

tie lines – February 2005

The Port of Long Beach's monthly newsletter

AROUND THE PORT . . .

Capping the best year ever for the Port of Long Beach, shipments of container cargo jumped 35.8 percent to the equivalent of 551,339 twenty-foot-long container units in December, compared with the same month a year ago.

Although the winter months are historically the "off season" for trade at the Port, December was its third busiest month ever, with the privately operated terminals reporting significant gains in all container categories: inbound, outbound and empties.

Inbound container cargo climbed 28.3 percent to 269,495 twenty-foot equivalent units (TEUs). Outbound cargo increased 11.2 percent to 93,377 TEUs. The number of empties, virtually all headed overseas, soared by 68.3 percent to 188,467 TEUs.

Shipping terminals in Long Beach moved a record-breaking 5,779,852 TEUs for all of 2004, an increase of 24.1 percent over the nearly 4.7 million in 2003 – the previous best year.

The gains stemmed from the economic rebound in the U.S. and Asia, the continuing shift of manufacturing to the Far East and particularly China, and the introduction of direct shipping services from China to Long Beach – many with 8,000-TEU ships.

In 2004, inbound container cargo jumped 24 percent to nearly 3 million TEUs. Outbound cargo climbed 11.4 percent to slightly more than 1 million TEUs. Empties increased 32.7 percent to nearly 1.8 million TEUs.

In terms of metric revenue tons, total container and non-container trade was up 17.6 percent over last year.

The City of Long Beach's Board of Harbor Commissioners has adopted a historic wide-ranging "green port" environmental policy that includes specific goals, metrics and operating guidelines.

The policy consists of the following goals: 1) protect the community and environment from the harmful effects of port operations; 2) make the Port an environmental leader; 3) promote sustainability in terminal development and operations to meet present and future needs; 4) use the best technology to minimize environmental impact; and 5) educate the community about port activities.

The policy calls for setting pollution-reduction goals, implementing programs to achieve those goals, measuring progress, developing customer incentives to reduce pollution, supporting legislation to help achieve environmental goals, and regular reporting to the Harbor Commission and Long Beach City Council.

More than 150 business leaders joined the Board of Harbor Commissioners at a kickoff ceremony in January launching a major small business outreach program.

The goal of the new Small Business Enterprise program is to increase the number of businesses working on millions of dollars of Port contracts. Last year, slightly more than 60 small businesses worked on nearly \$20 million in Port contracts, or 10 percent of the 2004 total of \$200 million. The goal for 2005 is to have 20 percent of the \$200 million in projected Port contracts go to small businesses.

To reach out to as many businesses as possible, the Port is teaming with the Metropolitan Water District of Southern California (MWD) to share information about small business contractors. The MWD has operated one of the region's most successful small business outreach programs with more than 2,000 businesses participating.

For businesses that want to pre-qualify or for more information, call (562) 590-4146.

The Board of Harbor Commissioners has urged the U. S. Senate to ratify an international agreement that would significantly reduce harmful air emissions from ocean-going vessels.

Ocean-going ships are a major source of air pollution in Southern California. The port governing board endorsed passage of an amendment to the International Convention on the Prevention of Pollution from Ships, which establishes standards on vessels including air emission, cleaner-burning marine fuels, and new marine engines.

"While the Port of Long Beach cannot mandate international air quality standards for ships, we can make our views known to those who can," said Harbor Commission President **John R. Calhoun**.

The so-called MARPOL (Marine Pollution) Convention is the main international agreement covering environmental pollution from ships. Fifteen countries representing much of the world's ocean-going vessels have already ratified the amendment.

Under a \$34 million contract with the Port, Irvine-based Ortiz Enterprises Inc. has begun a two-year roadway and interchange construction project that will improve traffic flow along Ocean Boulevard on Terminal Island.

When completed in February 2007, motorists using Ocean Boulevard will be able to travel non-stop east and west on a new, elevated roadway over the intersections with the Terminal Island Freeway and Pier S Avenue (formerly Henry Ford). Currently, traffic signals at these intersections often cause backups.

New on- and off-ramps will provide access to and from Ocean Boulevard and the Terminal Island Freeway and Pier S Avenue.

Because of the Terminal Island interchange construction, Ocean Boulevard motorists may experience periodic delays.

The first six to eight months of work by Ortiz will see the construction of a detour road parallel to and north of Ocean Boulevard. The detour road, which will maintain the same capacity as the current Ocean Boulevard route, will allow construction on the main route to proceed with minimal impacts on daily traffic.

The Port has designed extensive traffic control and management measures into the project and most work requiring lane closures will be done between 6 p.m. and 6 a.m. A few weekend closures will be required during the construction, but detours and alternate routes will be widely publicized in advance. Despite these plans, occasional delays should be expected during construction.

The Port has set up an information number at (866) OVERPAS for anyone with questions.

China Ocean Shipping Co.'s newest 8,000-TEU containership, the COSCO Yokohama, made its maiden call on Jan. 15 to SSA Marine's Pacific Container Terminal at Pier J.

The *Yokohama* is a sister ship to the *COSCO Long Beach*, *Shenzhen*, *Seattle* and *Vancouver*, which also call in Long Beach. They were built by Hyundai Heavy Industries of South Korea and chartered from E. R. Schiffahrt of Germany.

COSCO has deployed the new giants in the West Coast's only all 8,000-TEU service, its Southeast Asia (SEA) service calling in China in Ningbo, Xiamen, Hong Kong and Yantian, and then across to Long Beach and Vancouver, before returning across the Pacific to Yokohama, Japan, and back to Ningbo.

COSCO has contracted to buy the world's first 10,000-TEU containerships – placing orders for four of the super mega-vessels to be built by Hyundai Heavy Industries for delivery in 2008.

The new vessels will be 1,145 feet long and 149.6 feet wide, compared with 984 feet long and 140 feet wide for the 8,000-TEU ships that COSCO introduced in Long Beach last summer. Instead of having a seven-stack height of containers on deck, the new ships will have eight. COSCO has not announced where the ships will be deployed.

Hyundai Heavy Industries says it is also ready to take orders on a 12,000-TEU containership.

While the arrival of an 8,000-TEU containership is still something of a rarity, there are now so many calling in Long Beach that on Jan. 7 the port's shipping terminals were working four of the giants on the same day.

The *CMA CGM Hugo* called at SSAT's Pier A facility. The *OOCL Ningbo* was at Long Beach Container Terminal's Pier F facility. SSA's Pacific Container Terminal worked the *COSCO Vancouver* at Pier J. And the *CSCL America* called at Total Terminals International's Pier T facility.

The long-term improvement of the Long Beach (710) Freeway is critical because truck traffic is likely to double by the year 2030, even with the full implementation of proposed truck reduction strategies, according to transportation consultant Gill Hicks.

Demand for trade through the ports of Long Beach and Los Angeles is expected to triple within 25 years, Hicks said in a presentation to the Long Beach Board of Harbor Commissioners.

A series of strategies -- off-hour truck gates, a shuttle train service, increased use of on-dock rail, and a computerized virtual container yard for swapping empties outside the waterfront -- would slow the growth of truck trips on the 710 Freeway. With the strategies, 710 truck traffic would be about the same in the year 2010 as today, but then double by 2030.

Looking to take trucks off congested freeways, the Alameda Corridor Transportation Authority has approved a test of shuttle train service between the San Pedro Bay ports and the Inland Empire, which is home to many major distribution centers.

ACTA's governing board envisions using Union Pacific tracks, an investment of \$5 million to develop an inland container yard in Colton, and operational subsidies of as much as \$2 million for the six-to-nine-month trial set to begin this summer.

The number of vessels calling at the ports of Long Beach and Los Angeles edged up 1 percent to 5,727 in 2004, reports the Marine Exchange of Southern California, which monitors vessel traffic.

The number would have been slightly higher but at least 127 ships (including 116 containerships) were diverted to other ports during last year's backup of vessels.

Ship arrivals at the Port of Long Beach, with more space for ships to anchor than the neighboring port in San Pedro, increased 11 percent to 3,380.

Stephen Russell, chairman of Celadon Trucking Services, will discuss “The State of the Trucking Industry” at a Los Angeles Transportation Club luncheon Feb. 8 at the Marriott Norwalk Hotel. For more information, call (562) 856-9197.

Bruce Wargo, general manager of the PierPass off-hour trucking program, will be the speaker at the Harbor Transportation Club dinner Feb. 24 at the Reef Restaurant in Long Beach. For more information, call (562) 434-7393.

Cal State Long Beach’s Center for International Trade and Transportation is holding an informational session 6 p.m. Feb. 22 to discuss its Master of Arts in Global Logistics program.

The session will be held at 1000 Studebaker Road, Suite 3, Long Beach. For more information, call (562) 296-1172.

Douglas Tilden, the president and CEO of Marine Terminals Corp., will be the speaker for a March 2 Propeller Club luncheon at the Marina Hotel in San Pedro. For more information, call (818) 951-2842.

The Harbor Transportation Club will hold its 66th annual officer installation gala dinner and casino night scholarship fund-raiser on March 5 aboard the Queen Mary. For more information, call (562) 434-7393.

“Lessons Learned from the 2004 Peak Season Crisis: Causes, Impacts and Solutions” is the topic of the seventh annual State of the Trade and Transportation Industry Town Hall Meeting 6 p.m. March 10.

Hosted by the Center for International Trade and Transportation, the Town Hall Meeting will be held at Cal State Long Beach’s Carpenter Performing Arts Center. For more information, call (562) 296-1175.

PORT PEOPLE. . .

George Marshall, a retired Mitsui O.S.K. Lines executive, died Jan. 13. Although Marshall retired nearly a decade ago, he had remained active, teaching classes in the Global Logistics Specialist program at Cal State Long Beach.