



**February 2004**

**AROUND THE PORT . . .**

**Favorable economic conditions lifted container cargo volumes at the Port of Long Beach to a record in 2003 with shipping terminals moving the equivalent of nearly 4.7 million twenty-foot-long units during the year, topping the previous best of 4.6 million container units in 2000.**

“A rebound in exports and the U.S. consumers' appetite for goods from Asia have driven cargo totals to all-time highs,” said Port Executive Director **Richard D. Steinke**.

“Even with the departure of a major tenant in 2002, cargo totals have still exceeded expectations in 2003. We congratulate our shipping terminals and the ocean carriers on an outstanding year.”

**The total number of cargo containers shipped through Long Beach climbed to 4,658,124 twenty-foot equivalent units (TEUs) in 2003, an increase of 2.9 percent over 2002.**

Long Beach's privately operated shipping terminals set a record for calendar 2003 despite the departure in August 2002 of Maersk Sealand, one of the world's leading shipping lines, which had accounted for a quarter of the Port's container volume.

A second-half surge in the U.S. economy helped the Port's terminals offset the loss of Maersk Sealand, with imports slipping only 1.8 percent to 2,409,577 TEUs.

Amid economic improvement in Asia and a weakening U.S. dollar, exports climbed 5.8 percent to 904,539 TEUs – the first upturn in exports since 2000. Empty containers, nearly all headed back to be re-filled overseas, jumped 10.3 percent to 1,344,008 TEUs.

**The Port finished 2003 with a record-breaking December and a record-setting November. The total number of containers leaped**

## **12.2 percent to 406,021 TEUs in December.**

The period from November through February is historically the slowest part of the year for the Port.

With importers replenishing their inventories after a stronger-than-expected final quarter, the number of inbound loaded containers climbed to 210,094 TEUs in December, an increase of 12.8 percent over December 2002.

The number of loaded outbound containers jumped 30.6 percent to 83,941 TEUs – the sixth straight month that exports have shown gains over the same month a year ago. The number of empties was virtually the same as a year ago at 111,986 TEUs.

## **The Long Beach Board of Harbor Commissioners has recommended two designs, a “single-mast” and a “slanted-H,” for further study in finding a replacement for the Gerald Desmond Bridge connecting downtown Long Beach and Terminal Island.**

Commissioners cited aesthetics, "constructibility" and seismic factors in making their choices from four cable stayed bridge options. The single-mast design makes use of cables anchored to two single towers. The slanted-H has cables anchored to two towers resembling inverted “A’s.” Commissioners also recommended that, if state and federal authorities agree, the additional studies would focus only on two single-mast designs – one utilizing a steel-bridge superstructure and the other a concrete superstructure.

## **The Board of Harbor Commissioners has approved a \$4.7 million contract with Sully Miller Contracting Co. to expand the Pier T on-dock rail yard.**

The company’s was the lowest bid in a second round of bidding. In the first round, bids ranged from \$4.9 million to \$6.6 million.

Under the contract, Sully Miller will be adding two tracks on the Navy Mole, giving the on-dock yard three “tail” tracks. The project follows a small landfill south of the Navy’s fuel depot, making room for the additional tracks and a realignment of Navy Mole Road. The work is to be completed late this year.

## **Fourteen days after departing Hong Kong, U.S. Lines’ first vessel – the *Masovia* – arrived right on schedule at mid-morning Jan. 13, making its maiden call at Total Terminals International’s Pier T facility in Long Beach.**

Giving new life to one of the older and more respected names in the ocean carrier industry, U.S. Lines is the newest entrant in the transpacific trade. The line, headquartered in Santa Ana, Calif., is one of the few transpacific carriers whose corporate headquarters is based in

the United States.

The management-owned company is offering a fixed-day weekly service, calling in Shekou, south China; Hong Kong; and Long Beach.

**China Shipping Container Lines' 4,000-TEU *Xin Nan Tong* made its maiden call Jan. 9 at the Total Terminals (Hanjin) facility at Pier T.**

The vessel is part of a weekly service making calls in the Far East and the U.S. West Coast.

**A Mitsubishi Corp. subsidiary, Sound Energy Solutions, has filed an application with the Federal Energy Regulatory Commission to build a \$400 million liquefied natural gas terminal at the southeast end of Pier T.**

The application includes engineering, environmental, safety and financial details for review by federal energy regulators and the public. FERC and the port's Board of Harbor Commissioners are expected to consider the project's approval during the second half of this year, after a series of public hearings.

Construction could begin by the end of the year, and the terminal could open by early 2008.

Tankers would deliver the super-cooled, liquefied natural gas to Long Beach, where it would be converted to a gas and fed by pipeline to power plants, fuel suppliers and others. Natural gas is a cleaner alternative to diesel and gasoline because of its lower air emissions.

**The number of commercial ship arrivals at Long Beach and Los Angeles harbors climbed to 5,696 vessels in 2003, an increase of 6 percent over 2002 when traffic slumped because of a coast-wide labor dispute.**

The number of container ships (3,005) increased 10 percent; tankers (719) were down 11 percent; dry bulk vessels (380) down 21 percent; cargo barges (356) up 35 percent; and passenger ships (332) up 30 percent, according to the Marine Exchange of Southern California, which monitors vessel traffic.

Panama accounted for 26 percent of all arrivals by flag in 2003, followed by the U.S. with 17 percent and Liberia with 11 percent.

**The Alameda Corridor Transportation Authority governing board has approved a blueprint for it to partner with the ports of Long Beach and Los Angeles, and with distribution centers and others to reduce daytime truck traffic and improve air quality.**

The board set aside an initial \$3 million-plus to launch the program.

The plan calls for ACTA to help increase off-hour use of Southern California's cargo distribution network; optimize use of on-dock rail yards; develop a shuttle train between the ports and inland distribution

facilities; assist with development of another near-dock intermodal rail yard; and other projects.

**A bankruptcy judge in Hawaii has approved a settlement allowing lenders to foreclose on two Royal Olympia Cruises vessels, including one stranded in Long Beach Harbor, the 590-foot-long *Olympia Explorer*.**

While the Greek-owned cruise line sought bankruptcy protection so it could restructure \$250 million in loans, the *Olympia Explorer* has been at anchor in Long Beach since shortly before Christmas after a final voyage from Hawaii to San Pedro.

The International Seafarers Center in Long Beach, with the help of many local donations, has assisted the multi-national crew of 350 people with food and other services while Royal Olympia arranged for the crews' return home.

By the end of January, more than half of the crew had been sent home. Royal Olympia was planning to keep about 50 crewmembers aboard to operate the ship.

Launched just two years ago, the German-built *Olympia Explorer* was to have served as a floating hotel during this year's Summer Olympics in Athens.

**The California State Lands Commission has more than doubled its ballast water fee for out-of-state vessels calling at California ports to \$500 beginning Feb. 1.**

State officials say the increase from \$200 per voyage is needed to pay for the state's expanded \$3.5 million program to prevent the spread of foreign species into California waters. About 7,000 ships pay the fees each year.

The state Legislature amended the ballast water program, under the Marine Invasive Species Control Act, to provide for more research into invasive species, for a plan on how to deal with them, and for monitoring and enforcement.

**The Coast Guard is seeking vessel owners to participate in testing prototype shipboard ballast water treatment systems aimed at reducing the introduction of non-indigenous species.**

Currently the principal method for reducing the introduction of invasive species is a mid-ocean exchange of ballast water, a procedure that is not safe or feasible for all vessels. To participate, call (202) 267-2716.

**The government of Israel has sold its remaining 48.9 percent share in Zim Israel Navigation Co. to the Israel Corp., a conglomerate with interests in shipping, real estate and banking.**

Israel Corp. now controls a 97.8 percent stake in the carrier. Zim calls at the Pier A container terminal operated by SSA Terminals.

**Marine Terminals Corp. has announced that it surpassed 6 million TEUs for the first time in 2003 at the 26 West Coast and five East Coast facilities where it provides stevedoring and terminal operating services.**

MTC is a partner with Hanjin in Total Terminals International, the operator of the 375-acre Pier T container terminal in Long Beach. MTC also said it successfully completed a full disaster recovery test of its Southern California computer systems, confirming full terminal system redundancy.

**Port of Long Beach Executive Director Richard Steinke and the Port of Los Angeles' top executive, Larry Keller, will present a State of the Ports Address at a Feb. 5 luncheon hosted by the Harbor Association of Industry and Commerce.**

The event will be held at the Hyatt Regency Long Beach. For more information, call (310) 417-3929.

**Long Beach Harbor Commissioner and former Alameda Corridor Transportation Authority CEO James Hankla will be among the panelists at a conference on the Alameda Corridor beginning at 1:30 p.m. Feb. 10 at USC's Davidson Conference Center. For more information, call (562) 296-1174.**

**Jack Kyser, the Los Angeles County Economic Development Corp.'s chief economist, will be the speaker at a Los Angeles Transportation Club luncheon Feb. 10 at the Marriott Norwalk Hotel. For more information, call (562) 856-9197.**

**Marianne Venieris, executive of the Center for International Trade and Transportation at Cal State Long Beach, will be the speaker at the Harbor Transportation Club dinner Feb. 12 at the Reef Restaurant in Long Beach. For more information, call (562) 434-7393.**

**Douglas A. Tilden, president and CEO of Marine Terminals Corp., will be the speaker at the Feb. 20 International Business Association luncheon at the Downtown Courtyard by Marriott in Long Beach. For more information, call (562) 432-8128.**

**Capt. Wei Jaifu, president and CEO of China Ocean Shipping (Group) Co., will be among the speakers at the fourth annual Trans-Pacific Maritime Conference March 8-9 at the Hyatt Regency Long**

## **Beach.**

The program, including an economic outlook on transpacific trade, is produced by the Journal of Commerce and hosted by the Port of Long Beach.

For more information, call (858) 485-9978 or send an e-mail to [events@joc.com](mailto:events@joc.com).

## **PORT PEOPLE . . .**

**Total Terminals International, a joint-venture of Hanjin Shipping and Marine Terminals Corp. and the operator of the Pier T terminal, has named James Kwon as its president.**

Kwon succeeds **Y.M. Kim** who is joining Hanjin's management team in Korea as a senior executive vice president in charge of human resources, strategic planning, business development and general administration.

Kwon has worked for Hanjin's sales organization, the original U.S. Lines and Palmco Corp.

## **E-MAIL NEWS BULLETINS!**

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