



Port Approves First “Green Lease” Construction Contract \$45.8 million project to begin environmental improvements at Pier G

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The Long Beach Board of Harbor Commissioners on Monday, September 18, gave preliminary approval to a major construction contract that will begin environmentally friendly improvements under the Port’s groundbreaking “green lease” terminal agreements.

In May, the Board approved a 20-year lease with International Transportation Service, Inc., that calls for significant terminal improvements and equipment investments by the Port and ITS to achieve a 90 percent reduction in air pollutants at ITS’ Pier G container cargo facility. The \$45.8 million construction contract, conditionally approved Monday with Manson Construction Co. of San Pedro, will kick off the Pier G upgrades.

“This is where we really start putting our money where our mouth is,” said Harbor Commission President James C. Hankla. “We’ve asked a lot of our terminal customers with these new environmental agreements, and now we must do our part to upgrade facilities and provide the right infrastructure for cleaner, ‘greener’ operations.”

Under the contract Manson Co. will begin building the necessary facilities to provide shore-side electricity, also known as “cold-ironing,” to visiting ships. Shore-side electricity enables ships to shut down their diesel engines during their visits to the Port, for significant pollution reduction. Manson is tentatively scheduled to begin construction this fall and to complete its work by spring 2008.

The entire Pier G redevelopment project, an eight-year project estimated at \$686 million, will modernize the entire terminal with more efficient, environmentally friendly truck gates, rail yard and berths. The initial \$45.8 million contract will, in addition to building electrical infrastructure, include construction of a deep-water berth at the south end of the pier and redevelop about 10 acres of land used for temporary cargo container storage.

Through its “green leases,” the Board of Harbor Commissioners is pioneering the use of lease agreements to improve the environment. The board is not an environmental regulator 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.

ITS is a subsidiary of Japan-based “K” Line, one of the world’s leading shipping lines. In addition to ITS, the Board has approved environmentally friendly leases with SSA Terminals/Matson Navigation Co., which leases a Pier C facility.

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