

CLOSE WINDOW



October 2004

AROUND THE PORT . . .

More than 1,000 people, delegates from North and South America, their guests and exhibitors gathered in September in Long Beach for the 93rd Annual Convention of the American Association of Port Authorities.

Hosted this year by the Port of Long Beach, the five-day convention featured a colorful multicultural opening ceremony with lion dancers and mariachis, technical and policy meetings, business sessions and social events.

The business sessions included programs on community relations, environmental concerns and security. The Port of Tampa will host the 2005 convention.

This year's Long Beach convention was expected to bring \$2.2 million in economic benefits to the region, primarily from nearly 4,000 room nights and catering services.

With holiday season imports near record levels, the total number of cargo containers shipped through the Port of Long Beach jumped to the equivalent of 520,904 twenty-foot-long container cargo units in August, an increase of 33.3 percent over August 2003.

August's total was the Port's second highest ever, after only this July's total.

Imports (mostly clothing, toys, shoes, household goods and other holiday merchandise) climbed 32.9 percent to 274,914 twenty-foot equivalent units (TEUs). Exports (mostly raw materials including wastepaper) rose 5.3 percent to 79,339 TEUs. The number of empty containers (nearly all headed overseas to be re-filled with products) jumped 53.6 percent to 166,651 TEUs.

Dozens of ships were anchored longer than usual at the San Pedro

Bay ports in September as strong cargo volumes combined with a shortage of longshore and railroad workers to slow vessel traffic.

The turnaround time for container ships – from arrival to departure – was as much as eight days – about four days longer than usual, according to the Marine Exchange of Southern California, which monitors vessel traffic.

In the week after the Labor Day, the backup of vessels at the ports of Long Beach and Los Angeles peaked at 83 ships including 45 at anchor waiting for an open berth.

Facing a shortage of longshore labor and delays in establishing a collection system, a group of terminal operators has postponed until early next year the launch of a container box fee aimed at encouraging truckers to use night and weekend terminal gates.

The organizers of the PierPass extended gate program had planned to implement a \$20-a-TEU daytime box fee beginning Nov. 1. The program will launch a full-service Saturday day gate at all port of Long Beach and Los Angeles container terminals.

One night gate will be added each month for the following four months. The box fee will be rebated on cargo moved during the off-peak gates. With PierPass, the maritime industry expects to ease daytime traffic congestion and to improve air quality.

The Long Beach Board of Harbor Commissioners voted unanimously at a special meeting Sept. 29, to rescind its certification of the environmental impact report for a Pier J expansion project.

The five-member Port of Long Beach governing board directed the Port staff to fully reevaluate the environmental study, after identifying additional issues while preparing to respond to an appeal made by environmental groups to the Long Beach City Council.

“In preparing for the appeal, new issues came to light that we felt warrant further evaluation,” said Port Executive Director **Richard D. Steinke**.

“What is happening is the way the process is supposed to work. Comments by the City Council, public and other agencies are being taken into account to produce a better document. Rescinding the certification will give the board and staff the opportunity to fully re-examine the environmental document.”

The Port staff estimated that it may take until late next year to fully re-examine the environmental report for the Pier J project, which would add 115 acres over approximately the next decade to Pacific Container Terminal.

SSA Marine and China Ocean Shipping Co jointly operate the 270-acre facility. The proposed landfill project would create a more efficient, rectangular terminal. The current Pier J facility was originally operated as two separate terminals.

Gov. Arnold Schwarzenegger has vetoed Assembly Bill 2042 introduced by Alan Lowenthal that would have put a cap on air pollution at the ports of Long Beach and Los Angeles.

The bill would have required the two ports to hold pollution at 2004 levels in collaboration with the California Air Resources Board and the South Coast Air Quality Management District.

Schwarzenegger in his veto message said the bill would not “reduce pollution in any way.” He said he was directing the state EPA and CARB to work with the ports, the railroads, freight facilities, and other entities to develop a program for reducing port pollution throughout the state.

Looking to increase competition and save money, the Long Beach Board of Harbor Commissioners has approved a business outreach program aimed at increasing the number of smaller businesses working for the Port.

For the 2005 fiscal year beginning Oct. 1, the board set an overall participation goal of 20 percent for Small Business Enterprises (SBE), which includes a goal of 3 percent for Very Small Business Enterprises (VSBE).

Specific requirements will be established for individual consultant and construction contracts. Firms that do not meet the requirements will be deemed non-responsive and disqualified from bidding – unless they demonstrate a good faith effort.

The Long Beach Board of Harbor Commissioners has rejected all bids and agreed to re-advertise for new bids for construction of a new Ocean Boulevard/Terminal Island Freeway interchange.

Seven contractors submitted bids in August ranging from nearly \$28 million to more than \$45 million. Four of the bids including the three lowest contained errors, and the remaining bids were more than 7 percent higher than the Port’s \$33.9 million estimate.

The two-year construction project is aimed at improving the flow of traffic across Terminal Island. More than one-third of the 40,000 trucks a day moving in and out of the ports of Long Beach and Los Angeles cross Terminal Island.

The Long Beach City Council has approved a \$1.8 billion city budget for the fiscal year beginning Oct. 1, including a \$450.8 million spending plan for the Port of Long Beach.

The amount budgeted for the Port is 13 percent more than a year ago,

with increased spending for capital, environmental and security projects. The budget includes \$35 million to complete the Total Terminals International facility on Terminal Island. There is more than \$26 million set aside for the Port's Healthy Harbor clean air and water programs. The budget also has \$26 million for security staff, video surveillance equipment and a new command and control center.

The Port, a department of the City of Long Beach, generates revenues for its operations through leases and fees. It is not supported by taxes.

The California Air Resources Board has ruled that the Long Beach Board of Harbor Commissioners cannot regulate air quality by establishing a tariff to encourage Port terminal operators to clean up air emissions from their yard equipment.

Harbor Commissioners had conditionally approved the tariff in June giving terminals three years to reduce particulate emissions from yard equipment by 30 percent and nitrogen oxide emissions by 20 percent. But the ARB has refused to approve the Port air quality tariff saying the state would draft regulations on cargo-moving equipment.

The U.S. Department of Homeland Security has awarded a \$1.4 million security grant to the Port to pay for additional surveillance cameras.

C. Suzanne Mencer, director of the Department of Homeland Security Office of State and Local Government Coordination and Preparedness, presented the grant at a Sept. 23 ceremony at the Port.

Homeland Security Secretary **Tom Ridge** announced \$49 million in the fourth round of port security grants, including the funding for Long Beach. Over 1,100 applications for this program were received this year — the Department selected 154 ports across the nation for funding. Fourteen ports in California received funding, totaling \$5.9 million.

Long Beach Harbor Commission President John Calhoun led a group of Port officials in welcoming Matson Navigation Co.'s newest container ship, the 2,600-TEU *Maunawili* on Sept. 2 at SSAT's Pier C-60 terminal.

The maiden call of the *Maunawili* was celebrated in a Hawaiian-themed ceremony with leis and roast pig. The U.S.-built vessel departed a few days later to join Matson's Hawaii service between Long Beach and Honolulu.

The vessel is the second of two Matson containerships built by Kvaerner Philadelphia Shipyard. The first, the *Manukai*, entered Matson's Hawaii service last fall.

Mediterranean Shipping Co. is set to join the Port of Long Beach's

8,000-TEU club with the scheduled maiden call Oct. 11 of its 8,200-TEU MSC Texas at SSAT's Pier A terminal.

The Texas is a sister ship of the *CMA CGM Hugo*, which made its first call at Pacific Container Terminal's Pier J facility in August.

Switzerland-based MSC and its alliance partner CMA CGM of France have deployed the two new giants in a transpacific service that calls in China in Xiamen, Yantian and Hong Kong, and then Busan (South Korea), Long Beach and Oakland.

Tom Shurstad of Pacer StackTrain will be the speaker for the Los Angeles Transportation Club lunch Oct. 12 at the Marriot Norwalk Hotel. The event is the club's annual meeting and officer elections. For more information, call (562) 856-9197.

Module Five (Technology, Industry Trends and Transportation Infrastructure) of the global logistics specialist training course will begin Oct. 20 at Cal State Long Beach. Module Five consists of four evening classes. For more information, call (562) 296-1170.

The Harbor Association of Industry and Commerce will salute Dr. Richard Jenkins of Jenkins Environmental Associates at its 26th Annual Salute to Industry dinner Oct. 28 aboard the Queen Mary. For more information, call (818) 951-6088.

PORT PEOPLE. . .

The American Association of Port Authorities (AAPA) has named Gary P. LaGrange, president and CEO of the Port of New Orleans, to succeed Mike Leone as Chairman of the AAPA Board for 2004-2005.

LaGrange has been president at the Port of New Orleans since 2001, and previously was with the Mississippi State Port Authority at Gulfport.

At the AAPA's Annual Awards Luncheon, the organization honored the Port of Long Beach's Communications Division with its top Dan Maynard Communications Award for overall program excellence.

The Port's Communications Division, headed by **Yvonne Smith**, also won individual top awards of excellence for its community advertising series, its "Expanding Our Commitment" 2003 Annual Report, and its "Re:port" community newsletter.

The Communications Division also won awards of merit for its community outreach campaign, and its support of this summer's Long Beach Aquatic Festival.

In the AAPA's Facilities Engineering category, the Port of Long Beach's Engineering Division headed by Doug Thiessen won an

award of excellence for its Pier T Container Terminal Development Project.

The nearly decade-long project redeveloped the former Long Beach Naval Complex into the 375-acre Total Terminals International container terminal.

In the AAPA's Environmental Enhancement category, the Port of Long Beach's Planning Division headed by Robert Kanter won for its Diesel Emissions Reduction Program.

Under the program, the Port provided assistance and incentives that helped shipping terminal operators to install more than 600 diesel exhaust devices on their yard tractors, dramatically reducing air emissions.

William D. Bower, the Port's assistant director of maintenance, has been named acting director of the Maintenance Division succeeding Keith D. Allen, who retired after nearly 16 years with the Port.

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@yahoogleroups.com**](mailto:polb-subscribe@yahoogleroups.com),

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