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Centennial
Celebration



Port of
LONG BEACH
The Green Port



Saluting the Port of Long Beach on its Centennial

Director Richard Steinke: “I Think We Were Important; Now We Have Become Essential . . .”



Richard D. Steinke joined the Port of Long Beach in 1990 and was named executive director in 1997. Prior to coming to the port, he served for five years as airport property officer for Stapleton International Airport in his native Denver. (Photograph by the Business Journal's Thomas McConville)

■ By **MICHAEL GOUGIS**

When Richard Steinke started out at the Port of Long Beach, he says it was a big port that thought small.

But in the past 20 years, world events and international trade have changed the way the port sees itself, he says. It is impossible to ignore: The Port of Long Beach is one of the key players in the business of the entire globe.

“I think we were important; now we have become essential to the goods movement chain,” says Steinke, who has served as executive director for the port for nearly 14 years.

“There are many more dimensions than there used to be. We’ve had to recognize that we’re a major port complex. I think for a while we thought we were big, but we thought small,” Steinke says. “But with changes in things like security after 9/11 and our environmental programs, we’ve increased staff and we’ve increased the complexity of the workplace just as a result of that.

“This has always been an interesting place – we’ve got oil fields in the middle of terminals. It’s different than some ports. But world events and our impacts on our community have changed what we do and how we do it – and we’ve had to become a different organization over the course of the last several years.”

One area that has changed since Steinke became executive director is the communications and outreach efforts of the port.

“When you’re looking to get support, in terms of financial support for things like the replacement of the Gerald Desmond Bridge, both

on a state and federal level, it’s important that they recognize the significance of this port and this region,” Steinke says. “Not only from a standpoint of international goods movement, but the jobs that go with it. To the extent that you can make a compelling point, that without us there would be a big gaping hole in this economy – that’s important.

“I know the city gets it. Sometimes those things need to be reinforced for state legislators. And more importantly, when you go to Washington, it’s hard for them to – they’ve got 50 states, they’ve got ports on the East Coast – get a focus on especially the Port of Long Beach. You’ve got to impress upon them that these ports are important to the nation’s economy.”

The executive director’s role evolved as the port became more heavily involved in environmental, economic and security issues, Steinke says.

“We’ve got more employees, and that takes more time. We’ve got a more complex organization. We’ve increased our headcount by 50 percent over the last five years, which is significant,” he says.

“And you look at the areas where we’ve hired more people: communications, because of our outreach; environmental planning; security. With more people, it becomes a more complex organization. And it takes a little more time to run a more complex organization.”

In terms of shipping goods, Steinke says he sees two trends developing and continuing into the future: the export of goods and the increasing need to speak directly to the mega retailers that are now dictating to shippers how goods are moved.

“We’ve always been a major seaport complex. But with China taking on so much more prominence in terms of an exporting nation . . . It used to be seasonal in nature, not year round,” Steinke says. “Now you’re seeing everyday items all year round – it’s hard to go to a Target or a 99 Cents Only store or a Walmart and not see ‘Made in China.’ What we were seeing in exports from China were lower-value things. Now they’ve branched into higher end electronics, good quality clothing, refrigerators, air conditioners, furniture – it’s all manufactured in China. And with that has come the rise of the importance of these ports growing and growing.

“You’re going to start to see cargo growth, and you’re going to see it in areas that you haven’t seen in the past,” Steinke says. “I’m think-



Nancy L. Mitchell serves as assistant to Executive Director Richard D. Steinke. (Photograph by the Business Journal's Thomas McConville)

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ing exports, agricultural exports, other types of exports, as the emerging economies – China being a perfect example – have more currency to spend. They're going to go from their staples of diet, which are maybe vegetables and grains, to more meats and things like that, which mean opportunities for U.S. farmers and ranchers.

"I think you're going to see the evolution of those economies and you're going to see a much more balanced level of trade. We will be the beneficiary of seeing those kinds of products go to other parts of the world. I think that will be an interesting change in the next 10 years. And we're already starting to see that change as the overseas economies change."

The port has taken an aggressive approach to marketing itself to the newest shot-callers in the world of international trade – big-box retailers.

"When I first got here, we had a very lean marketing staff. Very lean. And that was the position of my predecessor who thought, 'Hey,

retailers. We have meetings with Lowe's. We host a Walmart meeting here on an annual basis where they come in with their strategic people and they talk about what's going on. We try to make sure that those retailers understand the advantages of coming through the Port of Long Beach. That's something that did not happen 20 years ago that we're doing very, very aggressively now. We've really put an emphasis on the retailer in the past several years."

As a matter of fact, those retailers have become so powerful that it may be only a matter of time before you see, for example, Target-branded cargo ships steaming into the port.

"There has been – not serious talk, but because they wield such serious power, why wouldn't a major retailer like Walmart say, wait a minute, I'm going to buy some ships, I'm going to control where things go, I'm going to dictate terms. Because that is what they do. They dictate terms," Steinke says.

Still, even with the port's increased communications outreach and higher profile, it remains a relatively low-profile part of the Long Beach community, Steinke says.

"It's not a public place. You don't have to come down here. The only reason you would is to get on a cruise ship or to tour the Queen Mary. If you had to come down here to get your Toyota, or you had to come down here to get something out of a terminal, you'd have a much better appreciation of what we do," Steinke says.

"I think there's a better public awareness now, but it's not so prominent that it's on everyone's mind every day. I've always compared this facility to a utility – when you flip on the switch, you want the light to come on. You only start wondering what went wrong when you don't get what you want. It's a tough one for the public to get its arms around because this part of the chain is pretty much invisible."

The job of executive director never has been dull. And it only promises to get more interesting in the future, Steinke says. The results of 2010 were positive, and point to even more positive years in the future.

"2010 was a good year. We were up almost 25 percent in container count, which I think exceeded everyone's expectations. I think we had the largest single increase in container count of any North American port. It was about 1.2 million TEUs greater in 2010 than in 2009," Steinke says. "We saw

Port Of Long Beach General Managers And Executive Directors

- 1917 – City manager and two others form the first board of harbor commission.
- 1925 – City manager names five people to make first independent harbor commission.
- 1931 – The municipal Port of Long Beach is given independence from the city by charter amendment.
- 1940 – **Eloi Amar** is named port general manager.
- 1958 – Amar retires and **Charles Vickers** is named general manager.
- 1969 – Charles Vickers retires and **Thomas J. Thorley** is named general manager.
- 1977 – Thomas J. Thorley retires and **James H. McJunkin** is named general manager.
- 1988 – James H. McJunkin retires and **Joseph F. Pevratil** is named executive director.
- 1991 – **Steven R. Dillenbeck** is named executive director.
- 1997 – Dillenbeck retires and **Richard D. Steinke** is named executive director and continues today in that position.

the ocean carrier is the one who makes the decision on what port they're going to go to.' And as long as you had a long-term lease with an ocean carrier who was committed to coming here because they had to pay rent, that was the most important thing," Steinke says.

"What we've seen is, with the emergence of big-box retailers – the Targets, the Walmarts, the Home Depots, the Lowe's – they're the ones that are dictating to the carrier where that cargo's going. If Walmart says they want that cargo to go to Coos Bay, Oregon, that carrier's going to take it to Coos Bay, Oregon. These guys have significant power in the market.

"So what we've done is that we've marketed directly to those major

some pretty good things in 2010 that are hopefully a precursor to a continual rebound. Most of the longshores went back to work. Truck drivers were getting more turns on their vehicles.

"Now, that's on the container side. Cement, lumber, those things really aren't back and moving. Automobiles were up, so we could see a glimmer. Overall, on the whole, it was a good year," Steinke says.

"It's been a really exciting, dynamic time in this industry. And it's a place that's got a different challenge every day. If it was just about ships and trains and trucks it'd probably be kind of a boring place. But when you overlay all the other things – oil wells, security, everything – it makes for an exciting place to be." ■