

tie lines – October 2006

A monthly newsletter from the Port of Long Beach

AROUND THE PORT . . .

Boosted by a robust initial wave of holiday season shipments, terminal operators at the Port of Long Beach reported record-breaking imports that drove total container cargo volume up nearly 10 percent in August, the start of the peak season.

The total number of cargo containers climbed 9.7 percent in August to 675,058 twenty-foot equivalent units (TEUs), compared with the same month a year ago. Imports jumped 13.6 percent to 347,829 TEUs. Export growth slowed for a second consecutive month, declining 5 percent to 105,256 TEUs. The number of empty containers, nearly all headed overseas to be refilled with products, climbed 11.8 percent to 221,973 TEUs.

August is traditionally the beginning of the peak shipping season that extends through October, when importers fill their shelves with extra clothing, toys and other products for end-of-the-year gift-giving.

Despite the record-breaking import volumes, there has been no congestion at the Port as the peak season enters its final stretch.

The Marine Exchange of Southern California, which monitors vessel traffic, reports no delays although it sees a steady increase in the number of ships calling at the San Pedro Bay ports. Longshore labor has successfully kept pace with the increased workload, said Capt. Manny Aschemeyer, Executive Director of the Marine Exchange, and no congestion problems have been reported with truck traffic or rail movements.

The Port of Long Beach will receive \$7.4 million in federal security grants as part of the \$168 million “Round 6” allocations from the Department of Homeland Security announced September 25.

The Port had requested \$51 million in its grant application. Port security officials said that while the Port is grateful for the \$7.4 million, much more federal assistance will be needed to complete the Port’s strategic plan for security. The \$7.4 million grant is part of a \$12 million allocation to the ports of Long Beach and Los Angeles.

The Long Beach Board of Harbor Commissioners has approved 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 contract with Manson Construction Co. of San Pedro, approved by the Board in September, will kick off the Pier G upgrades. Manson is tentatively scheduled to begin construction this fall and to complete its work by Spring 2008.

Under the newly awarded contract Manson Construction will begin building the necessary facilities to provide shore-side electricity, also known as “cold-ironing,” to visiting ships at Pier G.

Shore-side electricity will enable ships to shut down their diesel engines during their visits to the Port, which will result in significant pollution reduction. In addition to

building the electrical infrastructure, Manson will construct a deep-water berth at the south end of the pier and redevelop about 10 acres of land used for temporary cargo container storage. 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, railyards and berths.

The award-winning Long Beach International Trade Office (LBITO) will receive an additional \$100,000 in funding from the Port of Long Beach, matching last year's contribution, to continue providing consulting and marketing services to trade-related businesses.

LBITO, which also receives support from the City of Long Beach, the Los Angeles County Economic Development Corporation and Long Beach Community College, has helped facilitate millions of dollars in new imports and exports and created thousands of jobs in the greater Los Angeles region. For more information, visit www.lbito.org.

Breathe California, formerly known as the American Lung Association of Los Angeles County, awarded its prestigious "Air Quality Improvement Award" to the Port of Long Beach on September 15.

Long Beach was recognized, along with the Port of Los Angeles, for the San Pedro Bay Ports Clean Air Action Plan. The 2006 Clean Air Improvement Awards honor "individuals or entities who have initiated a distinct plan to change policies or practices which will produce a positive impact on respiratory health [and] incorporated concerns of community, environmental and health organizations into their business practices."

The Port's leadership on air quality issues was noted in a congratulatory letter from Breathe California CEO Enrique Chiock.

"The milestone [Clean Air Action] Plan clearly highlights how the Port of Long Beach can help lead the way for California and the rest of the world," Chiock wrote, "by providing a model clean air plan that outlines a commitment to protect the health of people over profit while advancing the success and growth of the region." The Clean Air Action Plan is the most aggressive strategy in seaport history to reduce air pollution. The plan aims to cut port-related emissions in the San Pedro Bay by 50 percent in the next five years.

Port of Long Beach trade operations avoided all but minimal disruptions from a BP oil leak that occurred on Port property September 8.

The leak, from an underground pipe below the Port's Pier B railyard, was contained with no harm to humans or wildlife. No oil was released into the harbor, its waterways or the ocean. Only minimal train delays occurred as two storage rail tracks were temporarily taken out of service during the cleanup. BP accepted full responsibility for the spill and the cleanup operation, which was overseen by the U.S. Coast Guard, California Department of Fish and Game and other agencies.

Compliance with the Port's Green Flag environmental program jumped to 84.6 percent in July, the highest monthly compliance rate in the history of the program.

The Green Flag program rewards ship operators for reducing vessel speeds in the harbor area, which helps cut air pollution. In the most current available figures, cruise ships led the way with an 89.3 percent compliance rate, followed by container ships at 87.1 percent, car carriers at 84.6 percent, tankers at 81.4 percent and bulk vessels at 75.5 percent.

Under the Green Flag program, ships that observe a 12-knot speed limit within 20 miles of the Port during an entire year of voyages are awarded Green Flags to recognize their contributions to improved air quality.

Ocean carriers, who operate the individual ships, can qualify for reduced dockage rates if 90 percent or more of their vessels comply with the speed limit for a year. To see the full results of the Green Flag program, visit the Port's Green Flag web page at http://polb.com/environment/air_quality/vessels/default.asp.

While much more must be done to protect America's seaports, it is important to recognize how far port security has come since 9/11, Port of Long Beach Harbor Commission President James C. Hankla and Executive Director Richard D. Steinke wrote in a column published in the *Long Beach Press-Telegram*.

In the September 2 column, Hankla and Steinke discussed various security advancements made by the many agencies involved in port security, including the U.S. Coast Guard, Customs and Border Protection, the Long Beach Police Department and Long Beach Harbor Patrol. "Some degree of risk will always exist in the open, free systems of commerce that have made the United States one of the most prosperous nations on Earth," wrote Hankla and Steinke. "However, we want to assure everyone that the Port of Long Beach and our seaport security partners are working diligently, at every step of the global supply chain, to minimize that risk."

Port of Long Beach security officials and other Port personnel participated in the Area Maritime Security Committee's crisis response training exercise in San Pedro September 21.

The Port Security Training Exercise Program, or PortSTEP, brought together numerous port stakeholders to test and improve crisis response and communications plans. It is part of a two-year training program that will lead to a full-scale exercise in 2008.

In an effort to reduce truck traffic and promote increased use of on-dock rail, the Port of Long Beach has eliminated a potential deterrent for terminal operators in the San Pedro Bay.

Containers unloaded at the Port of Los Angeles may now be transferred to the Port of Long Beach and transported by train without any additional tariff charges. The change is designed to encourage greater shift of containers from truck to on-dock rail, both within the Port of Long Beach and between the two San Pedro Bay ports, to help reduce truck traffic and improve air quality in the region. The Port does not charge additional fees when containers are transferred between Port of Long Beach terminals to better utilize railyards.

Real-time air quality information at the Port of Long Beach will soon be online on the Port's web site, as part of the Port's comprehensive efforts to track emissions and improve air quality.

Two air monitoring stations were installed in August; one at the northernmost section of the Port on Canal Avenue, and another at the southernmost area at the Navy Mole. The Port's web site will offer information on six different types of air pollutants, including particulate matter, nitrogen oxides and sulfur oxides, along with weather information at the two stations. Historical comparisons will also show the air quality data

on past dates and times. The air quality information will soon be available at the Port's web site, www.polb.com.

Port officials welcomed Wan Hai's container ship Henry on September 29 during its first call at Total Terminals International's Pier T facility.

The 3,039-TEU vessel is part of Wan Hai's China Transpacific Service, with a rotation of Qingdao (China), Long Beach, Oakland, Xiamen (China), Yantian (China), Hong Kong and Kaohsiung (Taiwan).

Port officials presented "moon cakes" to the Port's Chinese and Taiwanese customers in recognition of the traditional Moon Cake Festival, or Autumn Moon Festival.

The cakes are commonly exchanged in China and Taiwan during the widely celebrated holiday in October. China Ocean Shipping Co. (COSCO), China Shipping, Sinotrans, Orient Overseas Container Line (OOCL), Yang Ming, Evergreen, and Wan Hai are among the Port of Long Beach's customers with Chinese or Taiwanese origins.

The latest issue of the Port of Long Beach community newsletter, Re:port, is now online.

The Fall 2006 issue features articles an update on the Port's Clean Air Action Plan, a detailed explanation of how cargo moves from shore to shore, a behind the scenes look at the Port's air quality testing facilities and snapshots from the Port's recent community outreach programs. Visit <http://www.polb.com/about/publications/report.asp> to view the newsletter in PDF form.

PORT PEOPLE . . .

Charles F. Nussbaumer, a former civil engineer at the Port of Long Beach, passed away September 16 after a battle with lung cancer.

Nussbaumer served the Port community for 23 years as an engineering project manager, from 1960 to 1983. He is survived by his wife, Peggy, five children, 10 grandchildren and five great-grandchildren.

Port Executive Director Richard D. Steinke will be honored this month by the Boy Scouts of America.

Steinke will receive the "2006 Good Scout of the Year" award at an October 11 benefit dinner at Long Beach's Westin Hotel.

Long Beach's International City Theater will recognize Port Harbor Commissioners this month at Encore 2006, the theater's annual fund-raising event.

This year's event will be in the Grand Ballroom of the Long Beach Entertainment and Convention Center on October 22.

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