



September 2004

AROUND THE PORT . . .

Driven by strong back-to-school shipments, the number of cargo containers at the Port of Long Beach jumped 23 percent over a year ago to 529,663 twenty-foot-long container units in July

The July total breaks the Port's all-time monthly record for a third straight month.

The number of inbound containers, filled mostly with clothing, shoes and other consumer goods, climbed 21.9 percent to 281,817 twenty-foot equivalent units (TEUs). The number of outbound containers, mostly raw materials such as recycled paper, edged up 1.8 percent to 82,441 TEUs. With the trade imbalance, the number empty containers – almost all headed overseas – increased 39.5 percent to 165,405 TEUs.

The surge in trade coupled with a shortage of longshore and Union Pacific Railroad workers continued to slow vessel and cargo traffic in August at the ports of Long Beach and Los Angeles.

Since late June, the turnaround time for container ships has grown from three to four days to as long as seven days. There have been as many as 70 ships at the two San Pedro Bay ports, including more than 20 at anchor – several times the normal number.

Scrambling to deal with the crush of cargo, terminal operators and the longshore union held a lottery to fill 3,000 “casual” longshore jobs at the ports of Long Beach and Los Angeles – attracting an unprecedented 300,000-plus postcard applications.

The part-time jobs pay nearly \$21 an hour and no benefits, but are the first step toward International Longshore and Warehouse Union positions that pay yearly wages that average more than \$100,000 a year. The first of the new casuals are expected to reach the waterfront by the end of September at the rate of about 100 a week. To see a preliminary

list of the applicants selected for the 3,000 jobs, go to www.pmanet.org or www.ilwu.org.

To reduce freeway congestion and improve air quality, a group of terminal operators has announced a plan for all 13 Long Beach and Los Angeles port container cargo terminals to phase in truck gates at night and weekends.

The Pacific Merchant Shipping Association's extended hours plan, which includes an initial \$20-per-TEU traffic mitigation fee, will be administered by a private-sector entity called PierPass Inc. Revenue from the fees will offset the \$150 million-a-year cost of opening off-hour gates.

The fee will be refunded to shippers who move cargo during off hours or by trains through the Alameda Corridor.

Currently less than one-third of cargo is moved on trains, and nearly 90 percent of truckers call at marine terminals during weekdays.

The off-hour operations will be phased-in beginning in November, subject to the availability of labor. With the PMSA plan, state Assemblyman **Alan Lowenthal** withdrew a bill that would have mandated off-hour truck gates.

The Long Beach Board of Harbor Commissioners and British Petroleum have agreed to a historic voluntary air quality improvement project that will allow BP vessels to "cold iron" -- shut down their engines and plug into dockside electricity.

Commissioners approved a two-year project, costing more than \$2.5 million to equip Berth T121 on Terminal Island with the electrical improvements needed for BP tankers to "cold iron" while offloading oil. BP, which leases the T121 oil terminal from the Port, will retrofit two tankers at a cost of \$1 million each so that they can plug in.

While at port, a vessel typically continues to use its engines to power refrigeration, lighting, pumping and other ship functions. Vessels that cold iron significantly reduce at-berth diesel emissions.

Festivities that included a water-spraying fireboat and a lion dance greeted China Ocean Shipping Co.'s 8,000-TEU COSCO Long Beach on Aug. 25 during its maiden call at SSA Marine's Pacific Container Terminal at Pier J.

The newly built *COSCO Long Beach*, 984 feet long and 140 feet wide, is the first of five 8,000-TEU vessels built by Hyundai Heavy Industries of South Korea that COSCO has chartered from E. R. Schiffahrt of Germany.

The ships will be deployed in COSCO's Southeast Asia (SEA) service, which calls in China at Ningbo, Xiamen, Hong Kong and Yantian, and also Long Beach and Vancouver before returning across the Pacific to

Yokohama, Japan, and then Ningbo.

Dozens of dignitaries welcomed CMA CGM's newest and biggest container ship, the 8,200-TEU *Hugo*, during maiden call ceremonies Aug. 18 at Pacific Container Terminal's Pier J facility.

The newly built *CMA CGM Hugo* is 1,095.8 feet long, 140.4 feet wide, and has a draft of 47.6 feet. The *Hugo* is the first of 17 8,200-TEU vessels that CMA CGM has ordered from shipbuilder Hyundai Heavy Industries of South Korea.

CMA CGM will deploy three of the giant vessels, including the *Hugo*, and its Swiss alliance partner, Mediterranean Shipping Co. (MSC), will deploy two of its own 8,000-TEU ships in a transpacific service that calls in China in Xiamen, Yantian and Hong Kong, and then Busan (South Korea), Long Beach and Oakland.

Measured on a per TEU basis, the *Hugo's* air emissions and fuel consumption are 20 percent less than for the previous generation of transpacific vessels.

With the arrivals of the *CMA CGM Hugo* and the *COSCO Long Beach*, four shipping lines have called in Long Beach with 8,000-TEU vessels.

In addition to CMA CGM and COSCO, Orient Overseas Container Line and China Shipping Container Lines have deployed 8,000-TEU ships that have called in Long Beach.

Mediterranean Shipping Co. will soon join Long Beach's 8,000-TEU club with the scheduled arrival in mid-October of its *MSC Texas*.

After a decade at the Port of Long Beach, Chiquita Brands will move its West Coast port operations in November to Port Hueneme from Hyundai's California United Terminals.

Chiquita, one of the world's largest banana producers, operates a "Great White Fleet" that hauls bananas and other produce from Guatemala. CUT, which was sub-leasing 10 acres in the Pier E Slip 1 area and a refrigerated transit shed to Chiquita, is working on plans with the Port to demolish the transit shed early next year to make more room for container cargo.

"K" Line's 4,200-TEU container ship, the *Cherokee Bridge*, made its maiden call on Aug. 2 in Long Beach at the International Transportation Service terminal on Pier G.

The Japan-based shipping line has deployed the *Cherokee Bridge* on its Calco-A service, which calls in Shanghai, the Japanese ports of Kobe, Nagoya and Tokyo before crossing the Pacific to Long Beach and Oakland, before returning to Tokyo, Nagoya and then Ningbo (China) and Shanghai again.

The Board of Harbor Commissioners has agreed to rent 11.8 acres to the Pacific Maritime Association for use over the next 10 months as a site to train new “casuals” to drive terminal yard tractors.

The PMA plans to train 3,000 part-time workers at the rate of 80 to 100 a week at the North Harbor property between Canal Avenue, Anaheim Street, Harbor Avenue and 11th Street. The PMA has agreed to use clean diesel fuel in all of its training vehicles.

The Board of Harbor Commissioners has approved the purchase of a 29-foot-long, \$190,807 mobile command vehicle from LDV Inc. of Wisconsin.

The purchase of the RV-like vehicle, due to be delivered in January, is being funded with a federal grant. The command vehicle will be equipped with communications equipment connecting field commanders to the Port’s new video surveillance system.

Matson Navigation Co.’s second new ship built by Kvaerner Philadelphia Shipyard, the 3,000-TEU *Maunawili*, has been delivered and is headed for Long Beach.

The *Maunawili*, which departed Philadelphia Aug. 19, will travel through the Panama Canal on its voyage to SSAT’s Pier C-60 terminal in Long Beach.

The ship will then enter Matson’s Hawaii Service, with the inaugural voyage scheduled for Sept. 8 from Long Beach to Honolulu.

Oxbow Carbon and Minerals’ construction team has put up the metal framing for a new covered petroleum coke shed on Pier G.

Oxbow will operate the facility for Valero Energy Corp.’s subsidiary Ultramar, which has leased the site from the Port. The shed, with a capacity of 50,000 metric tons, is scheduled for completion by the end of the year. It replaces a smaller, older shed.

Oxbow also is planning to build a roof for Pier G’s Pad 14, an uncovered storage facility with a capacity of 60,000 metric tons that has not been used since uncovered storage was banned four years ago.

Completion of the two projects would give the Port storage capacity of 618,000 metric tons. Petroleum coke, a byproduct of the petroleum refining process, is the Port’s leading export commodity.

The Long Beach Museum of Art will feature 13 stunning, large-scale photos of the Port of Long Beach in a presentation from Sept. 10 through Oct. 10 entitled: “Port Visions Long Beach: Photographs by Tom Paiva.”

A Culver City-based photographer, Paiva has had his work featured in the Port’s Annual Report, and magazines such as the Journal of

Commerce, Marine Digest and Pacific Maritime.

The Port of Long Beach, Hanjin and Metropolitan Stevedore are among the sponsors of the art museum exhibition of Paiva's photographs.

The Pacific Merchant Shipping Association has scheduled a two-day conference, "Air Quality, International Trade & Transportation – Challenges and Solutions."

The conference will be held Sept. 9-10 at the Doubletree (formerly Marina) Hotel in San Pedro. The Port of Long Beach is a sponsor. For information, call (562) 377-5677.

The California State Lands Commission will present Prevention First 2004, a two-day symposium on onshore and offshore pollution prevention.

The symposium will be held Sept. 14-15 at the Westin Long Beach Hotel. Sponsors include the Port of Long Beach. For information, call (562) 296-1170.

The Harbor Transportation Club's 17th annual harbor cruise is scheduled to depart at 6 p.m. Sept. 16 from the Catalina Express Terminal, Berth 95, San Pedro. For information, send an e-mail to info@htc.org.

Ryan Alsop, the director of external affairs for Gov. Arnold Schwarzenegger, will be the speaker for the Harbor Association of Industry & Commerce lunch Sept. 23 at the Coast Long Beach Hotel.

For information, call (818) 951-6088.

Capt. Karsten Lemke, who recently retired from Zim Israeli-American Shipping Co., will be honored Sept. 23 at a fund-raising dinner aboard the Queen Mary to support the International Seafarers Center.

The dinner will follow the Fourth Annual Great Tug Boat Race. For more information, call (818) 951-2842.

More than 1,000 delegates and guests are expected to attend the 93rd Annual Convention of the American Association of Port Authorities that will be held Sept. 26-30 in Long Beach.

Hosted by the Port of Long Beach, the convention includes technical and policy meetings, business sessions and social events allowing port professionals and others in the marine transportation industry to get to know each other, and to exchange information on current port issues. For travel, program and registration information, visit the 2004 AAPA Convention Website at www.aapa2004.com.

PORT PEOPLE. . .

Jim Preusch, a former Port of Los Angeles chief financial officer, has been named CFO of the Alameda Corridor Transportation Authority.

Preusch was most recently a principal consultant with HTNB Management Consulting. He succeeds **Dean Martin**, who became executive manager of finance and administration for the Inland Empire Utilities Agency.

Lingerfelt, a 30-year industry veteran, also is president of Washington United Terminals in Tacoma, which like CUT is a subsidiary of Hyundai Merchant Marine.

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