

# *tie lines* – July 2005

The Port of Long Beach's monthly newsletter

## AROUND THE PORT . . .

**Dr. C. J. "Mike" Walter, assistant to the president for community relations at Cal State University Long Beach and former dean of its College of Business Administration, has been appointed to the Long Beach Board of Harbor Commissioners.**

Walter, a former Senior Vice President and member of the office of the president of Levi Strauss & Co., succeeds **John R. Calhoun**, J.D., who did not seek a second term. Walter was appointed to a six-year term that ends in mid-2011.

A native of Clinton, Iowa, Walter joins the board after a distinguished career in business and education. He also is well known for his philanthropy. CSULB honored Walter and his wife by naming its sports complex the "Mike and Arline Walter Pyramid." In business, he held senior executive positions with Levi Strauss, DuPont and Rockwell International. Walter is a former chair of the Long Beach Area Chamber of Commerce.

**The Board of Harbor Commissioners has elected Doris Topsy-Elvord as the board's president for a one-year term. Topsy-Elvord, who has served on the board since 2003, is a former City of Long Beach Vice Mayor and 6<sup>th</sup> District Councilwoman**

The commissioners also voted **James C. Hankla** as the vice president of the five-member port governing board. **Mario Cordero**, J.D., was elected as the commission's secretary. **John W. Hancock** was chosen as the assistant secretary. The other board member is the newly appointed Dr. **Mike Walter**.

As the new board president, Topsy-Elvord will preside over the commission's weekly board meetings, make committee appointments and act as chief spokesperson for the Port of Long Beach.

**Transportation industry experts at the Port of Long Beach's "Pulse of the Ports" peak season forecast conference June 14 said they were optimistic that cargo would move smoothly through the ports during this year's peak shipping season.**

Before an audience of more than 300 people, supply chain experts forecasted cargo gains of 10 to 15 percent for the ports of Long Beach and Los Angeles.

**In preparation for this year's trade growth, supply chain experts at the Pulse of the Ports conference said they have added workers and equipment, and cargo has moved smoothly through the first half of the year.**

"All of the signs during the first six months have been extremely favorable," said **John Joseph** of the clothing retailer The Limited. "So I think there is reason to be optimistic."

"We may see two-to-three-day delays," during the peak season, said **Frank Baragona** of the French-based shipping line CMA CGM, adding that he didn't expect a repeat of the weeklong backlogs of a year ago.

The biggest note of caution came from **Bob Curry Jr.** of CMI, who warned that there are not enough truck drivers. "If they can't get more turns (cargo shipments), and make more money, we're not going to get more drivers," Curry said.

**A video of the Pulse of the Ports has been posted on the Port of Long Beach home page, [www.polb.com](http://www.polb.com), with individual links for the various presenters.**

The PowerPoint presentations also are available at the Port's web site in Portable Document Format (PDF).

**With shipping terminals at the Port of Long Beach holding onto their market gains, the number of cargo containers shipped through the Port climbed 20.7 percent to 564,886 twenty-foot container units in May, compared with the same month a year ago.**

During the past year, shipping terminals at the Port have added new services, including many direct from China with a fleet of some of the world's largest vessels – ships capable of carrying more than 8,000 twenty-foot equivalent units (TEUs).

In May, inbound container cargo increased 18.6 percent to 288,031 TEUs. Export cargo remained strong, jumping 25.5 percent to 106,034 TEUs. The number of empty containers, nearly all headed overseas to be re-filled with products, climbed 21.5 percent to 170,821 TEUs.

**To avoid backups of cargo at Port of Long Beach shipping terminals, the Board of Harbor Commission has voted to decrease the time that container cargo can be temporarily stored on the docks free of charge.**

The commission voted to reduce by one day the temporary storage period or "free time," from five business days to four for inbound cargo. For outbound cargo, the free time was cut from seven to six business days.

Under another tariff amendment, the calculation for free time on inbound containers will begin the day after a container is unloaded. Previously, free time began after a vessel was completely discharged, which could take as long as five days.

These tariff amendments are effective beginning July 1.

**In another amendment to the Port's "free time" tariffs, the Board of Harbor Commissioners approved an exception for cargo subject to federal regulatory holds.**

The calculation of free time will not begin for cargo subject to U.S. Customs and Border Protection security-related and agricultural quarantine security inspections until the cargo is released for pickup.

This change to the Port tariff will need to move through the California Association of Port Authorities procedures and meet requirements for City of Long Beach ordinances that will delay the effective date for this "Exception 2" until approximately mid-August.

**Container terminal operators have announced that OffPeak, a new program of night and weekend truck gates aimed at reducing congestion at the ports of Long Beach and Los Angeles, will begin on Saturday, July 23.**

PierPASS, organized by container terminal operators at the San Pedro Bay ports, also confirmed OffPeak's night and weekend hours of operation and announced an accelerated

rollout of the program, establishing five full-service shifts during the first week of operation. The OffPeak shifts will be Monday through Thursday from 6:00 p.m. to 3:00 a.m. and Saturday 8:00 a.m. to 6:00 p.m. The first OffPeak shift will be Saturday, July 23. Beginning on Monday, July 25, PierPASS will assess a “Traffic Mitigation Fee” on all loaded containers entering or exiting marine terminal gates by road during peak daytime hours (Monday through Friday, 3:00 a.m. to 6:00 p.m.). The fee has been set at \$40 per TEU, or \$80 for a 40-foot container.

**After July 23, only port users registered with PierPASS will be able to pay the new Traffic Mitigation fee required for peak daytime container pickup and delivery of international cargo.**

“As we continue our aggressive outreach efforts to all port users, we are pleased to see the rapid increase in OffPeak registration,” said **Bruce Wargo**, president & CEO of PierPASS Inc. “In order for port users to ensure that their cargo continues to flow freely, we strongly urge them to go to our website, learn about the program, and register.”

Users of the ports (such as cargo owners, brokers, truckers and logistics companies) can register for OffPeak through a link on the PierPASS website, [www.pierpass.org](http://www.pierpass.org). Registration is free, and is open to any company or person.

**The Board of Harbor Commissioners has given preliminary approval to the development of a trading system that would encourage businesses involved in maritime goods movement to adopt environmentally cleaner technologies.**

The program would be similar to the South Coast Air Quality Management District’s Regional Clear Air Incentives Market (RECLAIM) program that rewards businesses that reduce emissions by allowing them to cover some of the costs by “banking” and later trading emission reduction credits to other businesses.

The Port program would give maritime businesses the flexibility to decide which clean-air solutions to use now, in return for emission credit that could be traded later after regulatory agencies mandate solutions.

The Harbor Commission voted to spend \$500,000 to start the program, contingent on Port staff organizing a Maritime Goods Movement Coalition that would be willing to participate in and contribute financially to the \$2 million in seed money needed to launch the program.

**Oxbow Carbon & Minerals LLC is building a new shed at its Pad 14 on Pier G to temporarily store petroleum coke.**

Pad 14 has stood idle since the end of 2000 when legislation halted uncovered storage of petroleum coke in a program to minimize coke dust. Petroleum coke is a byproduct of the refining process and the Port’s leading export commodity.

Oxbow is now building a roof and a conveyor system to cover Pad 14 to make it compliant with state laws and regulations. Completion of construction is scheduled for the end of the year. The new shed would be the eighth on Pier G.

**Matson Navigation’s newest U.S.-built container ship, the 2,600-TEU *Manulani*, made its maiden call at SSA Terminal’s Pier C facility on June 22.**

More fuel-efficient, with state-of-the-art shipboard technology and other environmentally friendly design elements, the *Manulani* is the third ship to be built for Matson by the Kvaerner Philadelphia Shipyard. One more is being built and scheduled for delivery in mid-2006. The *Manulani*, Hawaiian for “heavenly bird,” the other new ships, and the *R.J. Pfeiffer*, will be deployed in a weekly transpacific service beginning early next year linking the U.S. West Coast with Hawaii, Guam and the Chinese ports of Ningbo and Shanghai.

**China Shipping Container Line’s *Xin Quan Zhou* container ship, one of five 4,250-TEU vessels built by a Chinese shipyard, made its first call in Long Beach on June 23 at Total Terminals International’s Pier T facility.**

The *Xin Quan Zhou*, which is deployed in a transpacific service, was built by Hudong-Zhonghua Shipping (Group) Co. Ltd. near Shanghai.

**Sea Launch, the international spacecraft launching business based at the Port of Long Beach, has successfully delivered the Intelsat Americas 8 communications satellite into orbit over the Americas and Hawaii.**

The June 23 mission was Sea Launch’s fifth launch for Space Systems/Loral, the spacecraft manufacturer, and the first for Intelsat. The new satellite will provide voice, video and data transmission services.

**Metropolitan Stevedore Co. has donated \$20,000 to sponsor the attendance of 40 Banning High School students in a California Maritime Academy basic safety-training program.**

The students are members of Banning’s Global Safety and Security Academy. Port of Long Beach Harbor Patrol Sgt. **Justin Espanio** is a member of the academy advisory board.

**The Coast Guard’s Captain of the Port will hold a public meeting on the maritime safety and security of a proposed liquefied natural gas import terminal proposed in Long Beach for Pier T on Terminal Island.**

The hearing is scheduled for 6 p.m. July 11 at the Long Beach Marriott Hotel, 4700 Airport Plaza Drive.

The Captain of the Port will make a recommendation to federal, state and local government agencies. For more information, contact Lt. Peter Gooding at (310) 732-2020 or [pgooding@d11.uscg.mil](mailto:pgooding@d11.uscg.mil).

**A roundtable discussion on “chassis pools” will be held 7:30 to 11 a.m. July 12 at the Sheraton Los Angeles Harbor Hotel in San Pedro.**

The event will be hosted by the Port of Los Angeles with participation by the Port of Long Beach and the Pacific Merchant Shipping Association. For more information, call (310) 732-3840.

**James R. Hertwig of CSX Intermodal will be the speaker for the Los Angeles Transportation Club luncheon July 12 at the Marriott Norwalk Hotel. For more information, call (562) 856-9197.**

**Bruce Wargo of PierPASS will discuss the new OffPeak night and weekend marine truck gate program at the Harbor Transportation Club dinner July 14 at the Reef Restaurant in Long Beach. For more information, call (562) 434-7393.**

**A three-hour Introduction for Beginners to Global Logistics class will be held at 6:30 p.m. July 26 and 27 at the Center for International Trade and Transportation offices at Cal State Long Beach. For information, call (562) 296-1170.**

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