

Introduction

Every day, millions of goods are moved within and through Los Angeles County to support our daily lives. Demand for goods movement is an outgrowth of our daily activities as we live in a world that is built on trading goods and services. As a result, our economic activities, whether shopping in- stores or on-line, dining at restaurants, working in an office, building new infrastructure or manufacturing high-end medical devices, depend heavily on the distribution of goods and management of inventory. Ranked as the most populous county in the nation at over 10 million residents¹, people who live, work and conduct business in Los Angeles County generate a tremendous demand for goods on a daily basis. These demands in turn drive the demand for trucks, freight trains, and airplanes to move goods to and from places across the County and the world.

Many historical events contributed to shaping Los Angeles County into a premier global trade gateway of choice. These include the arrival of the Santa Fe Railroads in 1885, the founding of the Port of Los Angeles in 1907, the Port of Long Beach in 1911, the Los Angeles International Airport in 1928, containerization of cargo since the 1960s and its global spread throughout the 20th century, and the emergence of Pacific Rim economies in the late 20th century.

People in Los Angeles County have historically invested unprecedented amount of resources into the County's extensive transportation network, which now serves as a backbone of the nation's freight transportation system. This system includes 851 miles of state highways, 20,831 miles of city and county maintained roads², Class I freight railroads, the nation's largest container port complex, robust air cargo handling capacity, and a large presence of industry sectors in transportation and warehousing, wholesale trade and manufacturing. For many decades, due to the strategic location to Asia and Mexico, and the large population base, the County has attracted people and businesses alike to conduct both international and domestic commerce, and established its position as a premier global gateway.

The prosperity brought by robust economic activities also resulted in a series of challenges that now threaten the County's ability to ensure quality of life, equity, economic sustainability and competitiveness. These challenges include recurring congestion that impact system productivity and efficiency, generate undesirable impacts to surrounding communities in a form of spill-over traffic; air quality and noise impacts; increased truck involved collisions that threaten safety; and increased land use conflicts as incompatible land use types vie for limited space in already crowded urban areas. Across the County, some communities are exposed to these challenges more disproportionately than others.

Further, there are many opportunity areas on which Los Angeles County has not yet fully capitalized. These include emerging employment opportunities and workforce development efforts that are brought forth because of robust goods movement industries in the County. For example, emerging vehicle technologies and industry sectors that support such technology development, and application of advanced digital technology and robotics inside logistics facilities are creating employment

¹ U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates for the year 2016

² Caltrans Highway Performance Maintenance System (HPMS), Table 7, 2017

Why LA County's Goods Movement Matters

opportunities that did not exist a decade ago. While at the same time, slow recognition of these emerging employment opportunities has hindered our ability to analyze changing skillset needs and tailor education and training content to meet emerging needs.

As we look into the future, the County's population is projected to increase by an additional one million residents to over 11 million by the year 2035³. This growth will generate considerable increase in consumer demand that will place further strain on our County's freight transportation system that is already operating at or beyond capacity in certain areas. Consequences of not planning for the growth and not investing in our system could include deterioration of our economy, standard of living, and quality of life. For Metro, this means that we neglect our roles and responsibilities that are specified under the PUC 130051.12, a legislation which enabled establishment of the Los Angeles County Metropolitan Transportation Authority in 1992.

Through the development of the LA County Goods Movement Strategic Plan, Metro strives to achieve a comprehensive and holistic approach to addressing a multitude of interconnected challenges so that Los Angeles County will grow and thrive while balancing various goals, including efficient and effective flow of goods to support economic sustainability and prosperity. To this end, goods movement stakeholders across the County gathered to develop five elements of *Sustainable Freight Competitiveness* to provide a framework to evaluate LA County's freight competitiveness so that integrated and holistic approaches to improve mobility, accessibility, safety and quality of life will be developed and pursued. These five elements include:

PUC 130051.12

The Los Angeles County Metropolitan Transportation Authority shall, at a minimum, reserve to itself exclusively, all of the following powers and responsibilities:

- (1) Establishment of overall goals and objectives to achieve optimal transport service for the ***movement of goods and people*** on a countywide basis.



- **A Safe and Efficient Multimodal System:** ability of the County's multimodal freight transportation infrastructure to move goods efficiently and effectively.
- **A Culture of Investment and Innovation:** strengthening the County's desire to invest in our infrastructure and intellect, as witnessed through four voter-approved sales tax measures towards transportation infrastructure and innovation.
- **Strong Markets and Reliable Supply Chains:** the County's ability to support businesses and industries to thrive. This would require investment into goods movement infrastructure to support well-coordinated supply chains.

³ State of California Department of Finance, Population Projections, P-1: State Population Projections (2016-2060): Total Population by County

Why LA County's Goods Movement Matters

- **A Strong Labor Force:** the County's ability to capitalize on new employment opportunities through investing in education and training.
- **Equity and Sustainability:** a foundation for quality of life and Metro's commitment to addressing inequity within the County, and balancing environmental, economic and social goals.

Equity and Sustainability is positioned not just as one of five elements, but as the foundation for the other four elements that supports and permeates strategies and priorities to be developed for those other four elements. This positioning of Equity and Sustainability echoes the Metro Equity Platform and is supported by the equity-focused stakeholders with whom Metro has engaged in this process.