Heavy Lifting

continued from front page

PST, with dedicated facilities and purpose-built equipment, has perfected the art of stevedoring mixed steel products arriving from all parts of the globe. With three 40-long-ton capacity gantry cranes, this Pasha operation achieves optimum proficiency in discharging overweight coils and steel slabs. On-dock warehouses, transit sheds, and the specialized on-dock rail service provided by BNSF enhance the services offered to CSI. In 2001, PST celebrated the inaugural loading of steel slabs to new railcars jointly designed for this operation by BNSF, CSI and PST. These 210 special cars are used for the 13 to 44 foot long steel slabs, which range in weight from 10 to 27 metric tons. Over the years, PST and CSI have worked closely together in other areas to better integrate their business services. One result is vessel production. PST has rapidly moved up several levels in hourly production. Working with equipment manufacturers, PST mechanics, and foremen, resulted in the development of better equipment. This not only increased load capacity, but has nearly doubled production. As CSI's business grew, PST discovered a shortage of experienced Super Cargos to oversee the stowage of vessels loading in foreign ports. To support CSI, PST began sending its own staff to oversee this operation. Today, PST has three Super Cargos to assist in this arena. The results are measurable and very successful. Recently, PST replaced its aging shore cranes (the backbone of the operation) to reduce cycle time, a key factor in dealing with this commodity. PST is committed to a constant review of its operational processes while continuing to set new marks.

Year of Celebration

This has been a noteworthy year. For PST, it is the 20th year of operation as the only omni-terminal in the Port of Los Angeles. The Pasha Group is celebrating its 60th Anniversary, and The Port of Los Angeles reached its significant Centennial on December 9. The Port today is a recognized gateway for international commerce and an economic engine for the region. PST believes in its partnership with the Port. Several years ago, Maersk Line, at capacity in neighboring Port of Long Beach, approached the Port of Los Angeles for overflow space. At the time, Pasha conducted slab operations at Berth 145, an ideal location for Maersk, due to its draft and close freeway proximity. The Port turned to Pasha, and PST and Maersk drew up a Terminal/Stevedore agreement. With only 30 days to accomplish the move, PST met the challenge and worked around the clock to relocate the slab operation to Berth 176, while at the same time laying out a container terminal at Berth 145 for the first Maersk vessel. Today, PST conducts its booming operations at Berths 176-181, and Maersk occupies a prominent position at Pier 400. PST enjoys contributing to the Port's thriving waterfront community, and recognizes the value partnerships add to the overall success of both entities. We congratulate the Port on its 100th Anniversary

PST CSI Q&A

PST's senior vice president, Jeff Burgin, and Tim Tess, vice president of administration, recently paid a visit to CSI's Ricardo Bernardes.

Q. What was the initial thought supporting the start-up of CSI?

A. The West Coast needed a viable source of supply for the manufacturing and service center industries, especially with the shutdown of Kaiser Steel. Both CVRD and JFE saw a good opportunity to develop a new business model: A steel industry based on a more flexible model and with less fixed costs. Slabs would replace all the early stages of steel manufacturing.

Q. When did the facility open?

A. CSI officially opened for business in August of 1984. The first shipment of slabs arrived October 26, and shortly after that we began production of hot rolled coil. We received orders from service centers as well as manufacturers from the first day we opened our sales order book. However, Roscoe Moss, a water well casing manufacturer in Los Angeles, has the honor of receiving the first invoice generated by CSI. We are proud to say that they remain a valued customer still today.

Q. Over the years how would you measure the success of CSI related to growth and volume?

A. Our success is due to our biggest asset: our employees. The operations and administrative staff are extremely knowledgeable. We have a well educated work force made up of people who take pride in making a quality product for our customers. A safe work environment, along with continuous improvement and customer satisfaction, are the other contributors that have allowed CSI to grow from where we were in our first full year of production in 1985 (around 600,000 tons) to where we are today (2 million tons).

Q. Does the Sea Port play a significant role in your business?

A. Absolutely - about 95% of all of our slab purchases arrive via ocean-going vessels at the Port of Los Angeles each year. The port is a key element in our supply chain. Bringing slabs into the port provides us flexibility. We know exactly when the vessels will arrive, which slabs are located in each hold of the vessel and how quickly we can expect them to arrive at CSI.

Q. In today's market, what would you identify as the most challenging issues?

A. The consolidation of the steel industry, while much needed from a certain aspect, has also created difficulties for us. This has reduced the number of slab suppliers. The consolidation efforts within the steel industry mean that any excess slab availability is now being channeled into each group's own internal production of finished products. This reduces the amount of slabs available for sale in the merchant market. We continue to be diligent in exploring all opportunities for new suppliers. And with new slab plants being built around the world, new capacity will be available within the next years. Another factor is the economic impact felt from China. Of course, this certainly is not just a steel related issue, but of concern to many industries, as we hear about it in the news almost daily.

Q. How do you see the future?

A. We believe that next year will be difficult for us in terms of volume and profitability, but in the long term we are optimistic that the U.S. economy will improve to drive demand upward. Steel is a cyclical business, and in the last 23 years we have seen ups and downs. But CSI has faced all challenging times with great success.

Pacific Rim Commerce

Trade Mission

Stan Gabara, The Pasha Group's Automotive and Logistics vice president, recently participated with the Port of San Diego in a joint trade mission to China and Japan to meet with current and prospective break-bulk, automotive and steamship line customers. A primary objective was to introduce The Port of San Diego and The Pasha Group to automobile manufacturers planning to export vehicles to North America in the near future. In addition to assessing the present Asia business, the trip provided the opportunity for Pasha and the Port to promote the logistical benefits of San Diego's port facilities and operations.

China

Since Pasha's initial visits to China, resulting from the award of the General Motors Cadillac semi-knock down project some four years ago, the tremendous growth of many cities in China is evident. Most striking is Shanghai, the largest city in China and a gateway to the Pacific. Spurred on by the central government, it is China's commercial and financial capital, with more than 200 of the world's largest manufacturing companies now located in the city. China's size, natural resources, and huge population make it a giant of commerce. The potential reward for setting up a successful business with China is significant.

Japan

Since the first Japanese imported vehicles arrived in the United States almost 50 years ago, The Pasha Group has been a key player in port vehicle consolidation, processing and accessory services, rail loading/unloading and providing 'door to door' supply chain solutions. One of our oldest automotive customers is Honda Motor Co., Ltd. In a meeting with Honda staff at their headquarters office in Tokyo, the Port Commissioners had the opportunity to underscore the Port's 2030 Plan for continued automotive cargo pursuit and development, and their commitment to the automotive industry.

In other meetings with the three key Japanese steamship lines (ACT Maritime, K-Line, Mitsui OSK Lines), the Port's thorough and detailed recital of the 2030 Plan clearly outlined the Port's long-range plans and desire to move forward.

More to Come

As we continue to grow our business, these Trade Missions gain importance. Our economic prosperity depends upon our ability to compete effectively in the global marketplace.

Port of San Diego's Joel Valenzuela, director of Maritime Trade; Commissioner Sylvia Rios; Commissioner Laurie Black; Pasha's Stan Gabara; Honda Overseas Operations North American Sales Yuishi Fukuda, department manager; Hidefumi Miura, senior staff; Takashi Kanedo, assistant manager; Ron Popham, senior director of Maritime Trade and Operations, Port of San Diego.

Solar Success

Every two years, teams of university students design, construct and operate solar-powered houses for the Solar Decathlon, a competition that measures energy efficiency, energy production, and design innovation. The biennial competition, sponsored by the Department of Energy, requires each student team to design, build, and operate the most attractive, effective, and energy-efficient house, powered exclusively by the sun.

One of the great strengths of The Pasha Group has been the company's commitment to continued education. To this end, Pasha has developed internships and supports numerous youth development programs. Which is why, when approached in March this year, George Pasha, IV did not hesitate when asked to assist the Engineering students at Santa Clara University, who had the opportunity to enter the October 2007 Solar Decathlon. The Decathlon allowed only 20 entrants, each striving to design and build the most eco-friendly building. SCU had been 21st on the list, but at the last minute one school dropped out, giving SCU the chance of a lifetime.

There were obvious challenges. Due to its late entry, SCU was months behind. The young California engineers were well prepared to build their structure, but the logistics of moving it across the country to the site location at the National Mall in Washington, D.C. was not a subject in their curriculum.

Sue Sullivan, customer service manager for Pasha's Project Logistics group, dove into the project with the SCU team, offering experience and guidance in moving the structure. Height and weight limitations would influence their design and the materials used in the building. The team also needed to learn what cargo restrictions they would face. They needed to understand that transportation plans for the building were essential before construction started. After much consultation with Pasha, the engineering team chose to have built a special six-axle trailer on which to mount the structure. Pasha contacted Bennett Trucking to transport the finished building. A professional mover of modular buildings, Bennett's willing participation was an important factor to the success of the mission.

As construction continued in Santa Clara, Sue and her Project Logistics staff continued to plan for the long trip to Washington, D.C. Working the time line was a challenge. The completed building had to be on the road by September 25 and in D.C. by October 2. Pasha stayed in regular contact with the team to follow their progress and make sure that workers, truckers, warehouse and all other necessary arrangements remained in place and ready. During a site visit, Pasha and the students determined what could be put into trucks and how supplies could be packed. (The team was surprised to learn that paint, glue, and many other simple building supplies are considered Hazardous Cargo and could create a transportation nightmare.) Through a reference from Pasha's international household goods staff, David Macpherson of J.K. Worldwide Relocation generously offered to assist the team with manpower and truck and supply storage while they were in D.C.

By September 26, Bennett driver Kenny Gallegly had been on the road for a day. The SCU team and the two trailers with solar panels, accessories and tools were in place. And then the saga begins. Axle problems in Nebraska require repairs. High winds prohibit movement. All other contestants have arrived. We have our team, all our accessories, but no building. By October 3, Kenny has reached mid Iowa. He makes a run through four more states, and as the sun rises Saturday October 6, so does Kenny, who crosses West Virginia into Washington, D.C. and is at the National Mall by noon. Three days late, and judging begins Monday.

But boy, did SCU shine! In their first year of competition, they took third place. They beat out 17 competing colleges and universities, including Massachusetts Institute of Technology, Cornell, and two-time decathlon winner University of Colorado, Boulder. "We're ecstatic," said James Bickford, a senior engineering student at SCU and the project manager for the University's solar house. "The Secretary of Energy called us the Cinderella story from California. We were certainly the underdog, being the farthest team away, the smallest school and getting there three days late."

And the heroes in this story? One is Bennett driver Kenny Gallegly who tenaciously drove from Santa Clara to Washington, D.C. and met every challenge the road and his cargo threw at him. And there is Sue Sullivan, who told SCU, "We can help you make this happen." The Pasha Group worked as a team to share knowledge and experience. They called on proven contacts to provide needed services. They worked with the students and kept them involved in all the logistics of the movements. We congratulate the SCU engineering students who have set the bar high. From their experience with this project's logistics, and others like it, these students could one day have a major influence on the transportation industry. They are our future and Pasha has played an important role in their education.

Supporting Our Troops

History

Hawaii, our 50th state, is a land of sandy beaches, surfing, fragrant flowers, and gentle trade winds. We know that Hawaii as an island paradise. Because of its strategic location in the Pacific, Hawaii is also a vital link in the Armed Forces chain. The U.S. Pacific Fleet, under the operational control of the U.S. Pacific Command, is home-ported at the Pearl Harbor Naval Base. The Army's 25th Infantry Division, with a long and distinguished history of defending our country during times of war, is based at Oahu's Schofield Barracks and Fort Shafter. In 2006, more than 18,000 soldiers were based on the island, and 1,400 new troops are anticipated in the next three years. The Marines also have a strong presence, with 6,500 service members stationed on Oahu.

A principal focus of The Pasha Group over the past 60 years, stemming from its WW II roots, has been the support and movement of military privately owned vehicles (POVs). Pasha is a participant in the Military Surface Deployment and Distribution Command's Global POV contract, as operated by prime contractor American Auto Logistics. In the last 15 years alone Pasha has serviced over 1,000,000 units. With 20 domestic and international vehicle-processing locations, we handle in excess of 75,000 POVs each year. Through a 'Continuous Improvement Work Group' initiative jointly developed by AAL and POV team members, the generation of new ideas and concepts emphasize the group's continuing commitment to service members. By integrating these concepts into our POV operations, we constantly strive to raise our standards of service.

In 2003, members of the 25th Infantry Division began deployment to Afghanistan and Iraq. One imperative to improving the quality of life for our men and women in uniform is to provide safe storage for their vehicles.

Although no existing covered storage capability on Oahu met Department of Defense contract requirements, Pasha's years of experience in providing protected vehicle storage and maintenance services led us to submit a knowledgeable bid on the project. We received our first Hawaii POV contract that December. With the assistance of the Department of Hawaiian Homelands, Pasha acquired a site at a decommissioned naval air training station in Barbers Point, Oahu. Rising to the logistical challenges, the Pasha team demonstrated great creativity, resulting in the preparation of access roads and the record-time construction of a first class processing operation. Sprung structures provided an innovative and timesaving alternative to conventional construction, using architectural membrane panels placed under high tension within a non-corroding aluminum substructure. Sprung also brought a responsive 'can do' attitude to the project. Prompt shipment of these semi-permanent structures to Hawaii allowed their rapid erection, one after the other, even as processing operations began in earnest.

Covering the Ground

The facility in Hawaii today covers 26 acres with 25 unique Sprung structures allowing 400,000 square feet of protected storage. This has proven to be an exceptional solution to meeting the military's storage requirements. The contract calls for the maintenance of 2,500 POVs, and the Barbers Point site personnel can process over 200 POVs a day. In collaboration with our agent, WestPac International, Pasha delivers service via a capable staff that includes customer service representatives, claim specialists, auto surveyors, mechanics, drivers and state certified inspectors.

New Award

Pasha has just received its seventh consecutive contract in Hawaii, with a 30-month operating term commencing December 2007. Since inception, the contracts awarded to Pasha have become increasingly detailed and specific, as operational improvements are made and the value bar rises. Over 6,000 members have processed their vehicles through our facility and their comment cards rate our performance at 99.5%, an excellent mark. The Pasha Group is delighted to do our part in supporting our troops.

Putting Families First

Putting Families First

Rolling out soon to military members is a door-to-door household goods program, which the Government calls "Families First;" a great indicator of the Department of Defense's quality expectations. This program, committed to improving personal property moves, is the result of reengineering by the Military Surface Deployment and Distribution command (SDDC). The Pasha Group wholly and enthusiastically supports this program, as does the worldwide network of agents who serve our Transportation Service Provider (TSP) customers, the DOD organizations, and military members and their families.

Support System

The heart of Families First relies on the military's Defense Personal Property System (DPS), which will serve as a one-stop source for managing a military family's relocation move. Providing 24-hour access to personal property shipment information throughout the moving process, the system supports the move from origin to destination, from pre-move counseling to claim settlement, and every step in between. Pasha has been intensely involved during the development and testing of DPS, and has implemented a new web portal, www.pashafamilies-first.com, designed to work in tandem with DPS. Features like shipment tracking and tracing, on-demand operational reports, and the ability to search and download actual shipping documents, are some of our own system highlights. We have also developed a number of solutions to streamline household goods operational procedures for our customers and companies around the globe while improving our own internal efficiencies. Pasha's investment in these processes, and rigorous hands-on training programs for our global agents, are key components in our preparation for the Families First initiative and integration with DPS.

Quality Counts

The primary goal of Families First is to ensure that service members, military civilians, and their families, receive the same quality moving services employed by large multinational corporations. The military will distribute relocation moves based on the quality scores of the TSPs who provide the door-to-door services. Of paramount importance is that fifty percent of the quality score derives from the customer satisfaction survey score received from the shipper. Pasha's goal is to obtain the highest possible score so our customers benefit from increased relocation business. Established Quality Assurance Services for performance will reward agents for meeting and exceeding Pasha's standards. We provide 'Full Replacement Value' insurance and claims services. All our programs support the TSP's quality requirements, and reflect the needs of our military members.

Our objective is to provide all the tools and services necessary for our TSP customers to succeed in the Families First Program. Pasha's hands-on proactive management of the relocation process results in higher quality moves, lower claims cost, and the satisfaction of the military members and their families. We are in concert with the singular goals of Families First: One system, one standard, worldwide, to benefit all stakeholders.

Riding The Rails With ATP

ATP Okinawa, A Pasha Relocation Services operating unit, is participating in a transportation and logistics solution for a new Advanced Rapid Transit (ART) system in Korea. Bombardier Transportation, a global leader in the rail equipment manufacturing and servicing industry, received the award to design and build this system. For the ART project, Bombardier is responsible for the design and supply of 30 driverless cars, construction project management, as well as operations and maintenance services and training of Korean personnel.

Trans Global Logistique of Quebec, Canada, recognized for its proficiency in meeting logistics requirements around the world, has worked with Bombardier for many years. For this project, Trans Global directly handles all U.S./Canada requirements, and holds overall responsibility for providing a total door-to-door solution. Familiar with Pasha's knowledge of Asia and ATP's physical presence there, Trans Global selected ATP to manage all logistics from the port of arrival in Korea to the project site. Working closely with local Korean agent, IBC Logix, Co., Ltd., led by D.S. Ahn, ATP reports all preparations are completed and in a 'stand-by' mode ready to proceed with the project. Consisting of 15 stations and over eleven miles of mostly elevated double track line, ART will link with the existing Seoul subway system, via Yong-In City.

The ART system will be operational by the end of 2009. ATP is enjoying the involvement in such a prominent and complex project.

On a recent site visit in Korea, Pasha's Monica Paoli, Global Business Development vice president, and Okinawa managing director Mike Maggard, met with Mr. Ahn, Bombardier management, and others involved in piecing together this complicated operation.

A Four Alarm Event

Pierce Manufacturing is a name well known by Pasha, and Pasha is a name known and respected by Pierce. A leader and innovator in fire truck technology, Pierce supplies trucks across the United States and overseas. The company has come to rely on Pasha's M.V. *Jean Anne* for the transport of fire trucks bound for the Hawaiian Islands. Her Roll-On/Roll-Off and Over High and Wide capabilities offer a safe and protected environment not available prior to Pasha Hawaii's entry into the trade lane.

Pasha's excellent service prompted Pierce's Senior Manager of Government Sales, Tom Bocik, to explore using the services of ATP to transport six trucks bound for two Japan Marine Corps locations. Past shipments on barges incurred excessive damage and corrosion, unacceptable for regular vehicles but even more so for units needed to provide life saving services. ATP's Commercial Department came to the rescue by securing a complete Roll-On/Roll-Off service through to destination. Too large for moving on trailers, the four Okinawa units were delivered to the Marine Corps' Camp Butler by ATP's top drivers, and the other two were safely delivered to Iwakuni Air Station in Yamagata Prefecture, near Hiroshima.

Both Station Fire Chiefs remarked these were the best deliveries they have received during their rotation in Japan. So much so, they have requested that ATP assist in the movement of future orders. The staff of ATP takes great pride in adding to the reputation that Pasha has developed in the transportation community.

Pasha People
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PASHA PEOPLE

The Pasha Group News and Information Source Volume 2 Winter 2007

Steel Is Sexy

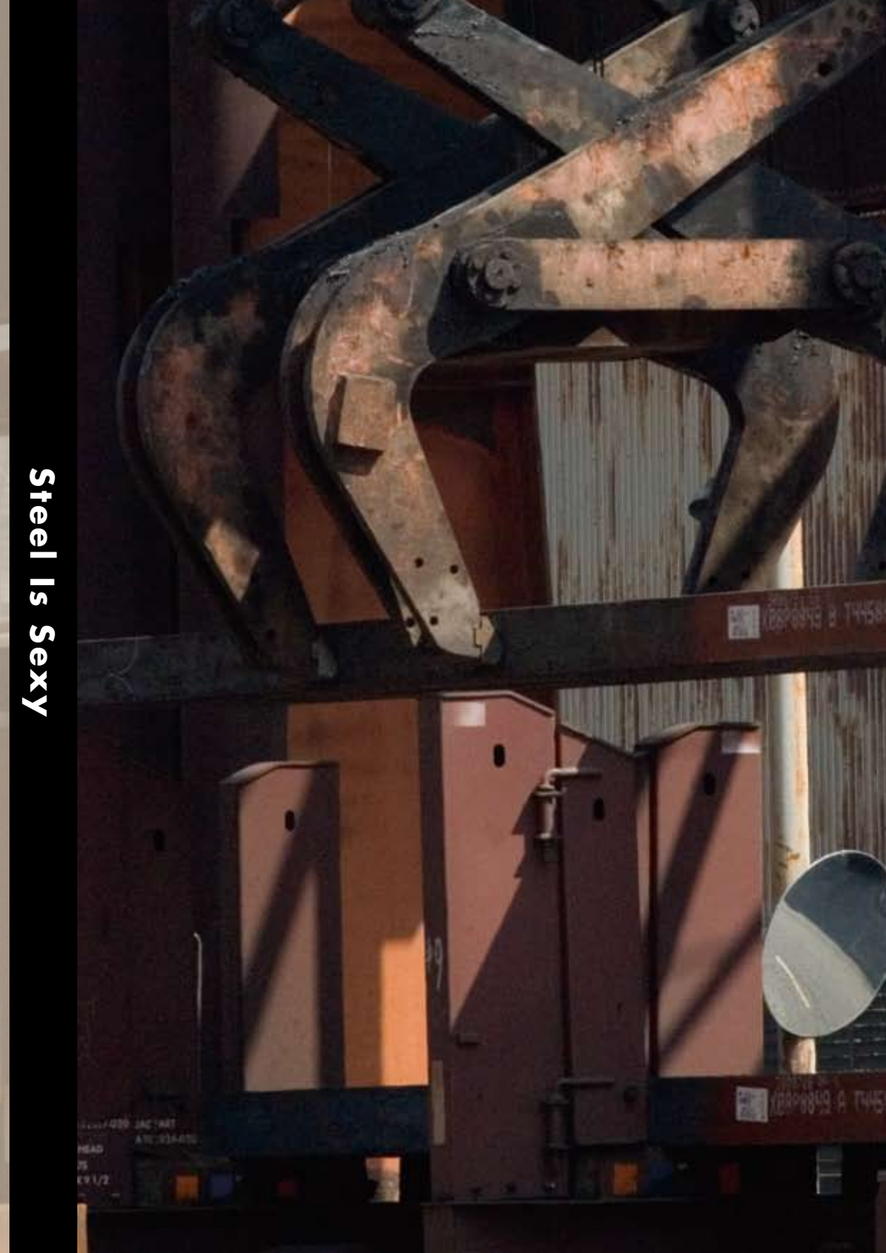
Surprisingly, a subtle beauty can be found at a steel mill. The muted pastel tints seen on massive steel slabs contrast sharply with the shimmering silver of the huge coils from the rolling mill. The bronze afterglow from the furnace lends vibrancy to the picture. Enormous hooks effortlessly lift titanic lengths of steel pipes from rail cars, producing unusual angles of interest to the viewer. The clamor and tumult of machinery adds an industrial dissonance to this complex performance.

A visitor can find all of this and more at California Steel Industries, Inc. (CSI), which occupies 450 acres of the former Kaiser Steel facility in Fontana, California, just 50 miles east of Los Angeles. Operating continuously since 1984, when it purchased the rolling mill facilities of the former Kaiser Steel Corp., CSI is owned by Japan's JFE Steel Corporation and Brazil's Companhia Vale do Rio Doce. Pasha Stevedoring & Terminals (PST), once a joint venture partner with Rio Doce and now wholly-owned by The Pasha Group, is in a unique partnership with CSI, the Port of Los Angeles, and Burlington Northern Santa Fe Railway (BNSF).

CSI has grown exponentially over the years. Through the planned addition of a second reheat furnace with state-of-the-art environmental technology, the company will increase its total annual production capacity by a million tons, with the capability and flexibility to produce up to 3 million tons per year. Today CSI has a work force of nearly 1,000 members, contributing significantly to the economy of the Los Angeles region.

In 2006, nearly 4 million metric tons of steel crossed the docks of the Port, making it the leading steel port on the U.S. West Coast. More than half was destined for CSI, the largest producer of flat rolled steel in the Western United States, generating the widest range of this product in the region. CSI is the only West Coast steel supplier manufacturing five different product lines: hot rolled, pickled and oiled, galvanized, cold rolled sheet, and electric resistance welded pipe. According to Ricardo Bernardes, CSI's chief financial officer, "Our primary market is the eleven western states with a major concentration in the Southern California market. Our sales also encompass shipping some product into the Midwest as well as the Southwest."

continued on inside – Heavy Lifting



One of the major continuing problems facing meteorology is the scarcity of data from vast areas of the world's oceans in support of basic weather forecasting, the provision of marine meteorological and oceanographic services, and climate analysis and research. While the new generation of meteorological satellites help to overcome these problems, data from more conventional platforms, voluntary observing ships, are essential. These ship observations provide ground truth for the satellite observations.

An international program under the marine auspices of the World Meteorological Organization, the Volunteer Observing Ships (VOS) program has forty-nine countries as participants with approximately 4,000 vessels enrolled. The United States program is the largest in the world, with nearly 1,000 vessels.

Deck officers take the observations, coded in a special format known as the ships synoptic code, and transmit in real time to the National Weather Service. They are then distributed on national and international circuits for use by meteorologists in weather forecasting, by oceanographers, ship routing services, fishermen, and many others. Observations from ships form the basis of marine weather forecasts in both coastal and high seas areas providing on-the-spot data and details about local and surface conditions.

VOS awards are issued each year to ships that have excelled in their contribution to the United States VOS Program. Pasha Hawaii's *Jean Anne* is a proud member of this program, and recently received a 2006 VOS Outstanding Performer award from the National Oceanic and Atmospheric Administration.

Pictured: The Jean Anne pays a visit to its homeport, San Francisco.