



## March 2004

### AROUND THE PORT . . .

**Aided by importers scrambling to ship cargo ahead of the Chinese New Year, the total number of cargo containers shipped through the Port of Long Beach in January climbed 12.7 percent over the same month a year ago.**

The total was the equivalent of 376,956 twenty-foot-long containers. Inbound cargo jumped 19.9 percent to 201,652 twenty-foot-equivalent units, as importers shipped goods ahead of the Jan. 22 Chinese New Year. Because it takes two weeks for cargo to cross the Pacific, the New Year's shutdown will not be felt in Long Beach until February.

The Chinese New Year impacted exports, however. With exporters not wanting their goods to sit idle on Chinese docks, outbound cargo in Long Beach dropped below 80,000 TEUs for the first time since September. Exports actually climbed 26.6 percent to 72,975 TEUs because of a comparison with a weak January 2003.

The number of empty containers fell 5.7 percent to 102,329 TEUs.

**Three leading bond rating firms -- Fitch Ratings, Moody's and Standard & Poor's Rating Services -- have awarded some of their highest ratings to the Port of Long Beach for the issuance of two revenue bonds: its \$35.1 million series 2004A and \$87.5 million series 2004B.**

The proceeds will be used to pay off a series of harbor revenue bonds issued in 1993 at a higher interest rate. The refunding will save the Port about \$1 million a year for the remaining 14-year life of the bonds.

Fitch assigned its 'AA' rating to the two new revenue bonds; Moody's assigned an Aa3 rating; and Standard & Poor's assigned its 'AA-' long-term rating.

**Both Fitch and Moody's affirmed a "stable" outlook for the Port's**

**\$1 billion-plus in outstanding debt. Standard & Poor's upgraded its outlook to "positive" from stable because of the "the Port's strong revenue growth despite the loss of a top tenant." Maersk Sealand left in 2002.**

Moody's noted that "despite the loss of ... Maersk Sealand...Long Beach nonetheless managed to increase both operating revenues and container flows in 2003. Moody's believes this demonstrates the central role that the Port of Long Beach plays in the U.S. transportation system." Fitch said Long Beach's "experienced proactive management has positioned the Port well so that it can meet the needs of cargo operators as they continue expanding their operations while the shipping industry further consolidates."

**In another effort to improve air quality, the Port is now requiring its contractors to use low-sulfur diesel fuel on all diesel equipment re-fueled on-site during construction projects.**

As part of the bidding process, prospective contractors are being asked to list any additional costs associated with the use of low-sulfur diesel fuel above standard diesel fuel costs. Contractors will be required to document compliance.

The first contract subject to the low-sulfur requirement is for a Pier S fill, grading and rail relocation project that was scheduled to begin in late March.

**The Long Beach Board of Harbor Commissioners has agreed to a discussion agreement that allows Port staff to continue talks on ways to extend gate hours at container cargo terminals.**

The Los Angeles/Long Beach Regional Goods Movement Efficiency Team Discussion Agreement is needed to obtain an anti-trust waiver from the Federal Maritime Commission. With the waiver, the ports of Long Beach and Los Angeles can expand discussions of extended gates to include talks with terminal operators, shipping lines and others in trade-related industries.

The ports have been encouraging a greater use of cargo terminals during nights and weekends to ease freeway traffic congestion.

**At the urging of the Board of Harbor Commissioners, the Port staff has drafted a matrix of steps to reduce traffic congestion on the Long Beach (710) Freeway including measures to shift more Port cargo from trucks to trains.**

To increase on-dock rail yard usage, the Port's rail infrastructure and operations will be evaluated to determine projects and strategies. The proposals include shuttle trains on the Alameda Corridor to move container cargo to distributors within Southern California.

To reduce unnecessary truck trips to and from the Port, the plan proposes an on-line “virtual yard” for swapping empty containers outside the Port. Instead of a trucker picking up a container of inbound cargo and then later returning the empty container to the Port, he could give the empty to a trucker outside the Port, and therefore eliminate an unnecessary return delivery to the Port.

The staff proposals also included extended gate hours as a way to reduce freeway congestion during weekdays.

**Following up on the staff’s “matrix” of traffic recommendations, the Board of Harbor Commissioners has hired transportation consultant and former ACTA General Manager Gill Hicks to help complete a plan to reduce traffic congestion on the Long Beach (710) Freeway.**

Hicks will act as the Port’s liaison to the Alameda Corridor Transportation Authority and the Port of Los Angeles in developing a comprehensive program to reduce truck trips on the 710 and move more cargo by rail.

**Assemblyman Alan Lowenthal, D-Long Beach, has introduced a series of port-related bills including legislation aimed at moving more of the truck traffic at the ports of Long Beach and Los Angeles onto freeways at night.**

Assembly Bill 2041 would establish a higher charge for trucking cargo in and out of port terminals between 8 a.m. and 5 p.m. Monday through Friday.

Assembly Bill 2042 would require the ports of Los Angeles and Long Beach to “ensure that all future growth at each port will have a zero net increase in air pollution.”

Assembly Bill 2043 would establish a Maritime Port Strategic Master Plan Task Force to report on port growth, port security, and port impacts on traffic and air pollution.

**Needing more room, Mercedes-Benz USA has moved its import operation to SSA Marine’s Crescent Terminals facility from the Port of Los Angeles.**

Mercedes expects to ship about 65,000 vehicles a year through Long Beach. From Crescent Terminals’ Pier F facility, the vehicles will be trucked to a 575,705-square-foot lot at 1550 Pier B St. The Board of Harbor Commissioners approved a two-year lease with Mercedes for use of the Port-owned lot.

Mercedes is planning to temporarily store as many as 2,500 vehicles at the paved lot, before shipping the cars to the company’s processing facility in Carson.

**The Board of Harbor Commissioners has approved the sale of three Port-owned Samsung gantry cranes at Pier C to SSA Terminals for nearly \$6.9 million.**

SSAT was leasing the cranes. The cranes, capable of lifting 40 tons, were built in 1991 and first used by Hanjin. Pier C is now the home of Matson Navigation.

With the sale, the Port now owns only 17 of the 61 cranes in Long Beach, and 12 of them are at the new Total Terminals facility at Pier T. Just a couple of years ago, the Port owned half of the cranes in Long Beach.

**International Transportation Service has moved a third post-panamax gantry crane to its new Pier J deep-water wharf at J236, where it joins two newly built ship-to-shore cranes that arrived from Japan in the fall.**

ITS used a Sause Bros. barge, the *Nehalem*, to move the crane from its G230 berth to Pier J. In March, ITS is planning to move another crane from its existing Pier J berths to give it four cranes at J236. By the end of March or early April, ITS expects to have all four cranes and the new berth ready for the first vessel call.

The 1,300-foot wharf, part of a new 14-acre landfill, has a water depth of 52 feet.

**Two more of U.S. Line's 1,700-TEU container ships have made their first calls at Total Terminals International's Pier T facility on Terminal Island. The *Eagle 1* made its maiden call on Jan. 28, and the *Hansa Narvik* called on its maiden voyage on Feb. 4.**

Headquartered in Santa Ana, Calif., U.S. Lines is the newest entrant in the transpacific trade. Taking on the name of one of the older names in the ocean carrier industry, U.S. Lines launched its service with the *Masovia* making its first call at the TTI terminal in mid-January.

The company is offering a fixed-day weekly service with calls in southern China, Hong Kong and Long Beach.

**In a ceremony at the Samsung Heavy Industries shipyard in South Korea, Orient Overseas Container Line has christened its fourth 8,000-TEU container ship, the *OOCL Hamburg*.**

The *Hamburg* is expected to arrive on March 26 at OOCL's Long Beach Container Terminal as part of a Grand Alliance service calling in Long Beach, Taiwan, Hong Kong, southern China, Singapore and Malaysia. Another of the Hong Kong-based company's 8,000-TEU vessels, the *OOCL Ningbo* will begin calling at LBCT this summer. The company's *OOCL Long Beach* called at LBCT last summer, making it the first 8,000-TEU vessel to call in Long Beach and the United States.

**On March 4, the Alameda Corridor Transportation Authority plans on opening a newly completed half-mile-long Pacific Coast Highway Bridge over the Alameda Corridor freight railway just west of the Long Beach boundary.**

Completion of the overpass ends an eight-month-long detour for motorists who use PCH. The \$107 million bridge is the last of the Alameda Corridor's overpass projects.

**Rep. Juanita Millender-McDonald, D-Torrance, has introduced a bill (H.R. 3712) that would establish a grant program within the Department of Homeland Security to provide a predictable stream of funding for port security.**

The legislation would set aside \$800 million for five years to pay for port security projects, allowing ports to plan their security needs over several years.

**Readying for the possible arrival of a fleet of vessels carrying liquefied natural gas, the Los Angeles/Long Beach Harbor Safety Committee's LNG Work Group will meet at 10 a.m. March 4 at the Port of Long Beach Administration Building, 925 Harbor Plaza.**

The group is inviting the general public and the waterfront business community to join in developing a "Standards of Care" for the movement and operation of LNG vessels. A subsidiary of Mitsubishi wants to build an LNG terminal in Long Beach.

**The Journal of Commerce will hold its fourth annual Trans-Pacific Maritime Conference March 8-9 at the Hyatt Regency Long Beach.**

The Port of Long Beach is the host for the program, which includes an economic outlook on transpacific trade. For more information, call (858) 485-9978.

**James Hertwig of Landstar Logistics will be the speaker for the Los Angeles Transportation Club luncheon March 9 at the Marriott Norwalk Hotel. For more information, call (562) 856-9197.**

**Ron Widdows, CEO of APL, will be the speaker at the Propeller Club luncheon March 17 at the Long Beach Hilton Hotel. For more information, call (818) 951-2842.**

**"Quality of Life and Port Operations" will be the topic of the Sixth Annual State of the Trade and Transportation Industry town hall meeting 6 p.m. March 24 at Cal State Long Beach's Carpenter Performing Arts Center.**

The event, hosted by the Center for International Trade and

Transportation, will focus on waterfront environmental issues. For more information, call (562) 296-1170.

**The latest on Sea Launch will be the topic for the International Business Association luncheon March 26 at the Queen Mary. For more information, call (562) 432-8128**

#### **PORT PEOPLE . . .**

**Yvonne Allen, the Port's new chief wharfinger, has been named to represent the Port as a member of the Los Angeles-Long Beach Harbor Safety Committee.**

**The Harbor Transportation Club will hold its 65th Annual Officer Installation Gala and Casino Night Scholarship Fund Raiser at 6:30 p.m. March 6 aboard the Queen Mary. For more information, call (562) 434-7393.**

**David Raslowsky** of National Safety Compliance is succeeding **Cameron Roberts** of Countryman and McDaniel as HTC president. Roberts remains as chairman.

The other 2004-05 HTC officers are First Vice President **Lee Lizik** of C. H. Robinson Worldwide, Second Vice President **David Bird** of Memorex Products, Treasurer **Sergio Ojeda** of Pyramid Transportation, and Secretary **Lisa Larrazolo** of American Riggers.

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