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In 'generational moment,' Port of L.A. faces shifting winds in business and politics



Gene Seroka, executive director of the Port of Los Angeles, oversees the busiest seaport in the United States. (Allen J. Schaben / Los Angeles Times)

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The Port of Los Angeles has long been the single busiest seaport in the Western Hemisphere, employing thousands of Southern Californians and playing a critical role in the vast supply chain that underpins both the California economy and that of the United States as a whole.

Together with neighboring Port of Long Beach in the San Pedro Bay, it handles a whopping 40% of all the container traffic from continental Asia.

But today, as Port of Los Angeles director [Gene Seroka](#) puts it, this important but largely anonymous institution faces a “generational moment,” a set of challenges crucial for the regional economy and the well-being of many Americans.

Seroka has been leading the seaport since 2014. He recently sat down with the L.A. Times to discuss key issues involving the port.

We've been getting signs of slowing consumer spending. How busy have you been so far this year, and what do you see ahead?

It's been an extraordinary year. For the first six months of the year, our business is up more than 14%, driven mainly by the strength of the U.S. We also have a dock workers' negotiation on the East Coast, a [drought in the Panama Canal](#) and security issues in the Red Sea leading up to the Suez Canal. Many importers and exporters have told me that fractionally, they've shifted some of their allocation our way to hedge against any worsening in those three areas.

You've made many trips to Washington, including for three meetings with President Biden. What might changes in the White House and Congress mean for future funding and support?

Well, that remains to be a pretty big question mark. We've had unprecedented progress in the area of focus on ports, and a lot of it was brought to light because of the [supply chain crunch](#) that we saw during COVID. We saw the bipartisan Infrastructure Investment and Jobs Act that was passed, the [Inflation Reduction Act](#), and now the Environmental Protection Agency call for applications on the Clean Ports Program, which should be announced sometime in the fourth quarter of this year.

What I've seen so far is that in the last three years, we've submitted applications for more than \$1 billion in [federal and state] grant money, and we've earned over \$380 million. That's probably our best three-year period that I can recall.

Depending on what happens in November, can things shift?

The infrastructure law runs through '26, but based on my own experience, yes. I think we could see more of the same type and better support, or we could see a complete reverse.

What would create that?

Changing policy, changing focus away from the state of California. I don't want to speculate, but I have seen what it looked like — the lack of access, the lack of any meaningful legislation like the [infrastructure act](#). So, again, I don't want to speculate, but we've had a pretty good run here. This industry, still to this day, even with all the technology and the global trade, it's still a relationship-based business. And it still is relationships that carry us in Washington and Sacramento today.

And how was your access to and relationship with the Trump administration?

It was very limited, if nonexistent.

What about tariffs? Biden recently increased tariffs on a wider array of Chinese goods — steel, EV cars, solar cells. And there's potential for even higher, broader tariffs to come, especially if Trump wins.

Dating back to 2018, the previous administration implemented tariffs on a variety of goods originating from China. Those [tariffs](#) were met with retaliatory tariffs that really were very impactful on a negative side for a number of American companies, including the agricultural sector. Flash forward, the [most recent tariffs](#) that the Biden administration put in were on \$18 billion worth of goods. It's a very narrow, targeted approach to tariffs. So I don't see that impacting the Port of Los

Angeles. What we've seen with tariffs policy, and in some cases rhetoric, is that here at the Port of Los Angeles, the portfolio with China is now down to about 45% [from 57% three years ago].

How much potential do other countries around the Pacific Rim have for becoming alternatives to China in terms of manufacturing?

No one can replace China as a manufacturing hub. But we've made up that difference by capturing cargo from other markets, and specifically Southeast Asia – Vietnam, Indonesia, Thailand, to name three. We've also seen growth in [manufacturing in Mexico](#). And while some folks would say, OK, you're building up more products in Mexico to come across the border by truck or rail, but we're also feeding components into the maquiladora areas like Mexicali here in Baja, California. So there's still a market for us to be a strong player, especially as Mexico continues to shine in the manufacturing community.

What about India, which seems to be rising in terms of manufacturing in the global economy?

It is. And I was just in India back in January. I had an opportunity to visit with Ambassador [Eric Garcetti](#). What I can tell you is in the most recent full calendar year, China exported some 260 million 20-foot equivalent units of cargo. India exported 17 million. So while what we see there is opportunity and there is great talent, manufacturing in the same vein that we see in Asia may not happen overnight.

In the early months of the pandemic there were, at one time, more than a hundred cargo [ships stuck at sea](#) waiting to berth. What's to prevent something like that happening again in San Pedro Bay?

Well, that's job No. 1, in my view. What we did learn with the benefit of history is that this port must remain as a transit facility and not as a warehouse. Unfortunately, back in 2021 and 2022, a number of large importers used this port to store containers. Unbeknownst to us, they had deals with shipping lines to make sure that they could hold their containers here at the port for little to no charge. Once we diagnosed that by doing some data mining through our own system, the [Port Optimizer](#), we were able to start moving cargo again.

No one was trying to hurt us, nothing sinister was taking place. The American consumer was simply buying at a pace that we've never witnessed. And importers had to get as much cargo here as quickly as possible, and it was just clogging up the works.

So now the next thing is going to be, how do we make sure that we can anticipate what's going to take place next in the supply chain? A lot of that comes with data. I've been to Asia five times this year so far, and I've been to Europe once. I'm spending a lot of my energy talking to importers and exporters, service providers, leadership at the C-suite level to try to make sure I anticipate as much as possible, what's happening now and what we can expect in the future.

More recently, we all read about the [accident in Baltimore](#) last March when a large container ship crashed into the Francis Scott Key Bridge. What's the potential for such a mishap here, and what have you done to reduce the risk?

Well, we work hard every day at this, led by our head of public safety, Port Police Chief Tom Gazzi. And while vessel engine failures happen, it's about how we create protocol to prevent that from going any further. We put a minimum of two tugboats on every ship that comes into this port. And for the larger ones, those workhorse vessels, you'll likely see four tugs tied to a ship in the event of a power failure or engine failure. Those tugs go into action, put the rear thrusters on, slow down and stop that ship as it's moving.

Also, our bridge has its legs on land. We've got rock formation under the channel near the stanchions to prevent a ship from getting anywhere close to it.

What is the longer-term impact of automation and AI at the port? Do you see that as threatening jobs?

Here in Southern California, out of our 13 marine terminals right now, we have three that are automated, and there may be more in the future. The automation or robotics that we see on our marine terminals today really is comprised of the land-side equipment, whether it's to move containers onto truck chassis or onto rail cars, or for retrieval when the truckers come into the terminals to pick up their imports or drop off their exports.

But it's our belief that while technology is moving faster than ever, we cannot leave the workforce behind. And that's part of the motivation of why we just cut the ribbon on a new mechanics training facility on Terminal Island. That's going to up-skill and re-skill longshoremen members so they can work on newer and greener equipment, and in some cases, automated machines.

Secondly, we have designated 20 acres of property here for the nation's first workforce training campus dealing with goods movement — to bring people in who need training on trucking, warehousing, even coding [and] technology such as artificial intelligence that will be important to this port in the future.

What are the biggest environmental challenges at the Port of L.A.?

There's nothing more that we want to see than for ourselves, the Port of Long Beach and others to reach this aspiration of a [zero-emission](#) port operation. But there are a lot of things that have to take place. We've got to be able to accelerate the technology, make it affordable for small businesses to be able to join.

Please know that of the 20,000 trucks that are registered to do business at the port, more than half are small businesses. We've got to make the barriers to entry as plausible as possible. We also have to support them by creating the infrastructure necessary to run these new and cleanest trucks that are possible.

For example, there are 7,500 gasoline stations in the state of California. There are only 46 hydrogen fueling stations. And according to their oversight board, they only work about half the time. There are only 92 high-speed heavy duty truck chargers in the country, less than two per state.

Now, we've also been working closely with the shipping industry for the past several years on cleaner and renewable fuels. We call this our green shipping corridor strategy. If we could reduce

the emissions from ships moving from our largest trading partner in China, from Shanghai to the ports of L.A. and Long Beach, if we can reduce that emissions by 10%, that would be the equivalent of all the emissions in the Port of Los Angeles for an entire year.

Finally, let me ask you about jobs at the port. What kinds of skills do you look for now and will be looking for in the future?

The interesting thing about this port complex is there are a variety of jobs and skill sets that are always in demand. For example, we talk a lot about the people that actually move the cargo — the longshoremen, the marine clerks, the truck drivers and warehouse folks, the mechanics are all vital to this port. And that's part of the motivation for us setting up that mechanic center as well as the broader goods movement training campus that I spoke of on the 20 acres of property at the Port of Los Angeles.

The other piece is that you've got a growing community here in this harbor enclave. There are 260,000 residents, a lot of young kids going through school that see this port every day and want to be a part of it. We need engineers, naval architects and others that have expertise [who can] design, build and create for our industrial sector of marine terminals and other cargo moving interests.

And the next big thing obviously will be to put an even deeper emphasis on folks with information technology capabilities, whether it's a young kid who knows technology because they play video games or those who have taken interest in coding, all the way to folks who are going now to college and grad school studying the sciences to be more involved in technology.

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