



June 2003

AROUND THE PORT . . .

The Long Beach Board of Harbor Commissioners has approved a Letter of Intent with a subsidiary of Mitsubishi Corp. giving it the exclusive right to pursue development of a \$400 million liquefied natural gas (LNG) terminal on Terminal Island, the first such facility on the West Coast.

The subsidiary of Japan-based Mitsubishi, Sound Energy Solutions, has proposed an LNG receiving terminal and re-gasification facility on 27 acres of land at Pier T Berth 126, an area also known as Pier Echo. The proposed terminal would handle the equivalent of 68.3 million barrels of LNG a year, providing energy-hungry Southern California with an alternative source for natural gas. A source has not been determined, but Sound Energy is looking at a number of Pacific Rim liquefaction facilities.

An LNG terminal also would facilitate the conversion of diesel-powered vehicles such as buses and heavy-duty port terminal equipment so they could use cleaner-burning natural gas. The “re-powering” of these vehicles would result in a reduction of air pollutants such as nitrogen oxides. LNG is natural gas cooled to a liquid state at minus-260 degrees Fahrenheit to reduce the volume for shipping.

With the Letter of Intent, Sound Energy Solutions (SES) will next seek approval from the Federal Energy Regulation Commission (FERC), which will study the environmental impact of the proposed LNG terminal.

FERC’s review is expected to take about two years. Construction, which is expected to take about two years, would begin if FERC approves and issues a permit. The port would be responsible for satisfying requirements under the California Environmental Quality Act. The port

also would demolish structures and construct a new wharf. SES would build the terminal, including two 160,000-cubic-meter storage tanks, the re-gasification facilities, and delivery and unloading equipment. SES would operate under a 40-year lease that calls for the Mitsubishi subsidiary to pay the port an estimated minimum of \$3.7 million a year, based on projected LNG volumes.

The port has kicked off an ambitious program to use cleaner-burning diesel fuel in all terminal equipment and outfit the equipment with pollution-control devices.

Port tenants Hanjin and California United Terminals have already switched to Chevron's Proformix™ alternative diesel fuel in all terminal equipment. In addition, they have added Lubrizol Engine Control Systems' diesel oxidation catalyst, the AZ Purimufflers, to the engines of 14 utility trucks, forklifts and other equipment. Hanjin and CUT expect to complete a fleet-wide retrofit by the end of summer.

Emissions from diesel engines using the alternative fuel and outfitted with catalysts produce 50 percent less particulate matter and 20 percent less nitrogen oxides.

The port intends to expand its clean-diesel program to other tenants, retrofitting all diesel engines – approximately 1,000 pieces of equipment – with the catalysts and using alternative diesel fuel exclusively by the end of summer.

The port is providing tenants with more than \$2 million in incentives. Using \$1 million in grant money from the California Air Resources Board, the port is paying for the installation of diesel oxidation catalysts in tenant equipment. The port also will offer incentives to defray tenant costs associated with use of the alternative diesel fuel.

With the recent expansion of marine terminals resulting in a need for greater Fire Department coverage, the port has embarked on a series of fire station projects.

In May, the port completed construction at two fire stations, a \$1.2 million project at Pier D beneath the Gerald Desmond Bridge, and a \$2.3 million project at Pier H south of the new Carnival Cruise Line berth. The port expanded the Fire Boat Station No. 20 complex at Pier D Berth 37. It has been home to one of the port's two fireboats. The expansion now creates a home for an engine company.

Pier H's Fire Station No. 6 also is home to an engine company. The engine company was moved from Pier F, where it was housed next to Fire Boat Station No. 15. At Pier H, the engine company provides better coverage for the east side of the port, including the Queen Mary/ Carnival Cruises complex.

Also in May, the Board of Harbor Commissioners approved plans for a \$4 million project to build Fire Station No. 24 on a two-acre site at 111 Henry Ford Ave. on Terminal Island. The new one-engine firehouse, set to open in two years, will replace a temporary station on Pier Echo.

The port's 2002 Annual Report, an informative 40-page publication filled with photos, articles and cargo statistics, is just off the press. This year's Annual includes an eight-page Facilities Guide.

Copies are available in the lobby of the port Administration Building, 925 Harbor Plaza; by calling (562) 590-4121; or by going to the port web site at www.polb.com.

With the Iraqi War casting a shadow over orders, the number of cargo containers shipped through the port in April declined 2.3 percent to the equivalent of 400,786 twenty-foot container units, compared with April 2002.

The number of inbound containers fell 12.1 percent to 200,476 twenty-foot-equivalent units (TEUs). Outbound containers dropped 14.4 percent to 75,295 TEUs. The declines in loaded containers were nearly offset by a 32.6 percent jump in empty containers to 125,015 TEUs. Nearly all of the empties are shipped overseas to be re-filled with products.

The federal Homeland Security Department has awarded \$700 million in security grants, including \$75 million for ports -- \$9.1 million of that in a joint grant for the ports of Long Beach and Los Angeles.

The City of Long Beach was awarded another \$6.5 million.

The number of crimes reported in the Long Beach Harbor District -- which includes the 3,000 acres of the Port of Long Beach and represents about 10 percent of all the land in Long Beach -- was only half of 1 percent of the city's total of 34,540 reported crimes in 2002.

"With our added cargo security since Sept. 11, the port remains a very low crime area," said port Executive Director **Richard Steinke**. "The port's Harbor Patrol officers, other law enforcement agencies and our terminal operators are working together and doing a great job in deterring crime in the Harbor District."

Of the few crimes reported within the Harbor District, slightly more than half were property related. The number of all crimes reported in the Harbor District declined 13.3 percent from a year ago to a total of 188 incidents in 2002.

In another step to tighten security, the port is reconfiguring the receptionist's desk in the lobby to control access in and out of the

Port Administration Building.

The work, which will turn the receptionist's desk to face the entry doors, is scheduled for completion by the second week of June.

The Long Beach Chamber of Commerce's International Business Association has honored the Port of Long Beach with its International Achievement Award.

The IBA honored the port for its accomplishments in international trade, its commitment to trade-related education, and its stewardship of the environment.

Sea Launch has scheduled a June 10 liftoff at the Equator to send a 11,413-pound Thuraya-2 telecommunications satellite into orbit.

Based in the United Arab Emirates, Thuraya, provides satellite telephone service for 100 nations in the Middle East, Europe, Africa and Asia. Sea Launch's Odyssey launch platform and Commander vessel are based at the Port of Long Beach.

Morton Salt celebrated its recent recognition by Cal OSHA as the 27th work site in California to receive the state Division of Occupational Safety and Health's Voluntary Protection Program "Star Status" award.

The award recognizes employee-driven efforts to implement, monitor and enforce safe working conditions at the terminal. The facility is the first terminal in the Port of Long Beach to receive such a status.

Gateway Cities Partnership has completed training 70 people in the Global Logistics Employee Certification program, certified by the Center for International Trade and Transportation at Cal State Long Beach.

By the end of the summer, 100 people will have completed the program, which trains workers for entry-level global logistics jobs with freight forwarders, customs brokers, trucking and distribution companies, import and export companies, and air cargo companies.

Gateway Cities is an alliance of business, labor, education and public sector groups in southeast Los Angeles County.

Trade opportunities in Cuba are the topic of a free seminar from 8 to 11 a.m. June 4 at the World Trade Center in Long Beach.

The World Trade Center Association Los Angeles-Long Beach and Global Strategies Trading sponsor the event. For more information go to: http://www.laedc.org/data/pdf/cuba_0603_seminar_register_form.pdf

David Wedaman of logistics provider RE Transportation will be the speaker at the Los Angeles Transportation Club luncheon June 10

at the Norwalk Marriott Hotel. For more information, call (562) 856-9197.

The 16th annual Seafood Feast will be held June 11 at Berth 54 in San Pedro. The International Longshore and Warehouse Union and the Propeller Club host the event, with proceeds going to a memorial scholarship fund. For information, call (818) 951-2842.

Tom Teofilo, the newly appointed Southern California vice president for the Pacific Merchant Shipping Association, will be the speaker at the International Trade Club luncheon June 17 at the Reef Restaurant in Long Beach.

The San Francisco-based maritime advocacy group recently merged with the Steamship Association of Southern California.

The California Goods Movement and Port Security Conference will be held July 1 and 2 at the Hyatt Regency Hotel in Long Beach.

Topics will include Congress' reauthorization of the TEA-21 transportation bill and cutting edge technology for security. The event is sponsored by the California Alliance for Advanced Transportation Systems in partnership with Rep. **Juanita Millender-McDonald**, the Business, Transportation and Housing Agency, the Port of Long Beach and Caltrans.

For more information, call (916) 325-0470.

PORT PEOPLE. . .

Carmen O. Perez, a member of the Long Beach Board of Harbor Commissioners for nearly 12 years, has been reappointed by Gov. Gray Davis to another two-year term as a member of the California State World Trade Commission.

Perez was first appointed to the Trade Commission in 2000. The commission is responsible for coordinating activities to expand international trade for the state, including representing, or assisting in representing, the state in foreign countries.

Steven B. Rubin has been appointed the port's managing director of finance and administration, one of the port's top four management positions.

Rubin, formerly assistant director in the City of Los Angeles' office of finance, fills a newly created position established after the retirement last year of the port's assistant executive director, **Paul E. Brown**.

Like Brown, Rubin will oversee the port's divisions of administration, finance, information management and maintenance.

Thomas A. Poe, formerly chief of staff for Long Beach 5th District

Councilwoman Jackie Kell, has joined the port in the newly created position of assistant to the director of government affairs.

Poe will report directly to **Gus Hein**, director of government affairs. In his new job, Poe will help to craft government advocacy programs in support of the port, and monitor legislation impacting the port and its customers.

The Long Beach City Council has promoted Jerry Miller to the position of city manager succeeding Henry Taboada. Miller, who had been the assistant city manager since 1999, has worked for the City of Long Beach for more than 25 years.

E-MAIL NEWS BULLETINS!

The port issues a free Internet version of Tie Lines and e-mail “news flashes” on breaking news.

To sign up, send a blank e-mail to polb-subscribe@yahoogroups.com,

or go to <http://groups.yahoo.com/group/polb/>

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