



Richard D. Steinke

# What's Next for LNG?

And More Q&A's with Port Executive Director Richard Steinke

A proposed liquefied natural gas (LNG) terminal is under consideration at the Port of Long Beach. In the following Q&A, Port Executive Director Richard Steinke discusses the environmental review and risk assessment process, and other topics including Port profits, Queensway Bay trash, and improvements to the Long Beach Freeway.

**Q** Has the Long Beach Board of Harbor Commissioners made a final decision about the location of an LNG (liquefied natural gas) import facility within the Port?

**A** The Harbor Commission has approved a preliminary letter of intent with Sound Energy Solutions, a subsidiary of Japan-based Mitsubishi Corp., giving the company the exclusive right to pursue the planning process for an LNG terminal at the Port of Long Beach. The letter of intent allows SES to launch a series of environmental and safety studies, and to seek regulatory approval.

Before a plant could be built, SES would need to obtain a permit from the Federal Energy Regulatory Commission. The proposed LNG terminal also will need a permit from the U.S. Army Corps of Engineers, an amendment to the Port's land-use master plan from the California Coastal Commission, and environmental document certification and approval from the Board of Harbor Commissioners to lease the site on Terminal Island.

Drafts of the federal environmental impact statement and state environmental impact report are scheduled for completion in May or June. Public hearings will follow. Final environmental reports are expected in the fall when the FERC, Army Corps of Engineers, Coastal Commission and Harbor Commission would decide on whether to approve the project.

**Q** Since the Port is a profitable operation, is it possible for the Port to give the City of Long Beach money to help with the current budget shortfall?

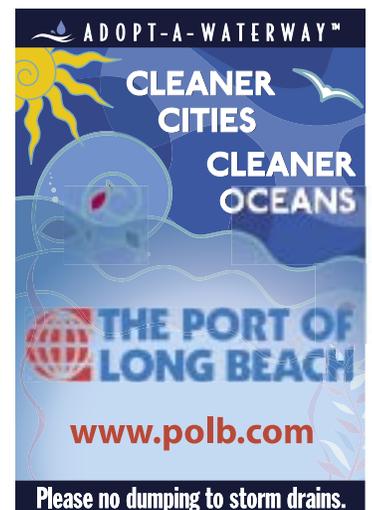
**A** The Port of Long Beach operates on state tidelands, which have been transferred to the city for the express purpose of operating a municipal port. The Port is governed by the state Tidelands Trust. That Trust requires that funds from all California seaports must be used for the benefit of the entire state of California

and not just one municipality. The Tidelands Trust also says that seaport funds may be spent only on maritime commerce, navigation, marine recreation and fisheries.

Under the City of Long Beach Charter, the Long Beach City Council may ask the Board of Harbor Commissioners for up to 10 percent of the Port's net income each year. Since 1995, the Port has transferred \$7 million to \$10 million each year to the City of Long Beach in response to requests from the City Council. However, in compliance with the Tidelands Trust, those funds may be spent only within the tidelands district (along the coast) for functions related to maritime commerce, navigation, marine recreation and fisheries. The Port also reimburses the city for all costs related to fire and police protection, and other services provided in the harbor district.

**Q** Each time it rains, a lot of trash ends up in the water around Queensway Bay, next to the Queen Mary. Why doesn't the Port clean this up?

**A** The Harbor District begins at the mouth of the Los Angeles River, but does not include Queensway Bay. Therefore the Port has no jurisdiction over the L.A. River Basin or Queensway Bay. Queensway Bay is maintained by the City of Long Beach Parks, Recreation and Marine Department. That department has an active program to remove trash from the marinas and beaches at all times, and especially after heavy rains. Plus, the Port actively retrieves trash from its waters within the harbor district.





The Board of Harbor Commissioners is looking at two options for replacing the Gerald Desmond Bridge. As shown in this rendering, one design features a single-mast, cable-stayed bridge.

The real answer to cleaner marinas and beaches lies with the residents of Southern California. Each time someone throws trash into a gutter, it may be washed into a storm drain that will carry it to the marinas and beaches. That is one of the reasons the Port of Long Beach has sponsored the "Adopt a Waterway" program. "Adopt a Waterway" posts signage near select storm drains throughout the city to encourage residents to refrain from dumping trash, motor oil or other contaminants into the gutters and storm drains.

**Q** The Port of Long Beach sponsors college scholarship programs at both Long Beach City College and Cal State Long Beach. Is it possible for the Port to also pay for some of the necessary maintenance and repairs at our local schools?

**A** Once again, the Tidelands Trust restricts our expenditures to maritime commerce, navigation, marine recreation and fisheries. That is why our scholarships are limited to students who are pursuing careers in international trade, including those technical trades that can translate into jobs at warehouses and on our docks. We cannot spend funds on school maintenance and repairs.

**Q** The Port plans to replace the Gerald Desmond Bridge and hopes to receive federal funding for this bridge. Why must the bridge be replaced, and why doesn't the port pay for the replacement?

**A** The current bridge was completed in 1968. It is in need of extensive maintenance. The Board of Harbor Commissioners recently approved the installation of a net to hang beneath the bridge to catch falling concrete. In addition, the bridge is not tall enough for some of the new, larger ships. Most importantly, the bridge does not have enough capacity to handle the truck traffic that will result from a forecasted growth in trade.

Because the cargo moving through the port travels to and from businesses and residents throughout the United States, and because the bridge is a part of the federal highway system, it is appropriate to request federal funding for the project

**Q** Will the port pay for any portion of the proposed enhancements on the 710 freeway?

**A** The 710 freeway is a state highway and is under the jurisdiction of Caltrans. Once again, the cargo moving along it is delivered to businesses and residents throughout the state and nation. Therefore, it is appropriate for the funding to come from the state and federal governments. Nevertheless, the Port has committed Port revenues to an integrated plan that identifies various ways to reduce truck traffic and to increase rail traffic related to cargo moving through the Port.

In addition, the Port could not afford to pay for the highway enhancements. The Port of Long Beach is currently \$1.2 billion in debt. Our terminal expansion projects have been financed through the sale of revenue bonds, which are issued to private investors and repaid through future lease revenues. Investors would not purchase bonds for highway improvements, because the highways in themselves do not produce revenues.

**Q** Does the Board of Harbor Commissioners make policy decisions related to trade legislation?

**A** Trade legislation is a function of the U.S. Trade Representative and U.S. Congress. The Board of Harbor Commissioners defers decisions about trade legislation to the U.S. government. The board's function is to ensure that our Port can accommodate cargo flows whether imported or exported across our docks.

If you have a question about the Port, which you would like to submit to "re:port," please contact us at [info@polb.com](mailto:info@polb.com)