

# PASHA PEOPLE



The Pasha Group News and Information Source

Volume 18 Fall 2016

## Sustainability for the LA Community

Pasha Stevedoring & Terminals L.P. (Pasha), the Port of Los Angeles, and California Air Resources Board are piloting a Green Omni Terminal, a \$27 million investment that will help North America's largest port become the first with a marine terminal to operate solely on renewable energy.

This environmental initiative includes the creation of a solar-powered microgrid that can operate independently of the electric grid, along with zero and near-zero emissions equipment and clean transportation to move goods from ship to destination, greatly reducing harmful emissions in the local community.

"This is a Wright Brothers moment," commented Jeff Burgin, Senior Vice President. "We're going to be the proving ground to change the paradigm of how large industrial facilities can run on clean energy. We're confident we can show this is absolutely attainable."

The solar microgrid will include a 1.03 MW photovoltaic rooftop array, a 2.6 MWh battery storage system, bi-directional charging equipment, and an energy management control system. As part of the project, Pasha will also integrate a fleet of new and retrofitted zero-emission electric vehicles and cargo-handling equipment into its terminal operations, and demonstrate the latest generation of advanced technology for capturing ship emissions from vessels unable to plug into shore power at berth.

The impetus for this project came from initial discussions between the Port and Pasha; discussions focused on supplying energy using renewably powered zero emission technologies, while continuing to deliver goods to the community and serving as a base of operations for the military in the event of a disaster or power outage.

When completed mid-2017, the project is expected to reduce more than 3,200 tons per year of greenhouse gases and nearly 28 tons annually of diesel particulate matter, nitrogen oxides and other harmful emissions from operations at the nation's busiest container port. This equates to taking 14,100 cars a day off the road in the South Coast Air Basin.

"This is something we've put a lot of time and energy into for all the right reasons," added Burgin. "This project is just the first phase of more innovation planned for Pasha. We are just scratching the surface of where this industry is going to go, and we're already planning the next phases to get us there."

Photo by Patrick Cella, Port of Los Angeles



Clean Energy Technologies

L-R: Jeff Burgin, Pasha Stevedoring & Terminals, Los Angeles Mayor Eric Garcetti.



## New State-of-the-Art Auto Terminals

Pasha Automotive Services (PAS) is expanding operations on the West and East coasts to meet increasing demand for vehicle processing and distribution services in the U.S.

In May, the San Francisco Port Commission unanimously approved plans by Pasha to revitalize Pier 80. The Port awarded Pasha a 15-year management agreement, with options for two five-year extensions.

"This is a little bit of 'back to the future,' for our company," said George Pasha, IV. His grandfather, George Pasha, Jr. started the company in San Francisco as a gas station at Bay and Van Ness in the 1940s, and in 1960, his dad, George Pasha, III opened the first independent automotive port processing plant on the West Coast at nearby Fort Mason. It was always a dream for the late Pasha, III to return to San Francisco.

Pier 80 will primarily be used to import vehicles on Ro/Ro ships from Asia, Mexico and Europe. Pasha plans to provide on-terminal automotive and processing services, including installation of vehicle components. Vehicles will then be transported by truck to Northern California dealerships. Exports

for the Pacific Rim markets are anticipated as well. PAS also inked a deal with Tradepoint Atlantic to establish a state-of-the-art terminal for automotive processing at Sparrows Point in Baltimore, MD.

The initial agreement for Tradepoint Atlantic provides 21 acres of land, with potential expansion of up to 150 acres for Ro/Ro operations for imported vehicles. With its ideal location in the Mid-Atlantic, this facility provides easy access to both CSX and Norfolk Southern railways and is located near major highways.

In announcing these agreements, officials from both ports cited the benefits their respective cities will receive in terms of growth and expansion potential. Pasha is proud to partner in the revitalization of these terminals and to help drive economic and employment opportunities for the communities and deliver advantageous shipping locations to our customers.

## President's Message

As you'll see by reading the articles in this issue, 2016 is shaping up to be another banner year for the company. While the past 12 months have been about back to basics and fundamentals, today we are refocusing on optimization and striving toward excellence.

### Milestones

In March, the *M/V Jean Anne* served as the official carrier for the first rail cars to arrive in Honolulu. The arrival was met with much excitement from Honolulu Mayor Kirk Caldwell, officials from the Honolulu Authority for Rapid Transportation (HART), and the local media.



Photo: Tobias Manuputy, ACESxp

The month of May marked multiple milestones: Pasha Stevedoring & Terminals, the Port of Los Angeles, and California Air Resources Board announced the start of the Green Omni Terminal Demonstration Project, an unprecedented \$27 million investment to demonstrate the viability of operating a major marine terminal using renewable energy. May also marked our one-year anniversary since the acquisition of Horizon Lines' Hawaii trade-lane business, as well as the maiden voyage of the *M/V Marjorie C*.

PAS continues to grow, expanding its operations coast to coast. In May, the company signed a 15-year agreement with the Port of San Francisco to utilize Pier 80. For members of our family, this agreement was met with much sentiment. San Francisco was the location for the start of our company, back in 1947. Returning to this great city was always a dream of my dad's and we are very grateful we were able to fulfill this dream. With the new agreement in place, PAS will have the capability of handling as many as 150,000 import automobiles per year.

PAS also signed an agreement with Tradepoint Atlantic, which owns a 3,100-acre multimodal industrial site at Sparrows Point in Baltimore, Maryland that offers valuable access to deepwater berths, railroads and major highways.

Based on continued growth and feedback from our customers, Pasha Hawaii put all six ships into rotation, increasing our shipping frequency and flexibility from our West Coast ports to Hawaii. In June, we started offering direct service from Los Angeles to Hilo via the *M/V Marjorie C*, providing customers with a short five-day sailing time.

Growth and diversification with our core competencies continue to be a major focus. I am privileged to be supported by the most dedicated and committed team in the history of the company. On behalf of all of us at Pasha, thank you to our customers and partners who make everything possible.

George W. Pasha, IV



Photo: © Rick Helf

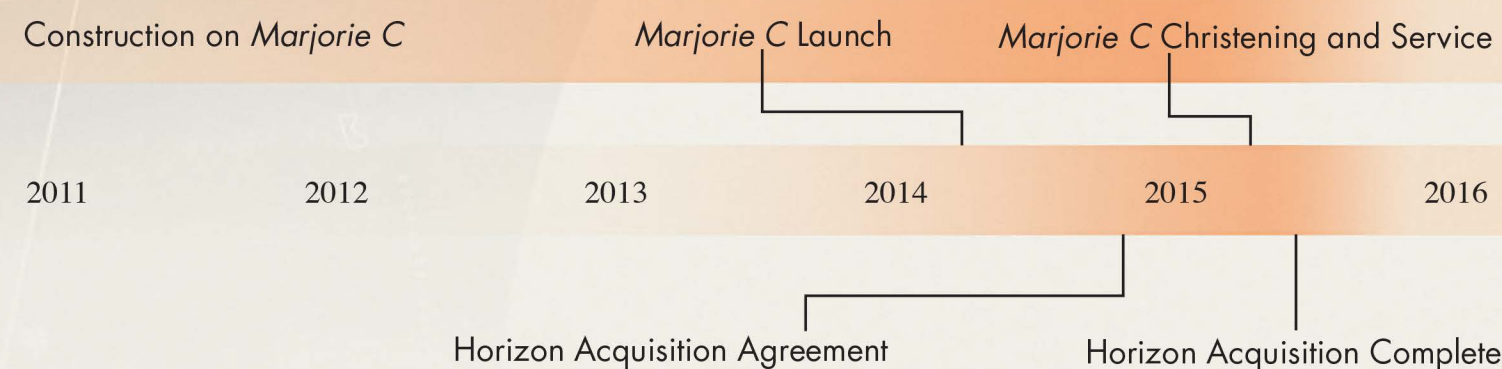


Photo: © Rick Helf



"What am I most thankful for? For the amazing support and dedication of our employees, and the willingness of our customers to continue to work with us as we made investments and adjustments in our service offerings. As we look to the future, I'm excited to anticipate what opportunities lie ahead."

George W. Pasha, IV



### Rising to the Challenge

Although 2016 is not quite over yet, it's been a year since The Pasha Group completed two of the company's most significant milestones – the acquisition of Horizon Lines' Hawaii trade-lane business and the launch of the M/V Marjorie C, the company's and Hawaii's first combination container/roll-on/roll-off vessel.

There are two well-known phrases that rang true for Pasha one year ago: Timing Is Everything and There Is No "I" in Team. For Pasha, acquiring Horizon Lines' Hawaii business and launching a new ship during the same month was not something the company had planned for or desired, but the completion of Marjorie C's construction and sea trials were delayed, and the acquisition of Horizon Lines' Hawaii trade-lane happened sooner than expected.

So, how do you launch a \$200 million investment (Marjorie C), and at the same time, double the size of your company, literally overnight, adding four more ships, about 500 new employees, and three new operating companies, all while attempting to conduct business as usual without any interruptions in service?

It took a team of dedicated, resilient employees and loyal customers to accomplish this extremely difficult feat, and certainly pushed the company to its limits, exposing some of the company's areas for improvement. However, it also brought out the best of people, all of whom rose to the occasion.

"It required our leadership team to take a hard look at what we were doing, how we were doing it, and to figure out better ways to conduct business now that the company no longer resembled its former self prior to the acquisition," said George Pasha, IV. "There were many sleepless nights through this transition."

Marjorie C also represented the company's desire to enter the container-shiping business, but at a controlled rate of growth. Once the acquisition was completed, Pasha found itself with four container ships and a long list of former Horizon customers who needed to be taken care of.

"We had to trust one another and rely on the talents and expertise of former Horizon employees who were now part of our team," added Pasha. "When you undergo something of this magnitude, there is no time or place for egos or stubbornness. Keeping an open mind and relying on those who are there to help you proved to be the key to our success. Thankfully, our Pasha employees embraced the many changes that were taking place without hesitation, and we were joined by an amazing team of Horizon/HSI/Sea-Logix employees."

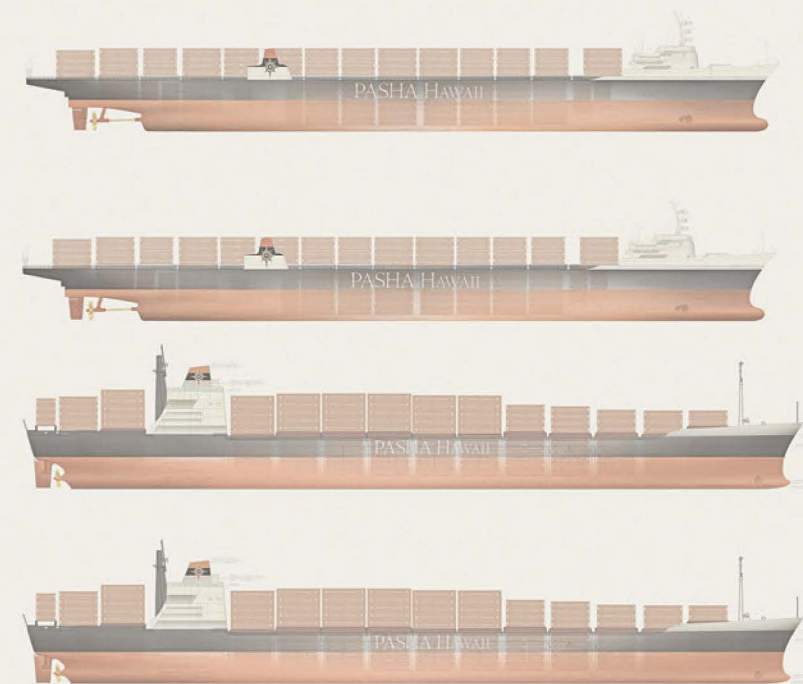
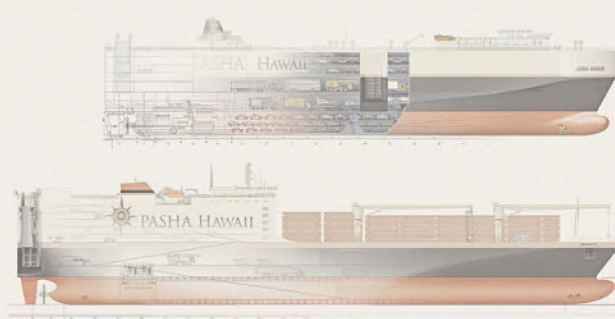
"Trusting one another and working together as a team" continued to be a key ingredient as the company was forced to change terminals one month into the transition, endured a power outage at its Los Angeles Harbor, and dealt with onboarding complex systems for customers. Then, the unimaginable happened. While en route to Honolulu, a former Horizon ship, the Spirit, broke down while the company had its extra ship in dry dock, forcing the company to charter a ship while the Spirit was being repaired.

The positive of managing through significant adversity, like we witnessed in the second half of '15, is that the mettle of the team is tested. Fortunately for us, we came out the back side with even more trust in one another, stronger and smarter.

Today, the company has implemented new and improved processes, stabilized its network, increased its shipping frequency and flexibility, and continues to experience record growth. As part of a new initiative, Pasha also implemented a new customer service program called Voice of the Customer (VOC). VOC measures experiences where customers interact directly with the company, capturing both key concerns and opportunities for improvement at every customer touchpoint. Data collected is then used to improve service quality.

"It's been a year filled with amazing milestones, opportunities for growth, and unexpected turns of events," concluded Pasha. "What am I most thankful for? For the amazing support and dedication of our employees, and the willingness of our customers to continue to work with us as we made investments and adjustments in our service offerings. As we look to the future, I'm excited to anticipate what opportunities lie ahead."

### PASHA HAWAII FLEET



### HORIZON LINES FLEET ACQUISITION

| PASHA HAWAII FLEET           |   |                      |                         |
|------------------------------|---|----------------------|-------------------------|
| Jean Anne<br>2500 vehicles   | Marjorie C<br>1200 vehicles<br>TEUs1400 |                      |                         |
| HORIZON LINES FLEET          |   |                      |                         |
| Spirit<br>2437 TEUs          | Reliance<br>2437 TEUs                   | Pacific<br>2303 TEUs | Enterprise<br>2303 TEUs |
| COMBINED FLEET CAPACITY      |   |                      |                         |
| 3700 vehicles<br>10,880 TEUs |   |                      |                         |







Pasha People  
A publication by The Pasha Group  
Design & Illustration: RightSide Imaging

Global Headquarters:  
4040 Civic Center Drive, Suite 350  
San Rafael CA 94903

(415) 927-6400  
pashagroup.com  
pashahawaii.com

*Our name stands behind every move™*

Address Service Requested

## Brighter Futures

Throughout our Pasha family of companies, supporting the communities where we live and work is a big part of who we are.

Pasha Stevedoring & Terminals at the Port of Los Angeles has sponsored the International Trade Education Program (ITEP) at Banning High School for 15 years. This inspiring program prepares students to enter the workforce with the skills and knowledge needed for international trade.



Each year, ITEP students from Banning High School travel to Washington, D.C. for the National Youth Leadership Forum. In 2015, the theme was National Security – Diplomacy, Intelligence & Defense. The six-day program prepared students for careers in defense, intelligence, and the diplomatic corps through a career fair, work-site visits, and real-world simulations. Find out more at [itepinc.org](http://itepinc.org).



L-R: Amy Grat, ITEP; Rob Vickery, Lloyds TSB International; and Peggy Barteske with David Vanwaardenburg, accepting the Above and Beyond Award on behalf of PST.