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TIE LINES – January 2000

AROUND THE PORT...

Hanjin Shipping Co. Ltd. handled the equivalent of more than 1 million 20-foot containers during 1999 at its 170-acre Pier A cargo terminal at the Port of Long Beach. South Korea-based Hanjin is the first Long Beach port tenant to surpass the 1 million container-unit milestone in a single year.

Port officials honored Hanjin on Dec. 21 with a dockside ceremony and luncheon for topping 1 million 20-foot equivalent units (TEUs).

Nearly two years of preparation paid off, as the port and its shipping terminals marked the New Year without any significant Y2K-related problems. A major Y2K awareness campaign, led by the Coast Guard, greatly contributed to the success of the port, shipping terminals and emergency response teams achieving a smooth, trouble-free entry into the new millennium.

Led by rebounding exports, the total container volume at the port rose by 7.9 percent in November, compared with the same month a year ago. The equivalent of 397,301 20-foot-long container units was shipped through Long Beach. November's total was the third-highest ever for the port after only September's 402,710 TEUs and August's 399,303

TEUs.

The port is edging closer to the long-awaited transfer of the southern end of the Long Beach (710) Freeway to Caltrans.

The California Transportation Commission is expected to vote as early as this February to take over the 710 south of Pacific Coast Highway.

Carnival Cruises has tentatively agreed to move its Southern California home from the Port of Los Angeles to a new, \$25 million-plus facility it plans to build next to the Queen Mary.

Carnival plans to move two ships and more than half a million passengers – about half of L. A.'s cruise business – to Long Beach, where the vessels would share a 1,000-foot berth, a 1,500-car parking structure, and loading and unloading facilities aboard the Queen Mary and within the Spruce Goose Dome. The facilities are scheduled to open in 2001.

Got dirt? The Port of Long Beach needs a lot of it -- to the tune of 4 million tons.

Cleaning up contaminated soil on Pier S for the development of a 160-acre marine terminal is apparently creating a shortage of dirt in the region.

The project's contractor, Godot Enterprises Inc., has already trucked in about 400,000 tons of dirt during the project's first three months. The project requires more than 3 million cubic yards of dirt.

The port isn't accepting just any old dirt. It is requiring that the dirt be free of contaminants and that it is a certain grain size. Since the soil remediation project started in October, the port has taken more than 200 samples of dirt from dozens of sites throughout Southern California to test for cleanliness.

The contaminated dirt, left behind on Pier S after years of oil operations, will be mixed with cement and then sandwiched between tons of clean soil, a method approved by the Department of Toxic Substances Control.

With the New Year, new state ballast water regulations have gone into effect – at least the temporary, emergency measures adopted by the State Lands Commission. The regulations include a \$600-per-voyage fee. Permanent regulations will be adopted later this spring, after hearings set for March 9 in Oakland and March 10 in Long Beach.

About 1,000 casual longshore workers refused to work on Dec. 20 to protest a proposed settlement that would give money and hours of credited work to minority applicants who failed an entrance exam to get jobs on the docks.

The Equal Employment Opportunity Commission in Los Angeles has ruled against an eighth-grade equivalency test given to people who apply for jobs as casual longshore workers. The Pacific Maritime Association, which represents waterfront employers, and the International Longshore and Warehouse Union have proposed a settlement that would provide money to minority applicants who failed the test and credit them with hours toward becoming certified union members.

The deal has upset applicants who did pass the test and have been working to become full union members. They are lobbying Washington to kill the settlement.

The Regional Water Quality Board has voted to allow the Alameda Corridor Transportation Authority to resume discharging groundwater into the Compton Creek from the construction of a 10-mile-long trench. The project had been shut down for 10 days after the water board postponed its decision to issue a permit after environmentalists expressed concerns with the water's effect on Compton Creek.

Corridor CEO **Jim Hankla** said the water poses little risk to the environment, however, Corridor engineers plan to build a \$3 million pipeline that will reroute the discharged water to the Dominguez Channel, which is less environmentally sensitive than the Compton Creek.

The Port of Long Beach has completed construction of a multimillion dollar overpass, allowing trucks and cars to pass unimpeded over the port's main railroad tracks.

The \$41.6 million Anaheim Street Grade Separation Project, near Ninth Street in West Long Beach, includes a 1,450-foot-long bridge that was fully opened to traffic on Jan. 4. The new bridge provides three lanes in each direction and is the last of six grade separation projects designed to ease traffic congestion at railroad crossings in and around the port. The port has spent \$135 million on the decade-long grade separation program.

The Board of Harbor Commissioners has approved foreign trade zone applications submitted by the electronics component company TDK Corp. of America, outdoor clothier Timberland Co., and the San Gabriel Valley Economic Partnership.

With the vote, the port will submit TDK's application to the Foreign Trade Zone Board in Washington to designate TDK's facility in Cypress as an FTZ subzone. The subzone would encompass TDK's 3.1 acre warehouse. The FTZ designation will allow TDK to defer or avoid custom duties on products they import, store and distribute from the facility. The port and TDK will enter into a FTZ operations agreement that will define the port's terms and conditions for activation.

The board approved an operations agreement with Timberland, within the port's FTZ site in Ontario. Timberland is operating a \$5 million, 420,000-square-foot distribution center at the Ontario complex to temporarily warehouse footwear made in the Far East. The facility employs between 90 and as many as 2,000 workers.

The San Gabriel Valley Economic Partnership is seeking to expand its FTZ status to cover nearly 64 acres at four sites: a five-acre light assembly, manufacturing and warehousing facility in El Monte, 5.9 acres for trade shows at the Fairplex grounds and 50 acres for light manufacturing and warehousing at the former General Dynamics/Hughes aerospace plant in Pomona, and nearly three acres in San Gabriel to be used for light manufacturing.

In December and early January, the port welcomed three new container ships to Long Beach: Orient Overseas Container Line's 5,515-TEU *OOCL New York*, "K" Line's 4,038-TEU *Mosel Bridge*, and Hanjin's 5,600-TEU *Hanjin Copenhagen*. All three ships were built in South Korea.

The *OOCL New York*, which will be a regular caller at OOCL's Long Beach Container Terminal, sails between the U.S. West Coast and Asia. The *Mosel Bridge*, which calls at "K" Line's International Transportation Service terminal, is deployed in a service that calls at West Coast and Asian ports. The *Hanjin Copenhagen* operates in a service between the West

Coast, Asia and Europe.

The International Longshore and Warehouse Union's Local 13 in Wilmington has voted down a computerized dispatch system aimed at speeding longshore workers to their jobs. The vote against the system was 1,173 to 400.

Opponents said a new system could be the first step toward employers taking over the union's dispatch function. Employers say the existing chalkboard dispatch system results in work crews sometimes arriving on the job more than an hour late.

"K" Line (Kawasaki Kisen Kaisha Ltd.) has placed orders for eight container ships, each with a capacity of 5,500 TEUs. The ships will be the largest ever operated by the Japanese shipping line.

The ships will be delivered between mid-2001 and mid-2002. The ships have a service speed of 25 knots and room for 500 40-foot-long refrigerated containers.

Long Beach Mayor Beverly O'Neill will install the officers and directors of the Harbor Association of Industry & Commerce during a luncheon on Jan. 19 at the West Coast Long Beach Hotel.

Among the officers to be installed is the group's new vice president, **Gus Hein**, executive secretary to the Long Beach Board of Harbor Commissioners.

Federal Maritime Commission Chairman Harold Creel and Journal of Commerce Editor Peter M. Tirschwell are among the speakers scheduled to address a day-long, Jan. 21 conference on "Transport Challenges" at the Hyatt Regency Hotel in Long Beach. The event is sponsored by the Foreign Trade Association of Southern California, Los Angeles Customs Brokers & Freight Forwarders Association, Propeller Club of Los Angeles-Long Beach, and the Steamship Association of Southern California.

Wall Street Journal reporter Jim Carlton is the speaker for the International Business Association's Jan. 28 luncheon at the Westin Hotel in Long Beach. Carlton will talk about the controversial World Trade Organization (WTO) meetings in Seattle.

PORT PEOPLE...

John Pickering, the last commander of the Long Beach Naval Shipyard, has resigned from his job as general manager of AMC-Long Beach – a group that has been trying to reopen 34 acres of the yard as a ship repair and barge construction facility.

Valentine Andy Okoro has been hired as controller of the Alameda Corridor Transportation Authority, responsible for cash management, debt administration and budgeting. Okoro joins ACTA after a three-year stint as finance and accounting manager for the Southern California Regional Rail Authority, which operates the Metrolink commuter train system.

Hal Duensing has been named the port's Acting Director of Properties. Duensing worked as a commercial and retail development officer for the city's Community Development Department for more than 10 years before coming to the port four and a half years ago. His appointment follows the retirement of **Jim Larsen**.

E-MAIL NEWS BULLETINS!

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