Beach are the number of public and private investments in developments, including residential and commercial.

Jennifer Didlo, president for AES Southland, oversees power plants in Long Beach, Huntington Beach and Redondo Beach, and she spoke during the forum about the company's proposed \$1.3 billion investment in its Alamitos plant in Long Beach.

"Instead of looking like the 1950s facility that it is, it's going to be less visible from a lot of places, it's going to have less of a carbon footprint and it's going to be able to act faster," Didlo said. "We'll be able to act in a couple minutes as opposed to a couple hours. The best part is it's going to have a tremendous amount of socio-economic benefits infused into this community."

Didlo said the modernized facility will cut potable water use by over 60% and completely eliminate the use of ocean water for cooling purposes. She described the project as cleaner, shorter, sleeker and having more curb appeal.

In addition to upgrading the power plant itself, AES plans to build the largest battery

energy source in the world at the Long Beach site off of Studebaker Road. The battery energy storage system would replace natural gas generation with up to 300 megawatts of storage capacity to be used during peak usage hours, rather than peaking stations. The company anticipates the new plant to go online in 2020.

Other investments in the city include the new civic center, the recently announced Queen Mary Island, the expansion at the Aquarium of the Pacific, and more than 2,679 residential units that are currently under construction as part of various projects, mostly downtown.

One such project is Broadway Block by Ratkovich Properties at the Acres of Books site downtown. Cliff Ratkovich spoke during the forum and said the company is currently in escrow for the property at 240 Long Beach Blvd. and estimates the two-year build-out will begin January 2018. The project includes 375 residential units, 5,212 square feet of retail space and 5,773 square feet of creative office space.

Overall, the economists and developers agreed that things are looking up for Long Beach and the region in general. However, the uncertainty at the national level with regard to Trump administration policies yet unknown have economists uneasy.

"We need to have the conversation move to the middle. The middle where the word compromise is not a dirty word," Thornberg said. "The middle where we find real solutions to real problems that help the vast majority of Americans, as opposed to only having policies that benefit a few special interests."

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CITY OF LONG BEACH BID OPPORTUNITIES

TITLE **BID NUMBER** DATE Red Car Greenway Project R-7060 04/26/2017 Upgrade of HVAC System at W. Division Police Stn. R-7086 04/26/2017 **Emergency After Hours Veterinary Services** RFP PR17-064 04/26/2017 RFP TI17-054 04/27/2017 Mailing System, Maintenance and Support Placement & Operation of RMUs at Rainbow Harbor RFP PR17-042 04/28/2017 Thermal Imagers & Supplies ITB FD17-052 05/01/2017 05/03/2017 Rainbow Harbor Sewage EVAC Repair & Upgrade R-7089 **Develop & Implement Traffic Calming Measures** For Traffic Exiting I-710 into Long Beach 05/03/2017 R-7053/R-7056 Citywide Parking Operations & Management Svcs RFP PW17-033 05/11/2017 As-Needed Citywide Fencing ITB LB17-068 05/11/2017 **Purchase of New Tires** 05/11/2017 ITB FS17-061 05/17/2017 Long Beach Blue Line Signal Prioritization Project R-7091 05/18/2017 Two (2) 10,000# Three Stage Mast Forklifts ITB FS17-071 Development & Operation of Airport Advertising Prg RFQ AP17-053 05/18/2017 05/24/2017 Airport Security System Maintenance & Flight Info. RFP AP17-065

Some of the listed projects have scheduled mandatory pre-bid meetings which may have already occurred due to publication lead times

Bidder Registration

To receive notifications of bid opportunities, register with the City of Long Beach at www.longbeach.gov/finance/business-info/purchasing-division/purchasing-division/. Additional details on upcoming bids and how to register can be found on the website.

AUTO LIEN SALE AUCTION

3111 E. Willow Street Long Beach, CA 90806 (562) 570-2828 May 2 & May 16, 2017 Registration & Viewing Hours 8:00 A.M. - 9:50 A.M

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Small Business Showcase — Long Beach Boulevard Bixby Knolls



Long Beach Creamery

After attending a birthday party for the son of a friend and tasting a homemade peanut ice cream in June 2013, Dina Amadril became obsessed with the frozen treat. She spent the next two years creating her own recipes and testing her product in the Long Beach market. In May 2015, Amadril opened Long Beach Creamery at 4141 Long Beach Blvd. "Right as I was getting addicted to making ice cream and obsessing about it, an article came out by Bundle about the top ice cream-eating cities in the nation, and Long Beach topped the list," Amadril said. "So it was kind of my sign that said, 'You should go forward with this." Amadril said she still handles the flavor creation; however, she explained that she now has four other makers on staff that can produce ice cream once a recipe has been perfected. Amadril said she is focused on the city - often collaborating with other businesses on flavors and buying locally grown or crafted ingredients. "I think my favorite one overall has been chocolate stout. That's when we use a stout beer. The last one we made it with was Smog City's 'The Nothing,' which is a double-chocolate [imperial stout] style beer." For more information, visit longbeachcreamery.com.

Long Beach Center For Clinical Research

Dr. Deanna Cheung has worked at the Long Beach Center for Clinical Research since the late 1980s and took over operations of the facility in 2007. In its nearly 30-year history, the clinic has moved from Long Beach Boulevard to Atlantic Avenue and finally back again in 2012, now located at 3745 Long Beach Blvd., Suite 100. "We do clinical trials with new medications," Cheung said. "I'm particularly interested in cardiovascular disease prevention – preventing heart attacks and strokes because those are the number one things that people die of." She explained that the clinic has taken part in testing many medications that are now widely used, including those for high blood pressure and cholesterol, as well as diabetes, among others. Cheung explained that many pharmaceutical companies seek out the clinic's services because of its long-standing reputation as a quality facility. "This work is vital to how we treat our patients, and it's so important that I personally think everyone should be involved," Cheung said. "We make sure that everyone who participates is safe and that they're being tested with adequate supervision, and also that we partner to get everything done correctly so that the results



Quantum Jets

After working for a fixed-base operator at Long Beach Airport, Michael J. Ogulnik, pictured right, and Nicholas Bascue, left, decided to branch out on their own, and they formed Quantum Jets in Brentwood in 2011. Ogulnik, chief executive officer, and Bascue, president, relocated the company to 3711 Long Beach Blvd. in 2013. "We provide coverage worldwide for people looking to fly privately. Essentially what that means is you call in with a trip request, and we source the right aircraft for your needs," Bascue said. "Whether you want to fly on a helicopter to Catalina or you want to go on a VIP airliner to Europe, we're able to provide that." Though the company sets up a lot of private flights out of Long Beach Airport, LAX and Orange County, Ogulnik explained the company arranges flights around the globe. The company owns no aircraft but serves as an exclusive marketer for certain operators. "We deal with a lot of different kinds of personalities," Bascue said. "We do a lot of music tours. We deal with a lot of entertainment stuff in Los Angeles. We deal with a lot of corporate stuff out of Orange County. Sometimes it surprises you who is able to fly private." For more information, visit quantumjets.com.

PyroCop

Fire investigator and code consultant Robert Rowe started his business, PyroCop, after a long career in the field. Rowe began as a firefighter for Hughes Aircraft Company in 1980, where he worked his way up to the position of captain. He later became a fire marshal for the City of Downey and in 2006 decided to set up his own business. "I immediately got busy," he recalled. "It started out of my house, and then it grew so quickly that I had to find an office. And that's why I am here now at 4000 Long Beach Blvd.," he said. PyroCop provides fire investigation services to determine the causes and origins of fires for insurance companies and law firms. "We do fire and building code consulting, which we blend with our investigative services," Rowe said. The business takes him all over the world. He recently returned from a trip reviewing and evaluating a fire department in Dubai. "It has been quite an adventure," Rowe said. Pat Wills, a former Long Beach Fire Department member who works with Rowe as an independent contractor, noted. "Our biggest goal is to educate the public, business owners and property owners on the risks associated with using their properties contrary to their design," Rowe said. For more information, visit www.pyrocop.com.



Small Business Showcase - Long Beach Boulevard Bixby Knolls

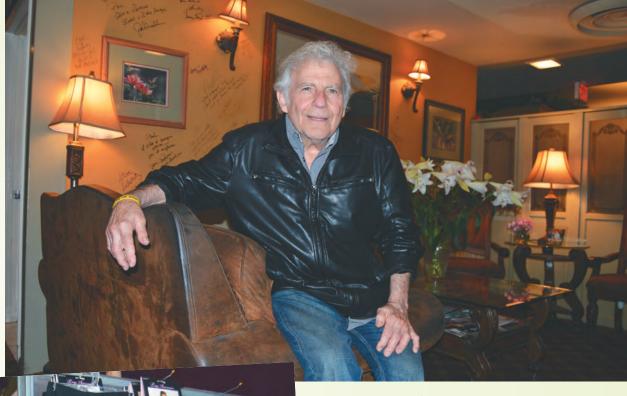
Support Local Small Businesses

Articles by Assistant Editor Samantha Mehlinger and Senior Writer Brandon Richardson. Photographs by the Business Journal's Larry Duncan

This edition features small businesses on Long Beach Boulevard north of Wardlow Road in Bixby Knolls

Phil Trani's

Phil Trani's has been a staple on Long Beach Boulevard since the restaurant opened in 1989. The youngest of "the infamous Trani brothers," Phil Trani eventually decided to open his restaurant after his five older brothers sold the family business, Trani's Majestic, in San Pedro. "I had to go find a job. . . . I was pouring concrete and doing construction and tending bar at night and taking care of my kids," he recalled. But Trani was quickly prodded back into the restaurant business. Former Long Beach Councilmember Don Phillips first told Trani about an available restaurant property at 3490 Long Beach Blvd., where his business still resides today. "I didn't want to get back into the restaurant business. And then one of the infamous coaches at USC told me I needed to get back into my environment. And that was Marv Goux," Trani recalled. "He was an inspiration to me, and so I did it." Since then, Phil Trani's has become known as a hot spot for sports stars. Trani takes pride in the prime meats and fresh fish selection on his menu. "Everything is good. And I try to stay basic," he said, calling the vibe of the place "old school." For more information, visit www.philtrani.com.





Lucy's Boudoir

Lucy's Boudoir was founded in 2011 with the unofficial slogan "Yes, we have your size." The boutique at 3925 Long Beach Blvd. carries bra sizes 28AAA through 56O, according to owner Crystal Rogers, who took over the business in January. Rogers first started working at the shop in 2012, after driving by and deciding to inquire about a position. "She asked me what I did, and my answer to her was, 'What do you need?' As a mother, I feel that stay-at-home moms have so many transferable skills," Rogers said. Founder Michelle Jouvence hired her immediately. Working at the store gave Rogers, who had put aside her career to stay at home with her young son with autism, a chance to get back into the business world, she noted. Eventually, Jouvence approached Rogers about purchasing the store. Jouvence also designs clothing for her brand Lucy B, which the store carries, and ultimately decided to pursue that venture. "We have professional fitters in here who will accurately size you and also match you up with the proper foundation for your body," Rogers said. "And if there is a size that does not exist or if there is a customer who falls outside of that largest size, we still will find a way to help them." For more information, visit www.lucysboudoir.com.

Small Business Dollars & Sense

Small Business Retirement Planning



By **B**en **A**lvarado

s a small business owner, it may seem like you spend a lot of your time on day-to-day planning. Your planning time today may consist of setting next month's sales appointments, placing orders for this quarter, and projecting expenses for the year ahead. But, how much time have you dedicated to developing and maintaining your retirement plan?

When it comes to retirement, the earlier you start planning, the better off you will be long term. More than half of business owners said they aren't ready to sell their business or quit working and another 70 percent have no written plan for retirement.

Start thinking about retirement planning:

- Define what retirement means to you For business owners who aren't ready to face full-time retirement, a scaled back version of their current role might be the ideal way to slowly step back from the business. There are many advantages to this approach, including building additional income and delaying Social Security benefits, but it's important to establish clear parameters that will support this plan. Take time to outline what retirement means for you, and build that into your plan.
- Set retirement goals and objectives Explore business and personal goals, and set a target retirement date that makes sense for you and your business. This can include learn-

ing more about your personal financial situation, identifying business transition options, and if you have employees, understanding who will be impacted by your retirement.

- Get familiar with available contribution plans Fortunately for small business owners, there are a variety of retirement plans available to help with future planning. From profit sharing plans to IRAs and 401(k) plans, there are many choices. Make time to meet with your financial advisor and your tax advisor to find a plan that works for your business.
- Create a retirement income plan The money you save now needs to be enough for 20-30 years of retirement. Take advantage of "catch-up" rules, which allow people in their 50s to contribute an additional amount to an IRA or 401(k). Work with a financial advisor and a tax or legal advisor to determine how much money you should put away now and when you should plan to start withdrawing your retirement savings, and include this in your overall retirement plan.
- Review strategies for financing the transition into retirement Most business owners plan to either sell their business or transition to a family member. Most of these business transitions will involve some form of financing, and often times, sources and uses of available funds can determine or limit a business owner's options. Do you have a succession plan in place? Does your business carry any debts? Will you have funding from an equity sponsor, such as a commercial bank? These are important questions to ask as you develop your retirement plan. Meet with your banker to learn more about your financing needs and product choices.

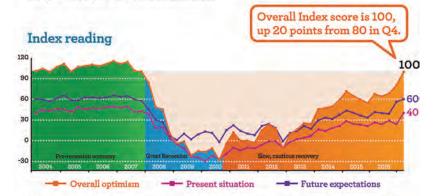
While planning for retirement can be complex, it doesn't have to be a difficult or stressful experience. After you've developed a strong retirement plan, take time to review and update it annually to ensure you're staying on track.

(Ben Alvarado, a 26-year veteran of Wells Fargo, is the president of the bank's So. Calif. Region, which stretches from Long Beach to Orange, Imperial and San Diego counties.)

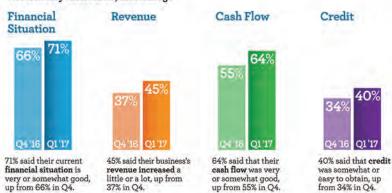
Small Business Week

WELLS FARGO

Small Business Owner Optimism Surges in First Quarter. The Q1 Wells Fargo/Gallup Small Business Index

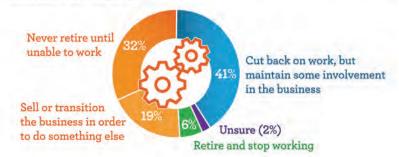


Small business owners reported improvements over the past 12 months on several key measures, including:

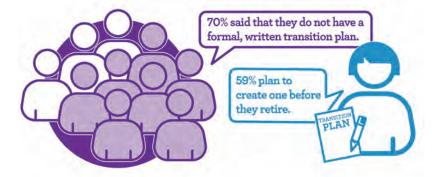


Retirement

Small business owners were asked about their retirement plans in February. The survey found that if money were no object, more than half of small business owners said they'd continue to work. In the long run, small business owners said they expect to:



Most small business owners lack a formal, written transition plan.



While most small business owners said they expect to continue working, many feel more confident about their financial future and ability to retire.



Wells Fargo Works for Small Business

The Wells Fargo/Gallup Small Business Index is calculated from a quarterly survey of 602 small business owners and measures current and future perceptions of their business financial situation. More information can be found at https://wellsfargoworks.com/small-business-optimism-surges-to-pre-recession-levels. @2017 Wells Fargo Bank, N.A. All rights reserved. Member FDIC. March 13, 2017



Ben Alvarado, president of Wells Fargo's Southern California region, pays a visit to the Wells Fargo museum in Downtown Los Angeles. He is pictured with an original Concord stagecoach, which the bank used in the mid-1800s to traverse thousands of miles from California to Nebraska and Arizona to Idaho, according to the museum's website. (Photograph by the Business Journal's Larry Duncan)

Small Business Optimism

(Continued From Page 1)

index reports ranged from scores of 64 to 68 until the score jumped to 80 in November.

The highest level of optimism was a score of 114 in the fourth quarter of 2006, and the lowest was a reading of -28 in the third quarter of 2010, according to Wells Fargo. Possible index scores range from -400 to +400.

The Small Business Index score has not reached 100 since July 2007.

"It's a really good representation of what I see and hear from our business customers as I am out in the market or in the branches," Ben Alvarado, president of Wells Fargo's Southern California region operations, told the Business Journal. "In short, business customers are definitely feeling more optimistic about where they are at right now and, I think, where they see the future."

Seven out of 10 small business owners surveyed for the index reported that their current financial situations were "very or somewhat good," a 5% increase since November, according to the report. Forty-five percent of those surveyed reported that their revenues had increased "a little or a lot" in the past year, an increase of 37% since November.

About 64% of small business owners said their cash flow was somewhat or very good in the past year, an increase of 55% since November. And 40% reported that credit was "somewhat easy to obtain" in the past year, which represents a 34% increase in owners who said the same in November.

"I think there are a variety of things that are going on, but what I hear most from customers and also from business leaders in the community has a lot to do with the current administration and what people are hearing and seeing in relation to potential impact to regulations which may make it easier to do business for some folks," Alvarado said.

While no one Alvarado has spoken to has cited a specific policy reform as cause for optimism, he said the general anticipation that tax laws and regulations will change for the better is encouraging many business owners.

Although he "couldn't say for sure," Alvarado noted that the timing seems to indicate that the 12-point jump in small business optimism in November had something to do with the results of the presidential election. "From everything I am reading or seeing in the news, as well as talking to our economists . . . and some external

economists [who] speak to it locally in the community, that definitely has been something that people feel is driving that optimism," he said.

Wells Fargo is experiencing increased interest from small business owners in their products, particularly credit options. "There is an increased awareness and an increased interest in folks talking about products that may help with their growth or expansion or even for startup businesses too," Alvarado observed.

In particular, he is seeing increased interested in Fast Flex, "a simplified way of getting credit with limited paperwork . . . based more heavily on the individual's credit score," Alvarado noted.

The report by Wells Fargo and Gallup also found that 73% of business owners expect "to either cut back on work but always maintain some involvement in the business, or never retire until they are unable to work."

Alvarado said he was not surprised by this statistic. "It's very common with a lot of small business owners. It is part of who they are," he said. "So it's hard for a lot of small business owners to see anyone else ever running their business and taking care of it like they would."

About 70% of small business owners indicated that they do not have a formal succession plan for their businesses in the event they retire or stop working. More than half of survey respondents said creating a succession plan was not a priority at the time.

"I don't think it's ever too early to think about it," Alvarado said of retirement and business succession planning. "And that's one thing about small business owners, they are so committed to what they do and building a business that they are often not thinking about retirement," he said. "But you do get to some point that you don't want it to get to be too late before you start planning for succession, maybe passing it on to the next generation in your family, or even selling it to someone else. . . . It's better to have a plan and change your plan than to have no plan at all."

WellsFargoWorks.com, a free resource for small businesses (whether they bank with Wells Fargo or not), offers tools for business planning, Alvarado noted.

While most respondents did not have a solid business succession plan, 82% of them said they were saving or investing toward retirement, with 76% reporting that they think they will have enough money to live comfortably in retirement.

The index also pointed out that there were fewer small business owners with concerns about financial matters related to retirement.

The Trump Presidency's Impact On Businesses

(Continued From Page 1)

"I think that there may have been hopes that Trump was somehow going to be this master dealmaker in politics, but it really seems as if the Democrats and some Republicans went out of their way to show him that that's not the way this town works."

However, despite the health care setback and the continued lack of tax cuts and reform proposals promised by the Trump campaign, Vitner said business owners still feel they have an ally in Washington. This attitude is in large part due to the change in the regulatory environment, according to Vitner. He said there has been a shift to promote economic growth rather than finding as many fines as possible.

Much of the easement in regulation has been on the environmental side, namely in the energy sector. Trump has said he will bring back jobs in coal; however, even Vitner notes that Trump cannot save the industry.

"These initiatives may slow the retirement of coal-fired plants. They're still going to shut down," Vitner said. "So if they were going to shut down in 20 years, maybe it will be 24 years. Or if it was going to be 10 years, maybe it will be 14 years. It may extend the life."

Slowing the decline is meaningful to businesses that have been buying assets in the coal sector because it allows their annuity to run a little longer, maximizing profits, Vitner explained. He said the only way to save the coal industry is not through policy but rather a technological breakthrough to help convert it to a cleaner fuel. Regardless of Trump's policy decision, Vitner said easements in environmental regulation would likely not have any impact on California.

"I think California's laws make it somewhat tougher for easing environmental restriction because California tends to have tougher environmental regulations than the federal government does," Vitner said. "So it would be less evident there."

However, Vitner noted that larger initiatives, such as health care and tax reform, would still benefit small businesses in California – if the Trump administration were able to achieve its goals. He said that state and local governments have their own regulations in place that make it a high-cost state in which to do business, which is a tradeoff with the amount of opportunity in the state.

Though the Trump administration has not taken action on tax reform, Vitner explained that business owners do not expect any proposals until summer or fall of this year, and those would take effect in 2018. But Vitner said there are outside forces that are not helping on the front of tax reform, namely the probability of working through a reconciliation process, which must be deficit-neutral over the next 10 years.

"We just don't have a lot of money to play with, given that we are playing with such huge budget deficits right now," Vitner said. "There's an added concern that as inter-

"In the past, we've seen these big moves in small business confidence when it seemed likely that taxes were going to be cut."

> Mark Vitner Senior Economist Wells Fargo

est rates increase, the budget deficit will increase a little more dramatically. So they need to get tax reform done fairly soon before the Fed [Federal Reserve] initiates too many more interest rate increases."

Several indicators demonstrating continued optimism in the small business climate include job creation and sales numbers, Vitner said. According to an April report by ADP, private sector employment increased by 263,000 jobs in March. Of those jobs, 118,000 were small business jobs. Companies with 19 or less employees hired 60,000 people, while companies with 20-49 employees hired 58,000 people. Medium-sized businesses (50-499 employees) and large businesses (500+ employees) hired 100,000 and 45,000 people, respectively.

As for sales, according to the National Federation of Independent Business (NFIB) Small Business Economic Trends Report for March, the net percent of all owners reporting higher nominal sales in the past three months reached 5% - a~3% increase over the previous three months. This measure has been positive in only six months since 2007 and has reached a low of negative 35%

"By historical standards, this is an excellent performance, with most of the components of the index holding their gains," Bill Dunkelberg, NFIB chief economist, said in the report. "The increases in capital expenditure plans and actual earnings are signs of a healthier economy, and we expect job creation to pick up in future months."

Additionally, the NFIB states that 64% of small businesses reported capital outlays, up 2% over February. Businesses reporting spending on new equipment increased 1%, now at 46%. Owners planning capital outlays in the next six months rose three points to 29%, and reports of

increased compensation rose two points to 28%. Small decreases were seen in improving or expanding facilities and acquiring new buildings or land.

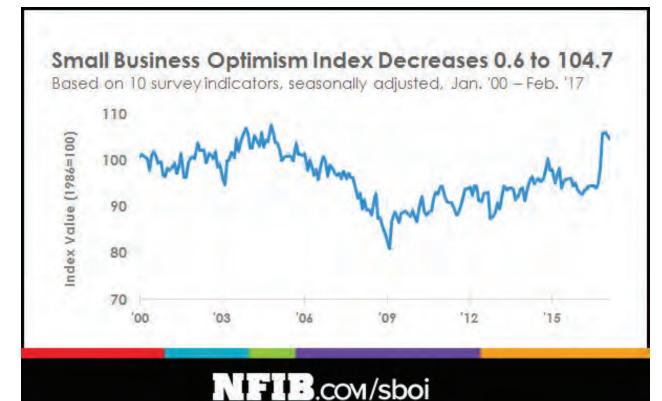
One problem facing small business right now is a lack of skilled workers, according to Vitner. Additionally, he said there's been a lack of business startups and that there is more work to be done on the regulatory side of business, but he expects small business optimism to remain strong. Vitner said it's noteworthy that as low as Trump's overall approval rating is -42% according to the latest Gallup poll, up from a low of 35% – his ratings on the economy are

"The abrupt swing in small business confidence is the largest we've seen since 1980, and it says a lot," Vitner said. "A large proportion of small business owners tend to be Republican. So that probably had something to do with it. In the past, we've seen these big moves in small business confidence when it seemed likely that taxes were going to be cut."

Small Business Optimism Fell 0.6 points Historically high levels held for five months Change Index Component Net % From Feb

Index Component	Net %	From Feb.
Plans to Increase Employment	16%	A 1
Plans to Make Capital Outlays	29%	A 3
Plans to Increase Inventories	2%	▼ -1
Expect Economy to Improve	46%	▼ -1
Expect Real Sales Higher	18%	▼ -8
Current Inventory	2%	▼ -1
Current Job Openings	30%	▼ -2
Expected Credit Conditions	-3%	- 0
Now a Good Time to Expand	22%	- 0
Earnings Trends	-9%	A 4

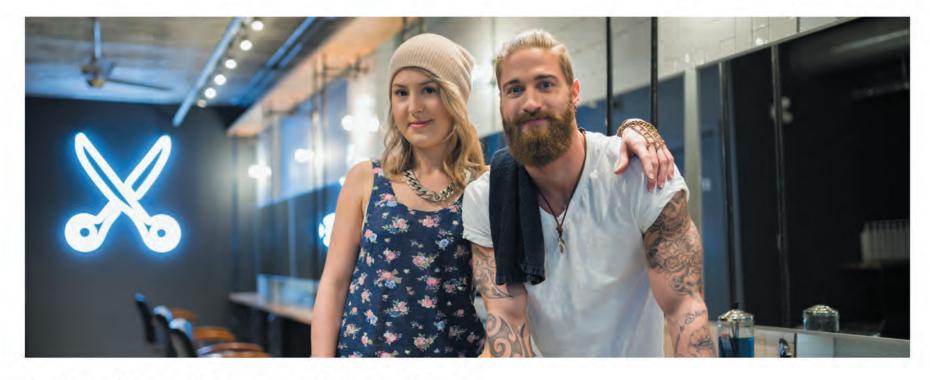
NFIB.com/sboi



In a March 2017 report, the National Federation of Independent Business (NFIB) showed that despite a 0.6% decrease in the small business optimism index, levels are still the highest they've been since around 2005.



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Finding the best credit option for your business

About one in three business owners use their own funds or personal credit for their business, according to a recent Wells Fargo/Gallup Small Business Index survey. Yet as a business seeks to grow, obtaining business credit is essential and can help finance purchases, build a credit history, supplement cash flow, and preserve savings.

About one in three business owners use their own funds or personal credit for their business.

So how do you choose the best credit option for your business? The type of business credit you need depends on your business goals and how much funding you need. Following are several common credit needs, and options available to address each one:

Need a way to pay for everyday business expenses? When looking for a convenient way to pay for everyday business expenses and a smart alternative to cash, checks, and personal credit cards, business credit cards can be a good option. With a business credit card, you can separate your business from personal expenses and immediately pay for day to day business expenses.

Need to make large seasonal purchases or cover payroll? Nearly every small business will face a time when it needs more cash than it has on hand. A business line of credit can provide fast, easy access to cash (which can bridge gaps in cash flow) and help supplement cash flow for business expansion, taxes, insurance, or other expenses.

Want to expand your business or make a large equipment or vehicle purchase? For a specific business need, business term or equipment loans should be considered. Loans give businesses immediate access to funds and are ideal for business owners who want a flexible way to get a lump sum at a fixed or variable interest rate for a fixed period of time. There are many types of loans, including unsecured loans, secured equipment loans, real estate loans, and vehicle loans, and rates and terms vary.

When evaluating lending options, you should also consider an SBA loan. Through government-guaranteed SBA loans, financial institutions are able to extend financing to a segment of creditworthy small business owners who may not be able to obtain a conventional loan or loan terms that meet their business needs.

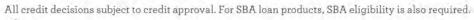
Business owners who are looking to buy real estate, acquire a new business, or purchase equipment may find that an SBA loan offers more flexible terms than a conventional loan. SBA products include the SBA Express line of credit, and SBA 7(a) and SBA 504 loans.

As business owners consider their credit options, they should consult with a banker to help determine the best option to meet the specific needs of their business.

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To find out more about how to manage and apply for credit, visit WellsFargoWorks.com, or talk to a banker today.

^{*} Wells Fargo is America's #1 SBA 7(a) lender by both units and dollars (U.S. Small Business Administration data, federal fiscal year 2015).







^{*} Wells Fargo is America's #1 lender (Community Reinvestment Act government data, 2002 - 2014).

San Pedro Bay Ports

(Continued From Page 1

purchases and, therefore, more imported goods coming through the nation's ports.

"Consumers are buying, and industries are importing," Ben Hackett, a partner in international trade consulting firm Hackett Associates, told the Business Journal. "We're forecasting for 2017...a 3.8% increase over 2016, which is about 22.2 million TEU [twenty-foot equivalent units]," Hackett said, referring to imports at ports in the United States as well as Canada's ports in Vancouver, Prince Rupert and Montreal.

West Coast ports should experience a 3.7% increase in imported goods this year, Hackett said. While he expects the San Pedro Bay ports to experience about a 6% increase in imports in the first half of the year, growth in the second half should slow, resulting in an overall gain of 3.8% in 2017.

Capt. Kip Louttit, executive director of the Marine Exchange of Southern California, recently modified his budgeted outlook of ships arriving at the San Pedro Bay ports due to positive cargo forecasts. "Very happily, we are, as of today, 111 ships

above where we should be . . . which is part of why we're projecting 15 ships per month more moving forward into 2018," Louttit said of ships arriving to the ports of Long Beach and Los Angeles.

The Marine Exchange is a more than 90-year-old nonprofit organization and public/private partnership with the U.S. Coast Guard that provides vessel traffic service to the San Pedro Bay ports. It is dedicated to ensuring efficient arrivals and departures of all vessels in the ports. With the exception of 2010 and 2011, the Marine Exchange has tracked decreases in vessel calls to the ports every year since 2008. In 2016, the tide turned when the ports experienced an increase of 196 vessel calls.

"The nice uptick of roughly 200 vessels between '15 and '16, I think, was [the result of] an improving, more optimistic economy," Louttit said.

The reshuffling of the four alliances of major shipping companies into three alliances should not have impacts on the amount of cargo flowing through the ports this year, according to Hackett. The new alliance structure officially began on April 1.



San Pedro Bay Ports

"It won't have any effect on volumes, but it will impact the terminals because the one thing we're beginning to see is that they are focusing on trying to reduce the number of port calls," Hackett said. Shipping companies are focused on reducing the number of deployed vessels but using larger ships, he explained. "What that does mean is that there is more being discharged in individual ports of call [at one time]. So that puts pressure on the terminals."

Still, Louttit predicted an overall increase in vessels arriving at the San Pedro Bay ports this year.

"Everyone is asking" how the change in alliances is impacting the ports, Louttit noted. "And so far what we have heard and what we have seen is the ships are going to different terminals than they used to," he said. "Whether they are going to then move between the ports will also be interesting to see."

While President Trump has said in the past that he wants to renegotiate major trade agreements like NAFTA and perhaps institute policy changes to put America on a more even playing field with China, what actions he might actually take remain up in the air.

"There is no real action, traction or change due to the Trump administration threats of border taxes and tariffs and all the other things," Hackett said. "In fact, after the meeting with China, all of that sort of went by the wayside, it seems to me," he said, referring to Trump's recent meeting with the president of China. With tongue in cheek, he observed, "All of a sudden, China is no longer a bad country in terms of currency manipulation. That terrible disastrous NAFTA trade agreement is no longer even being mentioned."

Hackett added, "Who knows what's happening in [North] Korea. But assuming that he can pressure the Chinese to control the North Koreans, it means there will be little or no action taken on Chinese imports or exports to the U.S."

Despite uncertainty over the outcome of upcoming elections in Europe and ongoing wars in the Middle East, Hackett said, "I think, overall, this year the global trade and global economy will be fairly strong." He added, "We're seeing growth rates around 3% probably, in terms of trade – possibly going up to 4% at the global level. So all things being equal, 2017 should be a good year."



Page 22 • April 25-May 8, 2017 • Long Beach Business Journal

San Pedro Bay Ports

With New Stakeholders, Port Of Long Beach Sails Past Hanjin Woes

■ By SAMANTHA
MEHLINGER
Assistant Editor

ruptcy of Hanjin Shipping behind it, the Port of Long Beach has rebounded from associated cargo impacts last year, recently closing out its best first quarter since Mediterranean Shipping Company (MSC) has taken over Hanjin's majority stake in the port's largest terminal, Pier T, and recently granted Hyundai a minority stakeholder role, according to Interim Chief Executive Duane Kenagy.

"March was a very good month for us. Imports were up about 20%," Kenagy told the Long Beach Business Journal in an interview at the

Port of Long Beach Interim Chief Executive Duane Kenagy views modernization of the port's facilities to accommodate ever-increasing vessel sizes as a major priority in the port's future development. Increasing use of on-dock rail is also a key priority. (Photograph by the Business Journal's Larry Duncan) good for the ports."

Joint Command and Control Center on Pier F. While exports decreased 8.3% compared to March 2016, overall cargo volumes increased 8.7%, according to a statement from the port.

Kenagy said he expected to remain in the role of interim chief executive until Mario Cordero, the newly appointed executive director, takes over sometime in May. Kenagy, who previously served as the port's capital programs lead, said he is in talks with the harbor commission office about his future role. "Ultimately, I want to talk with Mario and kind of get his idea on how the transition should work," he said.

"We think that consumer optimism and the like is good for volumes coming through this gateway," Kenagy said. "We're cautiously optimistic that this is going to be an up year for us."

Kenagy continued, "We're anticipating modest growth compared to more historic years. The impacts of the Hanjin bankruptcy have been largely absorbed, and we're very happy with the new situation at Pier T with TIL, MSC's subsidiary. They're doing a great job, and we're very excited about that partnership." TIL is the operating entity at Pier T.

This month, Hyundai officially became a partner with TIL, assuming a 20% stake in Pier T, according to Kenagy. "We are very pleased this month to welcome back Hyundai to the Port of Long Beach, and we are also very pleased to be welcoming the new carrier SM Lines, which will be calling at Pier A beginning this month," Kenagy said. SM Lines was formed with assets acquired from the Hanjin bankruptcy, he noted.

The shipping industry continues to struggle with overcapacity, Kenagy pointed out. "That has manifested itself in [shipping] rates that don't reimburse costs for the shipping lines," he said. "There have been a variety of factors that have caused that overcapacity: changes in alliances and, obviously, the industry consolidation that is going on as we speak," he said. Various shipping line mergers have occurred in the past two years, with that of Cosco and China Shipping among them.

As of April 1, the four alliances of major shipping companies have reshuffled into three alliances. "We're cautiously optimistic that rates will accrue and we'll start to see some stability as we work out the issues related to the new alliance structure that started with a shotgun start on April 1," Kenagy said.

The first port calls by vessels operating under the new alliances are expected in the next couple of weeks, according to Kenagy. It is expected that the alliances will deploy fewer, but larger, ships on the transpacific route to the San Pedro Bay ports. "The total volume or cargo that we anticipate coming through this gateway probably won't change a lot relative to the total volume," Kenagy explained.

A group of industry stakeholders that regularly meets with Port of Long Beach and Port of Los Angeles officials to discuss supply chain optimization strategies met recently to strategize ahead of the rollout of the new alliances, Kenagy said. "We had a meeting earlier this week that was primarily focused on how chassis were being dealt with to make sure we don't have temporary, localized chassis shortages with the rollout of the new alliances," he explained.

The Port of Long Beach already provides an off-terminal chassis yard at Pier S to store the equipment when not in use, thereby reducing congestion at terminals and providing a localized chassis source in times of high demand. There is interest among stakeholders Trump administration.
[That] has reflected positive growth and optimism about the future. I think that's good for consumer confidence, and ultimately, that's

The Port of Long Beach

in creating more of these sites throughout

the port, Kenagy noted.
Asked if he was concerned about anything
President Trump has

said regarding potential

trade policy shifts, Ke-

nagy said it was "hard to

say" what actual trade

policies could be im-

pacted at this point. "I'm

an optimist, and I think

it's hard to separate

rhetoric from what will

ultimately be a policy,"

he said. "But you know,

I'm certainly encouraged

by the stock market over

the first months of the

continues to track federal and state legislation that could benefit its operations, including California's proposed Senate bills 1 and 4, according to Kenagy. Senate Bill [SB] 1 would provide hundreds of millions in funding for deferred road maintenance, while SB 4 would allocate \$600 million in state bonds for goods movement-related emissions reductions and expanding the use of clean trucks.

"We want to track that closely because one of the challenges that we have as a port is how do we fund projects that are essentially infrastructure projects," Kenagy said. While the port typically has the means to fund revenue-generating projects, infrastructure projects like the proposed expansion of on-dock rail at Pier B are more difficult to finance, he explained. "So how do you fund those projects? We need partnerships with the state and partnerships with federal government, so we monitor that [legislation]."

Another point of focus is the harbor maintenance fee, which is assessed on the movement of goods and passengers through ports. Revenues are deposited into the Harbor Maintenance Trust Fund, which is intended to pay for harbor maintenance and infrastructure projects. But in recent years, Congress has restricted appropriations from the fund

"The Port of Long Beach and most West Coast ports are concerned about first getting full spending of the Harbor Maintenance Trust Fund," Kenagy said. "A considerable amount of money comes out of this gateway. We get very little back."

The port's ongoing capital improvement projects are progressing steadily, including the Gerald Desmond Bridge Replacement Project. Westbound and eastbound approaches to a new bridge are beginning to take shape, and its towers are already well above the existing Gerald Desmond Bridge. "We hope to open the first lane of traffic at the end of 2018," Kenagy said, noting that this would be for westbound traffic.

The redevelopment of Middle Harbor into one larger, state-of-the-art facility for Orient Overseas Carrier Line subsidiary Long Beach Container Terminal is in its second and third phases of construction, Kenagy said. "We're anticipating that [LBCT] will be moving their entire operation over to the new terminal sometime this summer. And that will allow us to begin demolishing the existing facility and completing the final construction," he explained. "So we should be fully operational . . . by about 2020."

Both San Pedro Bay ports are working together on the third iteration of their Clean Air Action Plan (CAAP), which sets parameters for air emissions reductions and standards in the port complex. One of the principle ways this is achieved is by creating requirements related to the use of clean technology.

"We have a lot of people to bring along in the process – the very sincere environmental interests but also the industry interests," Kenagy said of the CAAP update. "That's kind of the process right now. [It] is trying to find where the common ground is and what's feasible, and obviously, various parties don't always agree on what's feasible."

A draft plan is expected to be released this summer, according to a port spokesperson. "Obviously, the plan needs to balance the commercial feasibility of what we do," Kenagy said. "We had such great success with CAAP 1.0 and CAAP 2.0 through cooperation and commitment from our industry partners, and we need to continue that going forward."











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San Pedro Bay Ports

Port Of Los Angeles Focuses On Leveraging Assets, Supply Chain Innovations

he Port of Los Angeles is reporting robust growth so far this year, with a 29% gain in cargo traffic in March over the same month in 2016 and overall first quarter growth of 10%.

"Those numbers look spectacular," Gene Seroka, executive director of the Port of Los Angeles, told the Long Beach Business Journal in an interview at the port's headquarters. "So we're very excited about that."

A major shift kicked off the second quarter when the four alliances of major shipping companies reshuffled into three alliances. Any impacts to the port have yet to shake out, as vessels operating under the new structure have not yet arrived at the San Pedro Bay ports.

"We have been in close contact with the liner/shipping companies [and] the alliance leads to try to ascertain a disposition as to how the cargo will move to what terminals on what services, dates and times," Seroka said. "And not necessarily to keep score but [to determine] how we best prepare. And that information has been slow in coming out, to say the least."

The new alliances could cause cargo that would typically go to the Port of Los Angeles to instead be routed to the Port of Long Beach, and vice versa, according to Seroka. "[We] have not gotten enough official information from the three al-

liances and compared it between the two ports to really make a full disclosure on that yet," he said. "We have shown our best service capability and put that forward, and hopefully we [will] do well."

Shipping companies continue to contend with low rates for service, which is creating a financial struggle within the industry, Seroka noted. "That has created mergers, new partnerships, one unfortunate exit from the industry and an announcement on a planned cooperation that will be announced sometime during the next year," he said. The partnership Seroka referred to is the planned merger of three Japanese shipping lines: K Line, NYK Line and MOL.

Seroka sits on four federal committees, enabling him to advocate for policies beneficial to the Port of Los Angeles and national competitiveness in trade. "A lot of the work we're trying to do is to ensure our nation is competitive on the platform of global trade, and that's really key," Seroka said of his work on the committees.

Seroka visits Washington, D.C., about once a month and often takes trips to Sacramento as well, he noted. "We continue to try to speak about the virtues of the port [and] what is necessary to advance our infrastructure development, which is no longer just bricks and mortar but also . . . digital infrastructure," Seroka said of legislative advocacy efforts. Another priority is advancing the port's environmental infrastructure to comply with state mandates, he noted.

The Port of Los Angeles and the Port of Long Beach often jointly advocate for the needs of the port complex. Seroka and Duane Kenagy, interim chief executive of the Port of Long Beach, recently traveled to Washington, D.C., for that reason. "John Wolfe [CEO of the Port of Tacoma and the Northwest Seaport Alliance] was with us on a couple of appointments to legislators on Capitol Hill talking about the importance of the West Coast ports and the San Pedro Bay ports," Seroka said. "I was very pleased to join those two gentlemen and [with] the expertise that they bring in talking to our elected officials."

When advocating for investments or policies that would benefit the ports, Seroka said he makes it a point to emphasize their collective impact. The ports support one in nine jobs in the region and more than one million in Southern California, he said.

"The cargo and passengers that traverse this port touch each of the 435 congressional districts in the nation. And there are more than 3.3 million jobs nationwide directly tied to the cargo that moves through this complex," Seroka said. "So in working with legislators, lawmakers, policy- and decision-makers, all of this is put into context. That is why we are so fortunate to have a meaningful seat at these tables to help discuss and bring about the necessary effect that would be advantageous to the port complex."

The ports are working together on their own initiatives, including the next iteration of their Clean Air Action Plan (CAAP) and efforts to optimize the supply chain.



of Long Beach, and vice versa, according In considering the future of the Port of Los Angeles, Executive Director Gene Seroka is focused on legacine der Protection and the U.S. Department of to Seroka. "[We] have not gotten enough islative advocacy, revisiting land use, adapting to the changing needs of the supply chain, and investing Homeland Security that could also ulti-official information from the three al-ininformational and green technology. (Port of Los Angeles photograph) mately create supply chain solutions.

In November, the ports released a draft discussion document on the CAAP update. "It's designed to get the conversation started among stakeholders," Seroka said. "We have had more than 40 public meetings to date, I believe."

Seroka said the meetings were "all in an effort to try to make sure we elicit as much feedback as we can on what this next iteration should be [and] what technology is available to us and commercially available in mass production state." The goal is to identify "better ways to create efficiencies and move cargo" and "what our communities would like to see from their port in the areas of environmental stewardship and technology development."

In 2015, the ports were granted permission by the U.S. Federal Maritime Commission to convene stakeholders and hold joint meetings on supply chain optimization. "Since we started, we have had over 100 or 125 different public meetings [with] more than 200 stakeholders," he said.

The Port of Los Angeles is about to launch a unique pilot project in partnership with GE Transportation that will leverage data from U.S. Customs and Border Protection and the U.S. Department of Homeland Security that could also ultimately create supply chain solutions.

"The real idea here is that most of the terminal operators get information on the cargo that is coming within 24 or 36 hours of vessel arrival. With our plan, we'll be able to see that information 14 days before the vessel gets here," Seroka said of the pilot. "And that will allow us to share what types of containers, how many [and] where they are going with the service providers so they can better prepare both their assets and their talent to be around where we need them for the movement of cargo."

Seroka noted that the two largest shipping lines in the world, Maersk and Mediterranean Shipping Company, are participating in the pilot, which is slated to launch in about one month.

Two capital improvement projects are slated for completion at the Port of Los Angeles this year. The \$510 million expansion of the TraPac Container Terminal, which includes extended wharves, deeper water, new cranes, a new on-dock rail facility and other improvements, will be capped off with the completion of a crane maintenance building this year, according to port documents.

Yusen Container Terminal improvements, which include berth deepening, wharf improvements, new cranes and more, are also scheduled for completion this year. The port invested more than \$67 million in the project, and Yusen invested more than \$60 million.

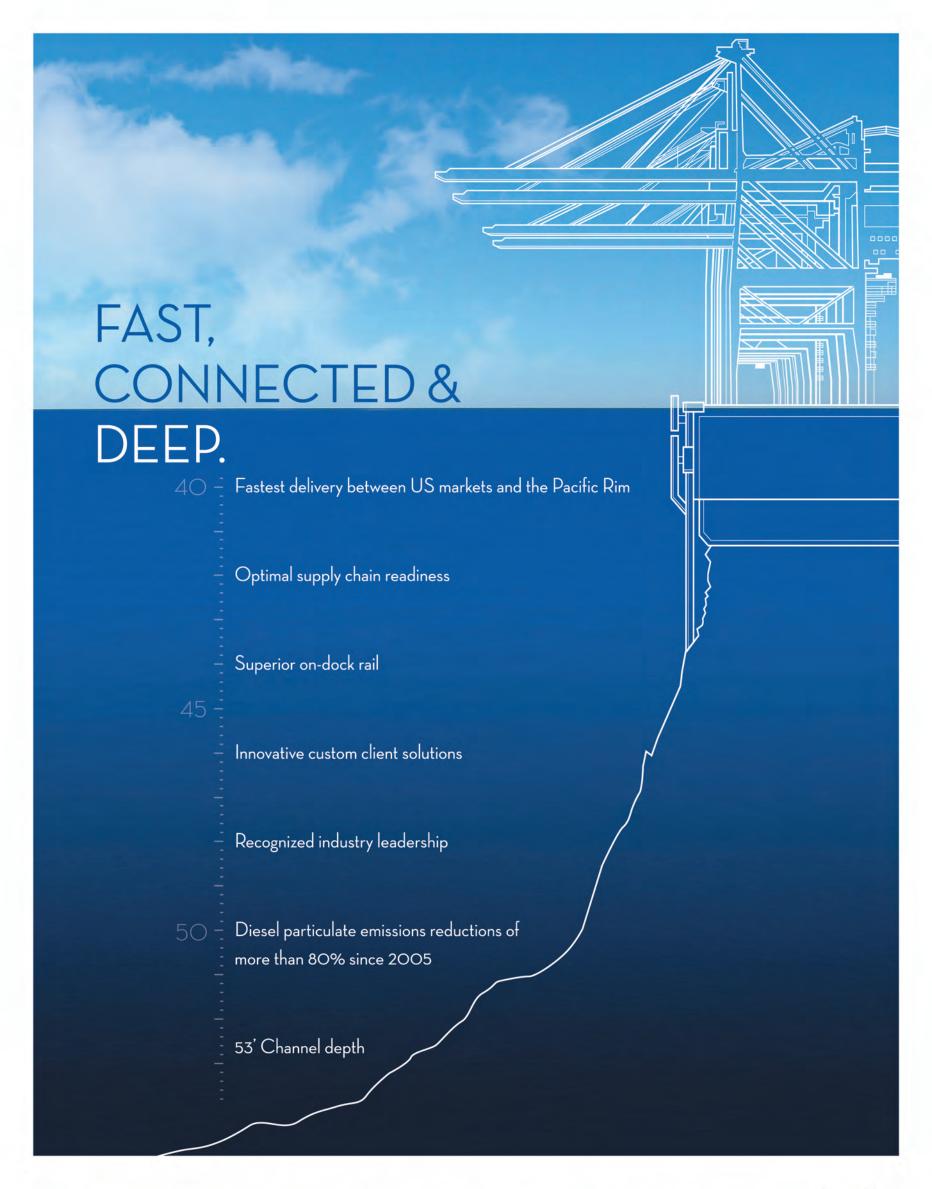
Also underway is the realignment of Harbor Boulevard into Ports O' Call Village. The project includes adding a signaled intersection at Harbor Boulevard and Miner Street, creating crosswalks and more. It should be completed in 2018, according to port documents.

A project to transform Ports O' Call Village into a new San Pedro Public Market is currently in the design phase, as is an initiative to create a waterfront promenade in Wilmington. Various other projects, including container terminal improvements for Everport and Yang Ming, are under environmental review.

In the future, Seroka is focused on identifying ways to better leverage the port's 7,500 acres of property and 43 miles of waterway. For example, the port recently accepted a bid to transform an 80-acre vacant parcel into a "harbor performance enhancement center," he said.

"This idea would be to augment the terminal capacity here at the Port of Los Angeles insomuch that it could help move containers off of terminal properties almost the moment they're available for movement," he said of the proposal. "This facility, although very aspirational at this juncture, will also have the use of alternative fuels and energy concepts, even potentially battery storage of these alternative fuels and energies, [and] solar power possibly coming from renewable energy."

Also part of the bid is the creation of a training center for those interested in various supply chain certifications, according to Seroka. The plan has yet to go before the harbor commission for approval.













San Pedro Bay Ports





Ports Are Ready For The 'Era Of Big Ships And Alliances'

■ By **Brandon Richardson** Senior Writer

ast year, the shipping industry saw an unprecedented number of ocean carrier mergers, as well as the collapse of Hanjin Shipping, which was the seventh-largest container carrier in the world. These two events led to a reshuffling of alliances, which took effect on April 1.

"Alliances are a function of low freight rates, overcapacity and sluggish trade volumes," John McLaurin, president of Pacific Merchant Shipping Association, said. "They are an effort by ocean carriers to cut costs when they are unable to raise freight rates."

Ocean carriers have been forming alliances for nearly a decade as a way to reduce costs by sailing fewer ships and sharing cargo space on mega vessels. Prior to the reshuffling, there were four shipping alliances: 2M, Ocean Three, G6 and CKYHE. Now, after the reshuffling, three alliances remain: 2M, Ocean Alliance and The Alliance.

The 2M alliance consists of Maersk Line, Mediterranean Shipping Company, Hamburg Süd and Hyundai Merchant Marine. Ocean Alliance consists of CMA CGM, APL, China COSCO Shipping, Orient Overseas Container Line (OOCL) and Evergreen. The Alliance is made up of Hapag Lloyd, Yang Ming Ltd. and Mitsui OSK Lines, Nippon Yusen Kaisha Lines and Kawasaki Kisen Kaisha Ltd. (K Line).

"The new shipping alliances linked with the big ships, I think, favor the largest ports — the largest, deepest draft, highest volume throughput ports," Genevieve Giuliano, director of METRANS Transportation Center, said. "So in that way, I think L.A. and Long Beach are in a much better position than Oakland or Seattle or anybody else along the West Coast."

Giuliano noted that using mergers and alliances to combat excessive supply and low prices is not a sustainable situation. She said the only solution would be to restrict supply or for companies to cooperate on container shipping prices. Now that the industry is down to three alliances, with more company mergers anticipated in the near future, Giuliano said cooperation is becoming an easier option and more likely.

Aside from not being sustainable, Giuliano said the continued evolution of mergers and alliances could cause two other issues for ports around the world. The first issue is the uncertainty brought about by change and the fast rate of change. She explained that ports work with long-term visions in terms of contracts and investment plans, which rely on stable revenue streams, which can be disrupted by less calls to port due to mergers, or in the case of Hanjin, bankruptcy.

The new alliances also are impacting port operations, Giuliano said. She explained

that receiving containers and distributing them to the right place has become more difficult due to the fact that one ship carries containers from multiple shipping companies, all with a different final destination. Giuliano said this has increased cost of port operations and reduced velocity of throughput.

"We have been monitoring the recent alliance changes closely," Phillip Sanfield, a spokesperson for the Port of Los Angeles, said. "Our main focus now is to help Port of Los Angeles supply chain partners with the transition and to help alleviate any challenges or disruptions that come up as a result of the changes. We will be able to assess if and how the alliance changes effect port volumes in July, after we've seen three months of data."

Noel Hacegaba, managing director of commercial operations and chief commercial officer at the Port of Long Beach, said over the last several months the port has endeavored to ensure its terminals and supply chain partners are prepared for the new alliance structure as well.

To do this, Hacegaba said the port has been in constant communication with shipping lines, terminal operators, trucking companies and railroads to make sure they are communicating with one another and sharing necessary information to be able to plan accordingly and make reliable decisions.

"We feel confident that we, as a complex, will be able to handle the new alliance structure as the ships make their way to Long Beach," Hacegaba said. "We have been facilitating and enabling communication and coordination across different segments of the supply chain. The supply chain is highly interdependent. Unfortunately, they're not necessarily aligned."

One example of the port's work with the supply chain was the discussions it facilitated amongst the three largest chassis fleet owners that serve the San Pedro Bay ports. These discussions led to what is called the "pool of pools," which increases cargo operations efficiency by providing terminal operators and trucking companies much more flexibility in obtaining the wheeled trailers used to haul cargo containers by truck. This agreement went into effect March 1, 2015.

Another example of previously laid groundwork to aid in the alliance reshuffling is the development of an appointment system, which creates predictability in operations, including the flow of trucks through the ports of Los Angeles and Long Beach. Of the 13 marine terminal operations between both ports, Hacegaba said nine currently have some form of appointment system.

"Overall, we expect that the new alliance structure will net us additional volume because under the new alliance structure we will gain some services," Hacegaba said. "For instance, in 2017, we project that we will end the year approximately 7% ahead of where

we were last year. A factor in that is the new alliance structure."

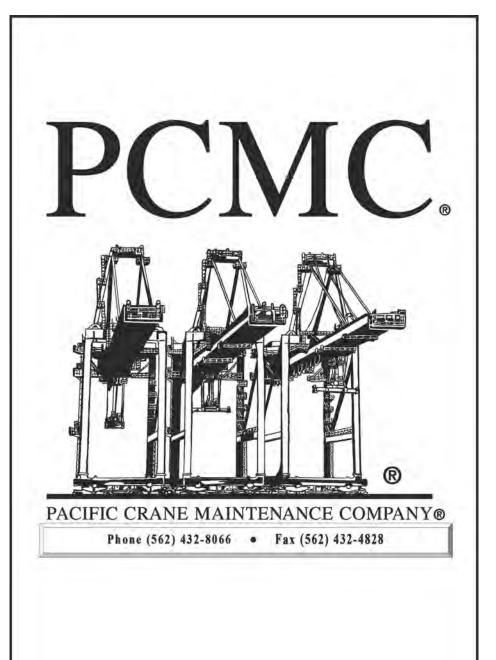
This year, the Port of Long Beach recorded its strongest first quarter in a decade, despite overall growth in volume increasing only 1.5% during that time compared to the same quarter last year. Hacegaba said the port's readiness to accept the new shipping structure, as well as new independent companies calling at Long Beach — including Korean-based carrier SM Line Corporation, which emerged after Hanjin's bankruptcy — are what will continue growth.

Hacegaba agreed with Giuliano that mega-ship sharing is reducing the number of calls for service. However, Hacegaba noted that larger, fuller ships would still mean increased container throughput for the ports.

■



Two towers under construction rise high above the Gerald Desmond Bridge providing a preview of the massive scale of its replacement, which will rise more than 200 feet above the water. (Photograph by the Business Journal's Larry Duncan)











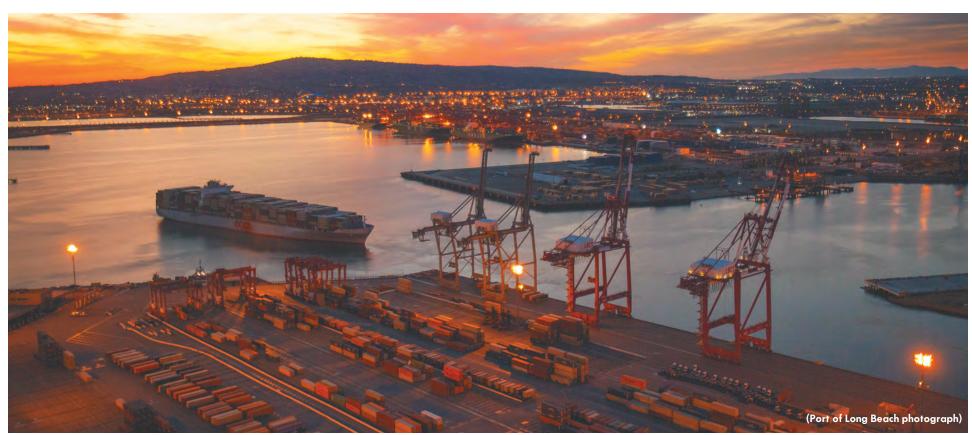
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Trump Rhetoric Casts A Cloud Of Uncertainty On Global Trade

■ By By Brandon Richardson Senior Writer

resident Donald Trump's view of international trade as a war, a competition – something to be won or lost by nations and negotiated through agreements to receive the most benefit for the collective "me" that is the United States - is a skewed view of the industry, according to experts.

"The idea that you want to focus on deficit and use that as a scorecard of the prowess of your economy and its ability to compete around the world is absurd," Jock O'Connell, international trade adviser at Beacon Economics, said. "It completely ignores the way the global economy is structured."

O'Connell explained that the United States has been running a merchandise trade deficit consistently since the late 1960s and, in general, has done well in the years since. Michael "Mickey" Kantor, former U.S. secretary of commerce (1996-1997) and trade representative (1993-1996) during the Clinton administration, took it one step further and said trade deficits have and always will be a sign of a strong U.S. economy.

He explained that international relationships are much more complex than just deficits. To illustrate his point, Kantor, a partner with the law firm Mayer Brown in Los Angeles, noted the \$60 billion trade deficit the U.S. has with Mexico. Despite the deficit, Kantor said Mexico is the second-largest export market for the U.S., larger than the entire European Union. Throw in Canada, the other third of the North American Free Trade Agreement (NAFTA), and Kantor said the combined export market dwarfs all other U.S. markets.

"We are a consumer nation. We have a very low savings rate, a very high consumption rate and large incomes. That's a formula for increased imports," Kantor told the Long Beach Business Journal. "So if you put charts up on the wall of the rise of the American economy, you would see the rise of the American trade deficit at the same time."

Due to the country's focus on consumerism, Kantor and many other trade experts and economists said the Trump administration's proposals for tariffs, border taxes on imports and "ripping up" trade agreements such as NAFTA would only hurt everyone involved,

Jonathan Gold, vice president of supply chain and customs policy for the National Retail Federation based in Washington, D.C., said the border tax adjustment is basically a 20% tax on all imported goods to be passed on to consumers. Gold noted that the GOP does not have a fully drafted bill but rather a blueprint which lays out the plan.

"We've had some members look at the blueprint and run their numbers, and they basically said that . . . the border adjustment tax is going to wipe them out," Gold said. "They said their taxes could be three or five times their profit margins, which would essentially put them out of business. As we are looking at it now, that is our biggest concern."

Of course, President Trump's main objective with these taxes and tariffs is to bring manufacturing jobs back to U.S. However, Kantor explained that taxes and tariffs would hurt overall trade and, therefore, have a negative impact on manufacturing, as other nations impose tariffs on U.S. goods or lessen U.S. imports in general.

In addition to hurting trade, Kantor and Gold agree that the decline of manufacturing jobs is not a result of trade deficits or agreements, or really trade at all. Rather, the U.S. has seen a steady increase in productivity.

"We're still making a lot of things in the U.S. We're just making them with a lot less people," Gold said. "You're seeing better efficiency and productivity with less people. Part of that is because of automation, which is probably a bigger threat to jobs than trade is."

A decrease in trade would also have an added negative impact on shipping and logistics industries in the U.S. If imports were reduced, even if manufacturing jobs were to experience an upswing, shipping and logistics would take a hit, essentially moving the problem to another sector rather than solving it, according to O'Connell.

He went on to say that the most difficult aspect of dealing with Trump's trade policy proposals is the extreme uncertainty. The change in tone from the campaign to current discussion regarding NAFTA has been the most jarring, experts said. On the campaign trail and even after being elected, Trump has routinely referred to NAFTA as "the worst deal in history," saying he would rip up the "catastrophic" agreement. Most recently, however, Trump has reigned in his rhetoric by saying modest changes would be made and promising "pleasant surprises."

"The caution is a function of the administration becoming better informed about the realities of the world of international trade," O'Connell said. "When he was on the campaign trail, he was almost totally clueless about how trade was really conducted. He had an almost cartoonish idea of international trade and the role of foreign trade agreements in trying to promote a better, more equitable world."

Regarding NAFTA, John Husing, private senior regional economist at Economics & Politics Inc. in Southern California, noted that while multilateral deals do create winners and losers, there are more winners. He explained that the reason it seems off balance is because the winners are typically consumers who do not even realize the benefits they are reaping, while the losers are often specific sectors that can see their injury.

However, despite the obvious benefits of NAFTA, Husing, Kantor and Gold noted that the agreement is nearly 25 years old and could do with an update to put it in line with the needs of a more modern world.

"When you look at things like digital commerce, that wasn't part of the NAFTA 20 years ago because it didn't really exist," Gold said. "Looking at how we modernize trade facilitation and trade enforcement, again [that is] something that we think is important to look at. So I think there are some areas that we all agree need to be looked at."

According to Gold, some of the alterations and additions needed within NAFTA were already included in the Trans-Pacific Partnership (TPP), which Trump withdrew from in January. Many economists and trade experts, including Husing, were in support of TPP and are at a loss as to why Trump followed through with this decision.

"It would have actually helped our ability to compete. Except you've got the urban myth that it was somehow going to send jobs overseas," Husing said. "That is not what I've seen any analysis say would have happened. But, excuse me, the people who were at [Trump] rallies aren't exactly experts on international trade."

Gold said that he hopes the U.S. will get to a point where it can begin negotiations with these nations again, including Japan and Vietnam. He said China is already in discussions with several strategic U.S. trade partners, which only adds to his disappointment over Trump's withdrawal from TPP.

Though Trump has not made many moves regarding trade policy and immediate effects cannot be determined, O'Connell said the uncertainty and rhetoric are concerning to industry experts. Kantor noted that the U.S. does not spotlight the trade industry as much as it should, which leaves many Americans ignorant of the facts.

"We are the only developed country in the world where trade is not a front-page issue on a daily basis," Kantor said. "Therefore, Americans don't know a lot about trade, trade agreements and their impacts. And we all need to learn more about it." ■





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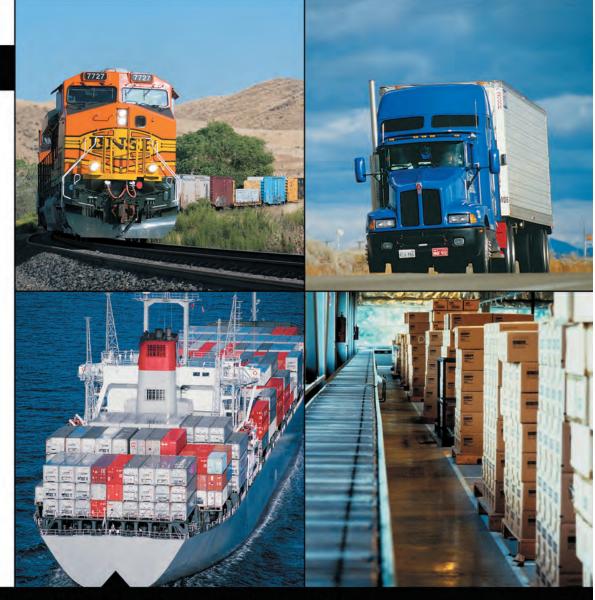
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A Tale Of Two Ports: Could Lessons Learned From Seattle And Tacoma Apply Elsewhere?

■ By Samantha Mehlinger

Assistant Editor

etermined to ride the waves of change rippling through the international trade industry rather than be swallowed by them, the ports of Seattle and Tacoma last year began operating as the Northwest Seaport Alliance.

As Port of Tacoma CEO John Wolfe explained recently at the Pacific Merchant Shipping Association's annual luncheon in Long Beach, the new partnership has helped the ports retain and grow their market share.

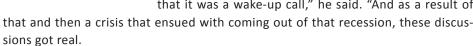
Wolfe, who also serves as CEO of the Northwest Seaport Alliance, spoke before an audience of executives from local shipping companies, ports, law firms, engineering companies and more as he told this tale of two ports that chose to work together rather than compete. Through the windows of a conference room at the Hyatt Re-

gency, the cranes of San Pedro Bay's own twin ports could

be seen behind him.

"For years, the ports of Seattle and Tacoma competed with each other. And what would happen is that we would take business from each other," Wolfe said. "One shipping line would move from Seattle to Tacoma and vice versa. The scoreboard would change back and forth, yet really from a regional perspective, we weren't growing the gateway. And so we had lost sight of what was most important for the region."

In the early 2000s, the ports were increasing their volumes but losing market share to growing Canadian ports, Wolfe recalled. "It was only . . . when the recession hit that it was a wake-up call," he said. "And as a result of



"So a few years ago, we sat down together and said what if we were to work together? What if we were to change the game, so to speak?"

A few years ago, the ports of Seattle and Tacoma began holding meetings, which were sanctioned by the Federal Maritime Commission (FMC), to discuss how to address their shrinking market share and adapt to a changing industry.

"Early on in those private meetings under FMC guidance, there were many interesting conversations," Wolfe said. "Imagine two [harbor] commissions that had their [own] elected officers from the counties they serve, and they are trying to work to-

gether. Yet they have different ways to approach the business, different cultures, quite frankly, and many different personalities among the 10 of them."

He added, "There were a few meetings where sitting in that room I thought, 'This is the last meeting.'"

Despite some bumps along the way, the ports were able to develop a solution. About 18 months ago, they launched the Northwest Seaport Alliance, a 50/50 joint venture alliance between the two ports. "The net operating income from that business is distributed back to the home ports of service and reinvested back into the Northwest Seaport Alliance," Wolfe said. "So it truly is a partnership where we eliminated any form of competition between the ports of Seattle and Tacoma. And quite frankly, it set us up to better serve our customer base."

As an example, Wolfe said, when the Port of Tacoma was having service issues at one of its terminals due to high cargo volumes, the ports came to a solution together.

"In the past . . . [at Tacoma], we would have found a way to the best of our ability to keep those services in Tacoma," Wolfe said. "Yet through this partnership, we were able to work with the shipping line and shift that business to a terminal in Seattle, thus making sure that they had a better service delivery solution and could be successful with growing their business."

The ports also partner on capital improvements. Each of the ports' harbor commissions voted to put \$75 million toward a \$150 capital investment at the Port of Tacoma terminal to ready the port for bigger vessels, Wolfe noted.

The alliance has now operated for one full year. "This first full year resulted in imports up 6.5% over the previous year. Exports were up 14%," Wolfe said. "We also held our own in market share as it relates to transpacific trade. That's the first time in eight years that we turned the tide on the market share."

In addition to working together, the ports now seek the guidance of industry stakeholders. "We set up an executive advisory council of key stakeholders throughout the gateway," Wolfe said. "Imagine sitting in a room with the shipping lines, terminal operators, laborers, trucking companies, railroads, warehouse and distribution companies, all working together to drive out inefficiency in the gateway."

The alliance has laid out a more than \$1 billion capital investment plan for the next 10 years. Wolfe said.

Asked by an audience member if there were takeaways that might be applicable on a broader scale, Wolfe noted that he was unsure if the issues experienced by Seattle and Tacoma might also apply to Southern California. Those ports have experienced an imbalance of capacity and demand, he explained.

That situation essentially caused the ports to play chicken – each would wait for the other to make a move and then counter with a more competitive opportunity. "We were waiting for the other to make that move, and oftentimes, it didn't happen," Wolfe said. "As a result of that, shipping lines would receive a very aggressive rate, yet their service wasn't the best."

Wolfe reflected, "I don't know that a gateway needs to necessarily take the full step of coming together like we, Seattle and Tacoma, did to deal with that. I think there are some cooperative ways in which the ports can attack that issue without the structure that we came up with."

Hydrogen-Powered Truck To Hit The Road At Port Of Los Angeles This Summer

■ By **Samantha Mehlinger** Assistant Editor

his summer, what might prove to be one of the world's cleanest trucks will roll – but not rumble – through the Port of Los Angeles and nearby roadways. Toyota Motor North America (TMNA) debuted its first zero-emission, hydrogen fuel cell-powered semi-truck at the port on April 19 to announce its participation in a feasi-

bility study examining the use of fuel cell technology in heavy-duty applications, according to a statement from the company. The quiet truck's only emission is water vapor.

The truck "has the power and torque capacity to conduct port drayage operations while emitting nothing but water vapor," according to a Toyota statement. "The truck generates more than 670 horsepower and 1,325 pound-feet of torque from two Mirai fuel cell stacks and a 12-kilowatt-hour battery, a relatively small battery to support Class 8 load operations," Toyota's statement read. The truck uses tech-

nology derived from the Toyota Mirai, the company's first hydrogen-powered car.

"Toyota believes that hydrogen fuel cell technology has tremendous potential to become the powertrain of the future," TMNA Vice President

"The Port of Los Angeles is excited to collaborate with Toyota to explore the feasibility of fuel cell technology for port drayage operations," Tony Gioiello, the deputy executive director of port development, stated. "Our port and industry stakeholders have demonstrated their leadership in reducing pollution from port-related operations, and we see the potential of Toyota's zero-emission heavy-duty truck technology as another solution to meet the long-term goals for the San Pedro Bay Ports Clean Air Action Plan."



This summer, Toyota Motor North America plans to test its first-ever hydrogen fuel cell-powered semi-truck in the Port of Los Angeles and nearby roadways as part of a feasibility study examining the use of fuel cell technology in drayage applications. (Photograph provided by Toyota Motor North America)

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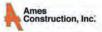


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Tami Lorenzen-Fanselow is the CEO of FCL Logistics in Carson. Her family has been in the trucking, warehousing and logistics industries for three generations. Over the years, she says she has seen an increasing number of women in leadership roles in her field. (Photograph by the Business Journal's Larry Duncan)

Female Professionals In Myriad Of Trade Roles Seek To Inspire Young Women

■ By **Samantha Mehlinger** Assistant Editor

he international trade industry affords a myriad of career opportunities: law, customs brokerage and freight forwarding, warehousing, trucking, shipping, engineering, marine terminal operations, crane operations, finance, communications and many other occupations all fall within the realm of trade. As industry professionals tell it, practically any type of position you can think of is represented within the trade industry.

While trade professionals told the Business Journal that many of these fields are still male-dominated, they believe women are increasingly represented throughout the industry at all levels.

"There have definitely been major changes in the fact that there are more women in international trade now," Tami Lorenzen-Fanselow, president of Carson-based FCL Logistics, told the Business Journal. Lorenzen-Fanselow's grandfather founded Price Transfer, a trucking and customs examination firm that is the sister company to FCL, in 1959.

Growing up in the family business, Lorenzen-Fanselow recalled, "There were very few women in the higher positions, definitely." Now, however, there are women in leadership roles at FCL and Price Transfer, as well as the industry as a whole. "We definitely have made some forward progress on women in this trade, and I see it continuing to move forward," she said. "On the trucking side, I think we still have a ways to go," she added.

According to the Bureau of Labor Statistics, in 2016 women made up 23.8%

of workers in the transportation and warehousing industry. Only 11.5% of trucking industry jobs were held by women.

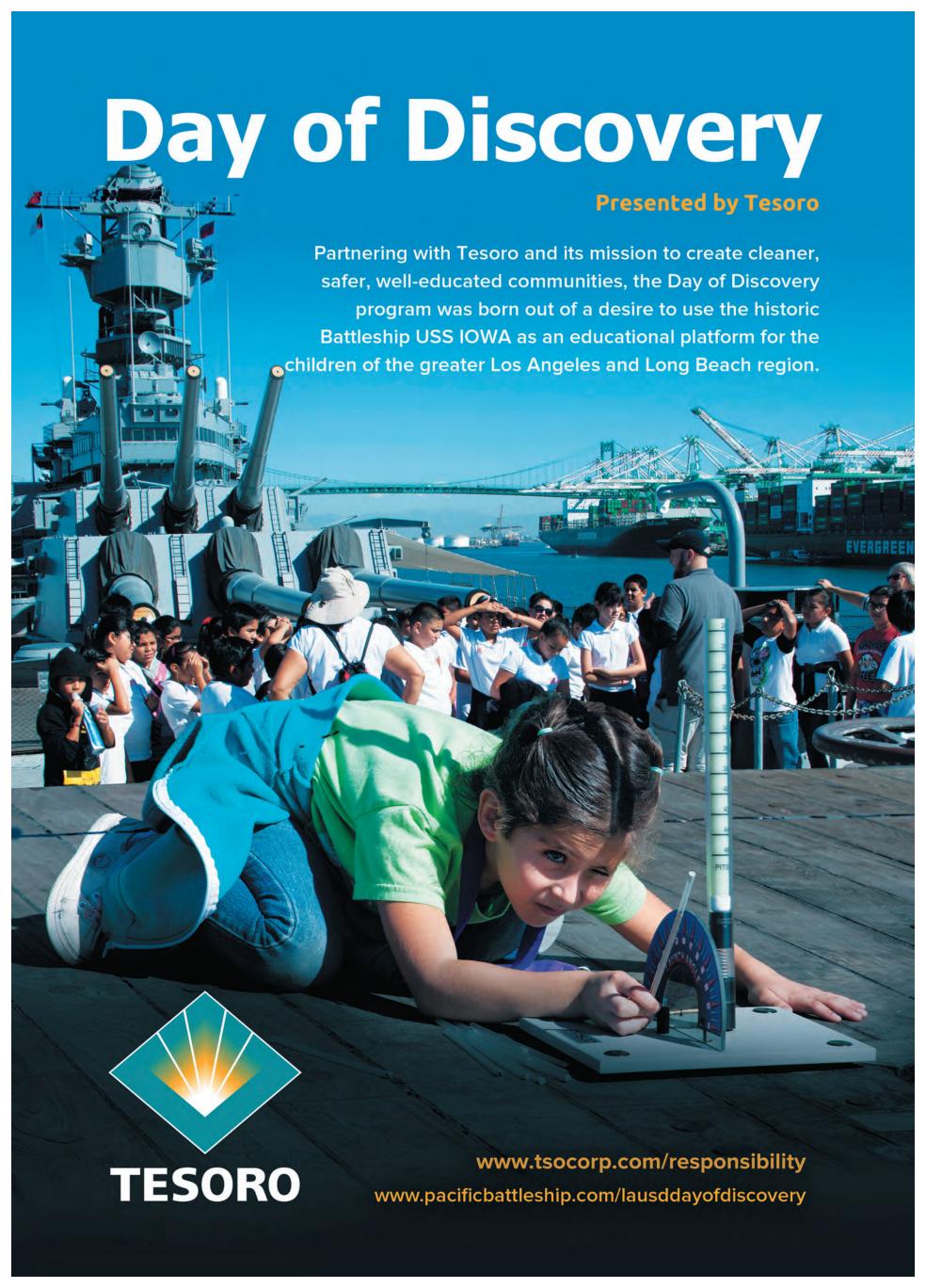
Capt. Charlene Downey, U.S. Coast Guard sector commander, Los Angeles/ Long Beach, joined the Coast Guard 24 years ago. She is responsible for all coast guard and maritime operations from the Monterey County line south to Dana Point, including within the ports of Long Beach and Los Angeles. She too has seen improvement in the number of women in her field.

"We are one of the branches of the armed services, and so when I came in, there were not a whole lot of women," Downey recalled. At the time, there were even some ships that did not accommodate women. "But now there aren't any restrictions for the type of ship that you go on. I think, for the most part, every ship can accommodate women. So we have really come a long way," she said.

men. So we have really come a ng way," she said. "Each year, I think for all of the (Please Continue To Page 34)



Pacific Merchant Shipping Association Vice President Michele Grubbs, left, worked with former Long Beach Harbor Commissioner Susan Anderson Wise in her efforts to create an annual event dedicated to highlighting women's roles in international trade. The Port of Long Beach has annually hosted the Women in Trade Luncheon since 2011. (Photograph by the Business Journal's Larry Duncan)



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San Pedro Bay Ports



"It's a different message when you have young women looking at women on a stage who are attorneys in this field of trade, who are business owners, who are truck drivers, who are crane operators or who are students at Cal Maritime. And then you think you can do it too."

> Lori Ann Guzmán, President **Long Beach Board of Harbor Commissioners**

armed services we seem to be getting better and better with women in the service, particularly in the Coast Guard," Downey said. In the Coast Guard, every mission position is available to women, she noted.

The first female sector commander based at the port complex was Capt. Jennifer Williams, who served in the role prior to Downey. "I served as her deputy. So to have two women as a sector commander and a deputy, I think, probably was a first in the Coast Guard," Downey said. "And then I moved up into that position, and my deputy is a woman. . . . It just speaks to the fact that over the years women have been able to move up in the ranks. And there is always room to still grow."

Michele Grubbs, vice president of the Pacific Merchant Shipping Association (PMSA), said that the balance of women and men in the international trade industry is mixed, depending on the field. "I would say it kind of depends on certain areas involved in international trade. But I would say definitely that people have great opportunities in this industry," she said.

"I mean, if you look at the Port of Long Beach, we have three female harbor commissioners," Grubbs said, adding that those women all hold the officer positions of president, vice president and secretary. "And over in Los Angeles, the commission president is a female. And so I see clearly, females in international trade at the local level have risen to high levels."

Lori Ann Guzmán, president of the Long Beach Board of Harbor Commissioners, said that it is the first time in the port's 106-year history that all of the board officers have been female. In that time, there have been fewer than a dozen female harbor

"Most of our interactions are really with customers and shipping lines. And so in my experience in those settings, there are very few women," Guzmán reflected. "It is a male-dominated field for sure, especially internationally but even here in the U.S."

Guzmán, who is the director of finance for the City of Huntington Beach and former chief financial officer for the City of Long Beach, said that she is used to working in male-dominated fields. "To be honest, I am in finance for a living, and so it's no different," she said. "I do have to say that with trade, it is a bit more male dominated than even in the public or private sector for finance."

Guzmán does not feel she is treated differently in her role as a harbor commissioner due to her gender. "I am often the only woman in the room. . . . You might have 25 or 30 people in a room, and I am still the only female," she said. "However, I felt nothing but warmth and being embraced and being respected as a peer. And you know, I have been able to develop great relationships," she added.

"You know, whenever you have a male-dominated field, it's typically because there is a legacy of relationships and networking organizations . . . and they are male and so they are speaking to other men," Guzmán said. "Whereas, all it takes is for a few women to be introduced into the field through whatever means, even as a commissioner or in the business sense . . . and then you can start those feeder systems naturally."

A number of organizations are dedicated to this concept. Andrea Ewart, a lawyer specializing in trade law, leads the Organization for Women in Trade (OWIT), an international, volunteer nonprofit that has 27 chapters throughout the world.

"To be honest with you, I think in the legal field, especially international trade law, that still seems to me to be very heavily male dominated," Ewart said. "I think there continues to be a need for an organization like OWIT to provide connections [that] provide mentoring, to build the networks that I think are really important for any professional." she explained.

"There is still an imbalance that needs to be addressed, particularly as you rise up through the hierarchy in any field," Ewart said. "It really is about finding [and] providing a friendly and supportive environment for women."

When Susan Anderson Wise served on the Long Beach Board of Harbor Commissioners, she spearheaded the creation of an event to foster such an environment for young women. Her intention was to give local high school students an awareness of trade-related fields.

Wise served on the board from 2009 to 2014. In 2011, the port celebrated its 100th anniversary, and a photograph got Wise thinking about women's roles at the port. "There was an old picture that they were using often, and it was literally like the ribbon-cutting or when the first ship came in, in 1910 or 1911," Wise recalled. "And there were a lot of men in the picture, and then there were just a couple of women."

In her own experience on the board, Wise felt women were not adequately represented in the field of trade. "I found myself over and over again in high level meetings with very few women in the room. And sometimes I was the only woman in the room,"

Working with other women in the industry, Wise created the concept of the Women in Trade luncheon, which had its first run in 2011. The annual luncheon brings together women from all the various professions afforded by the international trade industry, and the port invites female students from all the Long Beach high schools to attend.

"I think that perhaps they didn't realize that there were women who were doing some of these things and that they too might do those things," Wise said of students who have attended the event.

Guzmán explained that seeing other women in roles in the industry helps students to envision themselves in those positions. "It's a different message when you have young women looking at women on a stage who are attorneys in this field of trade, who are business owners, who are truck drivers, who are crane operators or who are students at Cal Maritime. And then you think you can do it too," she said.

"It's all a matter of exposure. It's getting the word out and exposing women to these careers and how diverse the careers can be even within what we call trade,"

The Center for International Trade and Transportation at California State University, Long Beach has also begun working with high school students to spread the word about trade occupations, according to Executive Director Tom O'Brien.

"We have a new partnership with the Academy of Global Logistics at Cabrillo High School in Long Beach in which we partner with the Long Beach Unified School District and the port," O'Brien said. "That's another way we are sort of beginning the career pathway earlier. And that's another way to remind young women that there is a place for them in this industry."

World Trade Week Kicks Off With Annual Breakfast, May 4

■ By Brandon Richardson Senior Writer

■ he Los Angeles Area Chamber of Commerce is kicking off its 91st Annual World Trade Week with a breakfast and award ceremony on Thursday, May 4. More than 800 business leaders and members of the diplomatic corps are expected

to attend the event from 7:15-11 a.m. at the Westin Bonaventure Hotel & Suites, located at 404 S. Figueroa St. in Los Angeles. The event program includes keynote speaker Jack Dangermond, president of Redlands-based Esri.

"We are delighted to kick off this year's celebration of global trade with a dynamic keynote address by the president of the world's leading geographic



Vilma Martinez

information syscompany, who will bring an interesting unique perspective on how technology is changing



Jack Dangermond

government, business and society," Carlos Valderrama, president of the L.A. Area Chamber's Center for Global Trade and Foreign Investment, said in a press release.

During the awards presentation, the Stanley T. Olafson Bronze Plaque Award will be presented to Los Angeles Harbor Commission President Vilma Martinez, who served as U.S. Ambassador to Argentina from 2009 to 2013. Additional award recipients include David

Borla of Borla Performance Industries, Barbara Choi of Cosmobeauti Labs and Jane Skeeter of UltraGlas Inc. receiving the Export Achievement Award; and Jim Maclellan and Norma Arikawa of the Port of Los Angeles Trade Connect program receiving the Bob Kleist Leadership Award.

World Trade Week has become a month-long celebration of global trade meant to educate the public on the importance of trade to the local and national economies. Partnering organizations in Southern California are scheduled to host more than 30 events throughout May in honor of the celebration.

For more information about the event, visit www.lachamber.com/globalinitiatives/world-trade-week.



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Mario Cordero Named Port Of Long Beach Executive Director

■ By SAMANTHA MEHLINGER Assistant Editor

¶ he Port of Long Beach will soon be led by a familiar face – former Long Beach Harbor Commissioner and attorney Mario Cordero. The Long Beach Board of Harbor Commissioners confirmed Cordero's appointment as executive director in a special meeting on April 14.

Cordero is leaving his position on the Federal Maritime Commission (FMC) to lead the Port of Long Beach. He was appointed to the commission by President Obama in 2011 and served as its chair from 2015 to January of this year. He served on the Long Beach Board of Harbor Commissioners from 2003 to 2011.

with a Canadian aviation firm. He served in the position from June 2014 to October 2016.

"I am so pleased to be coming back home to the Port of Long Beach during this time of dramatic change in the maritime industry," Cordero stated. "The broad perspective I gained at the national level, along with my many years of service as a Long Beach Harbor Commissioner and my love for the community of Long Beach, will allow me to hit the ground running.

"We have a stellar leadership team in place, and I'll be working closely with the commission and our highly experienced staff in the months ahead to carry out our ambitious capital improvements and ensure that our customers and community members are well-served."

Praise was quick to follow the harbor commission's decision to hire Cordero.

"We congratulate former FMC Chairman Mario Cordero on being selected to lead the Port of Long Beach organization," Port of Los Angeles Executive Director Gene Seroka said



Mario Cordero, left, is set to take the reins next month as executive director of the Port of The board has been searching for a new Long Beach from Interim Chief Executive Duane Kenagy, right. Cordero is a Long Beach local, leader since former Chief Executive Jon and no stranger to the port - he served on the Long Beach Board of Harbor Commissioners stability and reverse a trend of constant Slangerup resigned last fall to take on a position for eight years. (Photograph by the Business Journal's Larry Duncan)

in statement provided to the Business Journal. "Mario is a respected industry leader with an extensive understanding of North American seaborne trade, as well as the particular supply chain dynamics here at the nation's largest trade gateway. We look forward to continuing our strong working relationship with the Port of Long Beach team under Mario's leadership."

John McLaurin, president of the Pacific Merchant Shipping Association, also had positive remarks. "Mario brings to the job extensive contacts within the international trade community and understanding of the local community," McLaurin told the Business Journal via e-mail. "He is a very open and honest person. His selection, coupled with new appointments to the harbor commission later this summer, will bring turnover at the senior management position."

Mayor Robert Garcia was also pleased with the selection of Cordero. "Mario understands the Port of Long Beach, the challenges facing the industry, and has a deep love of our community," he wrote in an e-mail to constituents. "I know Mario will manage our growing port economy and ensure we are protecting our air and environment."

Cordero has deep Long Beach roots that go beyond his time on the harbor commission. In addition to his law degree, he holds a bachelor of science in political science from California State University, Long Beach, a subject he previously taught at Long Beach City College. He and his wife, Gloria, are longtime Long Beach residents.

Duane Kenagy, the port's former capital programs lead, has been serving as the interim chief executive since Slangerup's departure. He told the Business Journal he is looking forward to working with Cordero and the commission in shaping his role at the port moving forward. As he understands it, Cordero is likely to take over in mid-May.

Supply-Chain Thinking To Thrive In The 21st Century Economy

■ By **Tyler Reeb**

¶ here's an old adage that "there's always two sides to a story." The truth is that there are as many sides to a story as there are participants. Supply chain thinking embodies that simple truth and holds the key to thriving in the 21st century economy. Consider the following scenario: Shipping containers are lifted off megaships by gantry

cranes and loaded onto trucks and trains that carry goods to warehouses where cargo is unloaded and shipped to store shelves and residences. Moving goods around the globe and throughout domestic markets requires careful collaboration among stakeholders across the entire supply chain.

Only two decades ago, the logistical arrangements for those shipments were largely coordinated via fax machines, phone calls, clipboards, and handshakes. On the consumer end of things, in-person shopping was still the preferred mode of shopping. Back then, if you said "Amazon" most people thought of a river.

Utter "Amazon" two decades later and most people think of an ecommerce multinational corporate monolith that can ship virtually anything you want to your house or business. It is widely known that Amazon is testing unmanned drone parcel deliveries. What is most amazing about this notion is that most of the American public has accepted this future reality and is not surprised by the prospect of flying robots one day replacing delivery drivers.

When it comes to the future of trade and transportation, even the most cautious subject matter experts are acknowledging that new technologies and attitudes are spurring transportation revolutions in every transportation mode: personal vehicle, mass transit, active transporta-

tion, and freight. In the personal vehicle sector, companies like Qualcomm and Intel who made semiconductors and processors for the supercomputers that drove the internet, e-commerce, and smart phone revolutions – are now investing billions of dollars into the development of self-driving vehicles, A.K.A.: super computers on wheels. Other Silicon Valley giants like Google, Apple, Lyft and Uber are investing heavily in the vehicleto-vehicle, vehicle-to-infrastructure, and smart-city technologies that will enable those driverless vehicles.

In the sustainable technology sector, it is worth noting that electric vehicle manufacturer Tesla recently exceeded Ford Motor Company in market value, On April 3, 2017. the New York Times reported that in addition to exceeding Ford's "value for the first time," Tesla had also "moved within striking distance of General Motors, starkly illustrating the growing gap in investors' optimism over its future versus the prospects for the traditional carmakers from Detroit."

Meanwhile, in the active transportation sector, bicycles are driving considerable change

in urban centers. Over the last decade, bike sharing depots have become ubiquitous in most American cities. Also on the technological horizon are a host of new high-speed rail, crowd-sourced busing, zero-emission, and Hyperloop technologies that could create new opportunities for publically and privately funded mass transit options.

There are too many transformational changes afoot in transportation to list in this article, but one thing is certain: new transportation systems will increasingly transform the way business and communities function. At the same time, the finite amount of space available to move people and goods will become more constrained and congested. This means the viability of future transportation systems will be determined by how effective stakeholders across all modes are in synchronizing their efforts. To get to that point, leaders in transportation must understand the earlier mentioned truth about supply-chain thinking: that every stakeholder's viewpoint is important and must be addressed. When leaders in industry, government, labor and academia think in silos they ignore the realities of their ever-evolving socioeconomic environments.

> If transportation planners fail to thoughtfully mitigate freight-passenger conflicts on city streets, bicycle and commuter vehicle collisions could increase. If leaders in government and industry do not address the huge increases in packaging materials associated with e-commerce deliveries, municipal recycling and waste management systems will be overwhelmed. The logical alternative to this siloed reality is a systems approach that factors in the perspective of every stakeholder in the trade ecosystem to collaborate in a way that mitigates risk, negotiates stakeholder differences, and ultimately responds more nimbly to changing market conditions.

> Twenty years ago, the Center for International Trade and Transportation (CITT) was established to convene stakeholders across the supply chain via

educational programs, research initiatives, and public events to address goods movement challenges in a collaborative rather than siloed manner. During those two decades, the modern goods movement industry emerged and it became clear to CITT leadership that the best way to solve supply-chain problems was to use supply-chain thinking. That insight informed the development of CITT's Global Logistics Specialist certification, which engaged industry experts to train the next generation of professionals. Similarly, CITT leadership used supplychain thinking to conduct research and community engagement efforts that enlisted stakeholder participation from throughout the goods movement community.

In short, what is clearer than ever as CITT celebrates its 20-year anniversary is not a milestone on a calendar but rather a two-decade affirmation that supply chain-thinking will determine the success of not only goods movement professionals in the future but also leaders in labor, government, and academia.

(Tyler Reeb, Ph.D., is the director of research at the Center for International Trade and Transportation. He can be reached at tyler.reeb@csulb.edu.) ■



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World Trade Week Events Calendar May 2017

Calendar Information Provided by the Los Angeles Area Chamber of Commerce – www.lachamber.com

April 30-May 4 Milken Institute Global Conference

The Beverly Hilton 9876 Wilshire Blvd., Beverly Hills Contact: ezager@milkeninstitute.org www.milkeninstitute.org

May 1

Export Compliance Training Program

8-11 a.m.

Rancho Santiago Community College District #107, 1st Floor 2323 N. Broadway, Santa Ana Contact: info@orangecountycitd.com www.orangecountycitd.com/

May 1-4

Advanced Clean Transportation (ACT) Expo

9 a.m.-6 p.m.

Long Beach Convention Center 300 E. Ocean Blvd, Long Beach Contact: events@gladstein.org www.actexpo.com

May 2

Connecting Canada and Silicon Beach: Innovation, Partnerships & Business Opportunities

9:30-11:30 a.m. General Assembly 1520 2nd St., Santa Monica Contact:

lucy.gharibian@international.gc.ca www.can-am.gc.ca

May 3

Understanding the United States Harmonized Tariff Schedule

9:15-11 a.m. Holiday Inn 19800 S. Vermont Ave., Torrance Contact: info@lacbffa.org www.lacbffa.org

May 3-4

Bureau of Industry and Security-BIS Export Regulation Course

7:30 a.m.-4:30 p.m. Hilton Orange County/Costa Mesa 3050 Bristol St., Costa Mesa Contact: Jason.Sproule@trade.gov www.bis.doc.gov

May 4 91st Annual World Trade Week **Kickoff Breakfast**

7:15-11 a.m.

The Westin Bonaventure Hotel & Suites 404 S. Figueroa St., Los Angeles Contact: jgonzalez@lachamber.com www.worldtradeweek.com

<u>May 5</u>

Inaugural Mexico and Los Angeles Economic Forum

8 a.m.-1:30 p.m. Contact:

lcourtney@labusinesscouncil.org www.labusinesscouncil.org

May 5

Mexico & the U.S. **Manufacturing Collaboration: NAFTA Updates & Future Outlook**

8 a.m.-Noon Double Tree by Hilton Irvine Spectrum Hotel 90 Pacifica, Irvine Contact: info@usmcocca.org www.usmcocca.org/

May 6

APICS Spring Symposium

8-11:30 a.m. Eagle Glen Golf Club 1800 Eagle Glen Pkwy, Corona Contact: apicsie@gmail.com www.apics-ie.org

May 8

Export Compliance Training Program

8-11 a.m.

Rancho Santiago Community College District #107, 1st Floor 2323 N. Broadway, Santa Ana Contact: info@orangecountycitd.com www.orangecountycitd.com/

May 9

Chinaweek California -China Business Summit

8 a.m.-4:30 p.m. Millennium Biltmore Hotel 506 South Grand Ave., Los Angeles Contact: info@chinaweek.la http://chinaweek.la/

May 10

Air Cargo Day 2017 "Global Challenges-**Local Solutions**" 11 a.m.-2 p.m.

Manhattan Beach Marriot & Golf Club 1400 Parkview Ave., Manhattan Beach Contact: dgibson@aeronet.com https://www.laaca.us/

LATC Executive Speaker Series YRC CEO James Welch

11:30 a.m. Old Ranch Country Club 3901 Lampson Ave., Seal Beach Contact: mail@latc.la http://www.latc.la/

May 11-12

SoCal Aerospace Expo

9 a.m.-6 p.m.

Los Angeles Convention Center 1201 S. Figueroa St., Los Angeles Contact: sales@ SoCalAerospaceGroup.com www.socalaerospaceexpo.com

May 15

Export Compliance Training Program

8-11 a.m.

Rancho Santiago Community College District #107, 1st Floor 2323 N. Broadway, Santa Ana Contact: info@orangecountycitd.com www.orangecountycitd.com/

May 16

91st Annual World Trade Week & International Trade Delegates **Luncheon and Trade Fair**

8:30 a.m.-1:30 p.m. Hotel Maya

700 Queensway D., Long Beach www.foreigntradeassociation.com

ExporTech Los Angeles (LACI) - Session 1

7:30 a.m.-5:30 p.m. Los Angeles Cleantech Incubator 525 S. Hewitt St., Los Angeles Contact: eglynn@cmtc.com www.cmtc.com/exporting

The Future of U.S. -**European Trade**

8:30-11:30 a.m. L.A. Area Chamber of Commerce 350 S Bixel St., Los Angeles

Contact: jgonzalez@lachamber.com www.lachamber.com

Ex-Im Bank Webinar: Unleashing Opportunity **Through Working Capital**

10 a.m. Contact:

docsla@tradetechnologies.com http://www.tradetechnologies.com/ Event/2017/ev051617

May 17

23rd Annual Inland Empire **World Trade Conference**

8 a.m.-5 p.m.

San Bernardino International Airport -**Domestic Terminal** 105 N. Leland Norton Way San Bernardino Contact: info@ieworldtrade.com www.IEWorldTrade.com

Export University: Legal, Contractual and Regulatory **Aspects (Trade Compliance)**

8:30 a.m.-Noon Point Loma Nazarene University -Mission Valley Campus 4007 Camino del Rio South, San Diego Contact: support@sandiegocitd.org http://www.sandiegocitd.org

May 18

Orange County World Trade Week Breakfast & Forum

7-11 a.m.

Irvine Marriott

18000 Von Karman Ave., Irvine Contact: dle@irvinechamber.com www.greaterirvinechamber.com

May 20

World Trade Week Free Harbor **Boat Tours**

10 a.m.-3 p.m.

Location 1: Banning's Landing 100 E. Water St., Wilmington Location 2: Downtown Harbor 504 S. Harbor Blvd., San Pedro www.portoflosangeles.org

May 22

Export Compliance Training Program

8-11 a.m.

Rancho Santiago Community College District #107, 1st Floor 2323 N. Broadway, Santa Ana Contact: info@orangecountycitd.com www.orangecountycitd.com/

May 24

30th Annual ILWU/Propeller Club **World Trade Week Seafood Feast** 5:30-7:30 p.m.

San Pedro Fish Market (Ports O'Call) Berth 78, San Pedro

Contact: info@propellerclublalb.org www.propellerclublalb.org

May 24-25

La Jolla Energy Conference 12:30-8:30 p.m.

Hilton La Jolla Torrey Pines 10950 N. Torrey Pines Rd., La Jolla Contact: jeremy@iamericas.org http://www.iamericas.org/lajolla/

May 25

Citizen Diplomacy Celebration -International Visitors Council of LA

6 p.m.

Taglyan Cultural Center 1201 N. Vine St., Los Angeles Contact: ccampbell@ivcla.org http://www.ivcla.org/

May 28-June 2 **NAFSA 2017 Annual**

Conference & Expo Los Angeles Convention Center -

South Hall 1201 S. Figueroa St., Los Angeles Contact: joannek@nafsa.org www.nafsa.org

May 31

VITA Global Networking Breakfast

8-10 a.m.

The Valley Economic Alliance BFG **Board Room** 5121 Van Nuys Blvd., 2nd Fl.

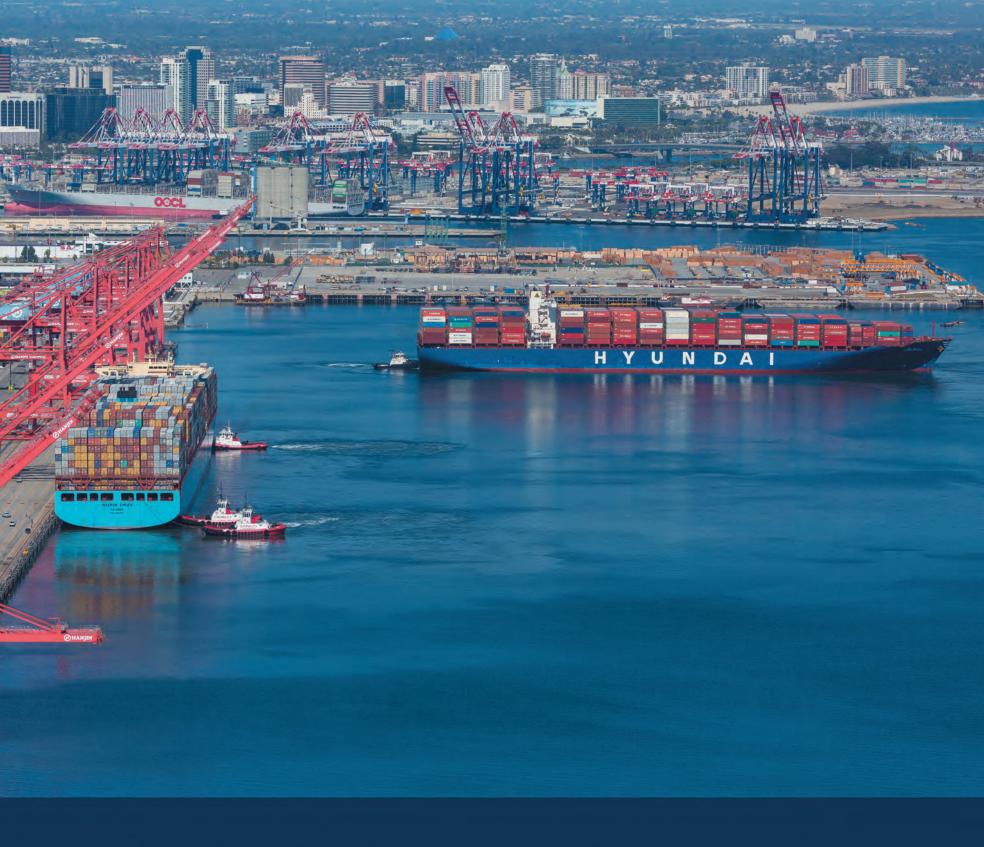
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This month a familiar name returns. Hyundai Merchant Marine brought its Hyundai Long Beach to our largest terminal, as the first vessel in a new service between Asia and America. Welcome back!

