

tie lines – May 2006

The monthly newsletter from the Port of Long Beach

AROUND THE PORT . . .

The Long Beach Board of Harbor Commissioners has voted tentative approval for a landmark “Green Port” lease with environmental covenants that will result in a 90 percent reduction in air pollutants from the Pier C container cargo terminal over the next decade.

Under the lease amendment, SSA Terminals – a joint venture of Matson Navigation Co. and SSA Marine -- will phase in the use of shore-side electricity (“cold-ironing”) and other technologies to significantly reduce emissions of nitrogen oxides (NOx) and diesel-related particulate matter from ships at berth and terminal cargo-handling equipment.

The new “Green” accord, which restructures a 20-year lease signed in 2002 between the Port and SSAT for the 68-acre Pier C facility, calls for major investments on both sides.

The Port will invest millions of dollars to build dockside electrical infrastructure for cold ironing. Matson agreed to retrofit its ships to use shore-side electricity, refit them with technology that is at least 80 percent as clean as cold-ironing or phase out vessels too old to accommodate the most current anti-pollution technology.

SSAT will accelerate the replacement of its terminal cargo-handling fleet with cleaner-burning tractors and other equipment several years before the new technology is required by law.

Oakland-based Matson is the leading shipping line serving Hawaii, primarily with goods shipped from Long Beach. Recently the company launched a shipping service to China, greatly increasing inbound shipments – a shift that prompted the new lease amendment. SSA is a Seattle-based terminal management and stevedoring company.

With this accord, the Harbor Commissioner is pioneering the use of leases to improve the environment.

The board is not an environmental regulatory body with authority to clean up the ships, trucks, trains and yard equipment at the Port. The board governs the Port with its land-use authority and its power to approve terminal leases.

The Port of Long Beach’s Green Port Policy, approved in January 2005 by the Harbor Commission, includes guidelines that direct the Port to develop lease requirements promoting environmental sustainability.

If the Harbor Commission votes final approval, the SSAT lease agreement would be the first at a major port in which a cargo terminal operator voluntarily agreed to cold-ironing provisions and other environment improvements without the mandates of litigation, regulation or a government-required environmental review.

The Matson/SSA cold-ironing project will not be the first in Long Beach. Two years ago, without the framework of a lease, the Port agreed to develop shore-side electrical infrastructure at an oil terminal where BP volunteered to cold iron at least two of the company’s oil tankers.

The Harbor Commission has voted preliminary approval for the conditional award of a \$7.3 million contract with Manson Construction Co. of San Pedro to build the waterside electrical infrastructure. The work is scheduled for completion in spring 2007.

A second contract will be awarded this fall for onshore electrical facilities, with completion expected in summer 2007.

Led by strong export gains, the total number of cargo containers shipped through the Port of Long Beach in March jumped 20.4 percent to the equivalent of 561,194 twenty-foot container units compared with the same month a year ago.

Exports climbed 13.6 percent to 118,728 twenty-foot equivalent units (TEUs) – Long Beach's best ever monthly export total. For the 17th time in the past 19 months, the Port saw double-digit export increases spurred by Asian demand for U.S. raw materials.

Imports rose 34.4 percent to 282,440 TEUs, but the gains were exaggerated by last year's Chinese lunar New Year, which sharply slowed inbound shipments to Long Beach in March 2005. This year, the lunar New Year was at the end of January, slowing shipments in February.

Meanwhile, the number of empty containers (almost all headed overseas to be re-filled) increased 5.7 percent to 160,026 TEUs.

The Port of Long Beach has been once again named the best seaport in North America in a poll of more than 12,500 readers of Cargonews Asia.

Long Beach, the second-busiest container seaport in the United States, has received the prestigious industry honor in 10 of the past 11 years. This year the other three top-ranked seaports in the world were the Port of Rotterdam (Best in Europe), Port of Singapore (Best in Asia), and Jebel Ali Port in Dubai (Best in the Middle East).

Port officials welcomed one vessel on its maiden call and four ships on their first calls to Long Beach in April.

The lone maiden call was by NYK Line's 4,100-TEU container ship, Cosmos, to the International Transportation Service terminal at Pier G/J on April 23. The Cosmos is deployed in a North China Express service that calls in Dalian, Xingang and Qingdao, China; Busan, South Korea; Long Beach and Oakland.

Mediterranean Shipping Co. brought three of its 6,700-TEU ships to the SSAT Pier A terminal in Long Beach on first calls: the Ilona (April 1), Vivianna (April 8) and Barbara (April 23). The three ships are deployed in MSC's Orient Express service, which calls at Yantian, Shanghai and Ningbo, China; Tokyo; Long Beach; Busan; and Qingdao, China.

Shinwa Kaiun Kaisha Ltd.'s bulk ship, Huarmey Queen, made its first call to Long Beach on April 8 at the Mitsubishi Cement Terminal on Pier F, bringing 37,000 tons of cement from China.

Kicking off a Transportation Worker Identification Credential program, the U.S. Coast Guard will begin collecting names and basic identifying information on 400,000 longshore workers and other maritime employees at U.S. seaports.

The Transportation Security Administration will compare the information against terrorist watch lists through the Terrorist Screening Center. The initial screening will not include the gathering of biometric identifiers or criminal background checks. That will come later when the TWIC cards are issued to an estimated 750,000 transportation workers.

The first TWIC cards are expected to go out later in the year, with all workers having one by sometime in 2007.

In another post-9/11 program, the last of 90 radiation-monitoring portals will be completed this month at the ports of Long Beach and Los Angeles to screen all containers trucked out of the marine terminals for radioactive materials.

Additional portals, both fixed and mobile, are being installed this year to screen cargo that is moving through the ports via on-dock rail. The detection equipment used for cargo being drayed by truck from the harbor is housed inside tall, slim portals constructed at every marine terminal gate.

Traveling at five miles per hour, trucks pass through the portal in only a few seconds.

PierPASS Inc. has increased its truck gate charge to \$50 per TEU (\$100 per 40-footer) for loaded marine containers moving through the ports of Long Beach and Los Angeles during peak daytime hours.

The Traffic Mitigation Fee adjustment aims to offset the cost of the non-profit's OffPeak program, which provides full truck gates and other terminal services harbor-wide on selected nights and Saturdays.

Terminal operators launched the OffPeak program last July with an initial \$40 per TEU rate. The fee provides an incentive for cargo owners to move shipments at night and on weekends, when there is no fee. The intent is to reduce port-related truck traffic congestion and eliminate pollution caused by idling trucks.

During the first six months, between 30 and 35 percent of all gate activity went to OffPeak operations, reducing more than 1 million truck trips off the freeways during the busy daytime commute periods.

The Port has launched a six-year urban reforestation program to improve neighborhoods near the Long Beach (710) Freeway, beginning by planting trees at Hudson Elementary School and Coolidge Park, both in Long Beach.

At a cost of \$200,000 per site, the Port is planting more than 40 trees at Hudson and 30 trees at Coolidge, including American Sweet Gum, California Sycamores and Afghan Pine trees. The program aims to offset some of the environmental impacts of Port operations, such as traffic noise, in neighboring communities.

The Port joined students and parents in celebrating the kick-off of the tree-planting program during Hudson's spring assembly. The completion of the tree planting at Coolidge was celebrated with a community festival.

The California Air Resources Board, the state's smog-fighting agency, has approved a plan to reduce diesel-related pollutants from ports and the goods movement industry by 85 percent over a 15-year period.

At a cost of \$6 billion to \$10 billion, the plan suggests using a combination of new anti-pollution regulations and business incentives to get shipping companies, railroads and trucking companies to adopt cleaner fuel, engines and procedures.

Reducing pollution could eliminate 1,500 premature deaths statewide each year by 2020, along with thousands of cases of asthma and other health problems.

The U.S. Senate has ratified the MARPOL Annex VI maritime vessel pollution treaty, which will reduce harmful ship emissions and allow for the establishment of a national low-sulfur fuel control area for ships in U.S. waters.

The treaty amendment, which the Long Beach Harbor Commission and City Council endorsed a year ago, sets limits on vessel air emissions, sets standards for cleaner-burning marine fuels and details cleaner standards for all new marine engines.

The MARPOL Convention is the main international convention covering prevention of marine environmental pollution by ships. The Annex VI amendment was adopted by the United Nations in 1997. The amendment went into effect around much of the world last year, after it was ratified by nation's representing much of the world's ocean-going vessels.

With heavier than usual shipments before and after a one-day, "Day of the Immigrants" work stoppage by most harbor truckers, there was minimal impact on Port cargo operations.

The May 1 work stoppage was organized by group called the Los Angeles Troquero Collective, and echoed immigrant protests across Southern California. Most harbor truck drivers have roots in Mexico and Central America

The Panama Canal Authority has unveiled a \$5.3 billion, eight-year-long project to double the canal's capacity and expand to accommodate most of the world's largest vessels.

The new locks would have the capacity to handle ships up to 49 meters (160 feet) wide, 366 meters (1,200 feet) long and with a draft of 15 meters (50 feet). Currently, the canal is only 110 feet wide.

If the plan is approved by the Panamanian President and National Assembly, a referendum will be submitted to the Panamanian people.

The California Association of Public Information Officers has honored the Port of Long Beach with a 2006 first-place award for the quarterly community newsletter, Re:Port, produced by the Port's Communications Division.

The Port also picked up a second-place award for its new "Pulse of the Port" cable TV show. The latest "Pulse" program features segments on the Port's Green Flag vessel speed reduction air quality program, post-9/11 security, the peak shipping season and a profile on surveyor Armando Boyd and his team's role in helping the Queen Mary 2 come to Long Beach.

The cable TV program airs in Long Beach on Charter Communication's Channel 8, and on other area cable networks.

The International Business Association is hosting a World Trade Week mixer at 5:30 p.m. May 10 at the offices of Keesal, Young & Logan in Long Beach. For information, call (562) 432-8128.

"Expanding Through Trade with Central America" is the topic of a World Trade Week breakfast May 18 at the Renaissance Long Beach. For information, call the Long Beach Area Chamber of Commerce at (562) 432-8128.

The International Business Association's annual World Trade Week luncheon will be held May 19 at the Renaissance Long Beach Hotel. The keynote speaker will be U.S. Chamber of Commerce Chair Maura Donahue.

The program also includes the presentation of scholarships, poster and speech contest winners, and the 2006 International Achievement Award. For more information, call (562) 432-8128.

The Los Angeles Chamber of Commerce's annual World Trade Week luncheon will be held May 25 at the Biltmore Hotel in downtown Los Angeles. For more information, call (213) 580-7569.