

tie lines – December 2006

A monthly newsletter from the Port of Long Beach

AROUND THE PORT . . .

The governing boards of the ports of Long Beach and Los Angeles have approved the landmark San Pedro Bay Ports Clean Air Action Plan, the most comprehensive strategy to cut air pollution and reduce health risks ever produced for a global seaport complex.

The Clean Air Action Plan was approved November 20 in a rare joint meeting between the Port of Long Beach Board of Harbor Commissioners and the Port of Los Angeles Board of Harbor Commissioners at Long Beach City Hall.

The historic vote commits the ports to an aggressive plan to reduce pollution by at least 45 percent in the next five years. The \$2-billion Clean Air Action Plan addresses all port-related emission sources -- ships, trains, trucks, terminal equipment and harbor craft -- to significantly reduce health risks posed by air pollution.

The Clean Air Action Plan includes hundreds of millions of dollars of investments by the two ports for air quality programs, extensive use of ship-to-shore electricity at the ports within five years and a commitment to use pollution-based impact fees to improve air quality and public health.

Achieving significant air quality improvements under the Clean Air Action Plan will be necessary if the two ports are to accommodate cargo container growth in the coming decades, said Long Beach Mayor Bob Foster and Los Angeles Mayor Antonio Villaraigosa, who addressed the two harbor commissions and a crowd of nearly 400 people at the five-hour November 20 meeting.

Without substantial environmental improvements, the mayors said, the ports' ability to sustain economic growth and provide additional jobs will be compromised. Both mayors said they support the expansion of Port-related business activity, on the condition that the growth is accompanied by significant environmental and technological improvements to protect public health.

Video coverage of the joint commission meeting, along with the full text of the Clean Air Action Plan, is available on the Port's web site, www.polb.com.

For complete video coverage of the November 20 meeting, log on to www.polb.com and scroll down the home page to the "Featured Video" area. For easier viewing, the video is divided into five segments. The Port web site also contains the complete Clean Air Action Plan technical report, a more concise overview, fact sheets, frequently asked questions, and a compendium of comments from the public, business and environmental groups.

Rollout of the Clean Air Action Plan, including meetings with industry stakeholders, will begin in January, 2007.

Please check the Port's web site, www.polb.com, and the January issue of Tie Lines, for details on the early 2007 developments.

With the Clean Air Action Plan in place, Port officials are preparing for several upcoming development projects that will incorporate the environmental protections adopted by the harbor commissions.

Upcoming projects at the Port of Long Beach include redevelopment of the Port's Middle Harbor area (piers D, E and F), and the development of Pier S, a now-vacant parcel of land on Terminal Island.

The Port is preparing to release draft Environmental Impact Reports (EIR) on the projects for public review and comment, in 2007.

Port officials said the projects would adhere to all environmental measures contained in the Port of Long Beach Green Port Policy and San Pedro Bay Ports Clean Air Action Plan.

This year's peak shipping season at the Port of Long Beach ended with a containerized cargo volume surge of more than 8 percent compared with the same month a year ago.

The season ended strongly as the total number of cargo containers increased by 8.3 percent to 650,726 twenty-foot equivalent units (TEUs) in October, compared with the same month a year ago. Imports increased by 12.2 percent to 335,688 TEUs. Exports increased by 5.7 percent to 109,318 TEUs.

Empty containers, nearly all headed overseas to be refilled with products, increased by 3.7 percent, to 205,720 TEUs, from the same month a year ago.

The peak season, which runs from August through October, typically sees higher volumes as importers fill their shelves with extra clothing, toys and other products for end-of-the-year gift-giving.

Despite the record-breaking increases in cargo volume, Port terminals showed no signs of congestion throughout the peak season.

In August, cargo volumes at the port swelled by a record-breaking 13.6 percent. September saw a slight slowdown in the growth rate for container cargo volume, which port trade analysts said reflected common "spikes" in peak-season activity.

The October increases show that peak-season activity was particularly robust during the first and last months. Economists are predicting a strong holiday season for retail activity, thanks to increased consumer confidence, low unemployment and increased consumer spending power.

Environmental initiatives at the Port were the key focus of a presentation by Long Beach Harbor Commission President James C. Hankla at the World Shipping Summit in Shenzhen, China, on November 3.

In the presentation, titled "It's Not Easy Bein' Green," Hankla spoke of the need for every partner in the worldwide goods movement industry to embrace a "greener" environmental ethic.

"We have no choice," Hankla said. "If we are to grow, and we must grow, we can only grow by going green. And we must do it with the international shipping community's support. We cannot maintain public support for international trade without doing everything we can to minimize the negative environmental impacts of the goods movement industry."

Hankla noted that two Port of Long Beach terminal customers, "K" Line/International Transportation Service and Matson Navigation Co./SSA Marine, have already signed "enlightened green leases" that will cut pollution by 90 percent or more at those terminals in coming years.

These companies “see the benefit of growing their business with new leases and protecting the environment,” Hankla said. “There will be more ‘green leases.’ Basically, if you want a lease for property at the Port of Long Beach, you will need to agree to a ‘green lease.’”

The largest transportation bond in California history was approved in the November 7 election, with more than \$3 billion to be allocated for ports and goods-movement projects.

The \$20-billion Proposition 1B, which passed with overwhelming support from California voters, will provide \$2 billion directly for goods movement improvement projects throughout the state, \$1 billion for port-related environmental improvement projects and \$100 million to improve port security. Related transportation infrastructure spending will also improve the flow of goods.

Port officials said the bond funding will help create a better, cleaner transportation system, improve goods movement efficiency to support the economy and jobs, advance air quality programs to minimize Port impacts on the environment, and further improve Port safety and security.

Priority infrastructure projects for the Port of Long Beach include replacing the Gerald Desmond Bridge, improving the Terminal Island (47) Freeway and Commodore Heim Bridge, and developing more efficient rail systems.

The Port is seeking Proposition 1B money, as well as other funding sources, to help pay for these projects. Local and federal grants, port investment and public-private partnerships are expected to supplement the bond money. Distribution of Proposition 1B funding will be overseen by the California Transportation Commission, which will use as a guide the State Goods Movement Action Plan, developed by the State and local transportation agencies with participation from the ports of Long Beach and Los Angeles.

A new power system for Rubber Tyred Gantry (RTG) cranes, tested last summer at International Transportation Service’s Pier G facility, has proved successful in reducing diesel emissions and conserving fuel.

Vycon Energy of Cerritos reported that its three-month field test at ITS resulted in a 66 percent reduction in particulate matter (PM), a 25 percent reduction in nitrogen oxides (NOx), and cut fuel consumption by 25 percent.

Vycon has developed a patented system designed for use on existing RTG cranes, which are used to move cargo within marine shipping terminals. The system, known as “Regen,” uses a “flywheel-based energy storage system” to capture power when a RTG crane lowers a container. The testing at ITS, which ran from May through July, 2006, also boosted container lifting capabilities. For more information: www.vyconenergy.com.

Transportation technology researchers at California State University, Long Beach, are now studying the economics of using a magnetic levitation train, or “maglev,” to transport cargo from the ports of Long Beach and Los Angeles to inland distribution centers.

The two ports, and the Southern California Association of Governments, are also planning similar studies. Two maglev trains systems are now being used for passenger travel in China and Japan, but the technology has not yet been used commercially for cargo movement. Researchers at CSULB’s Center for the Commercial Deployment of Transportation Technologies are examining whether the technology could become more economically viable over time.

Maglev trains, which operate on an electrical system that produces no pollution, could potentially reduce truck traffic and improve air quality in communities surrounding the ports.

Port officials presented a “maiden call” plaque to Zim Integrated Shipping Services on October 24 upon the arrival of the new vessel Xiamen at SSAT terminal’s Pier A facility.

The Xiamen, built in 2006, has a capacity of 4,250 TEU. The vessel calls in Long Beach, Yokohama (Japan), Osaka (Japan), Pusan (South Korea), Ningbo (China), Yantian (China), Shekou (China), Hong Kong, Panama, Kingston (Jamaica), Savannah, New York, Halifax (Canada), Barcelona, and Haifa (Israel).

The Wan Hai vessel Independence was welcomed by Port officials with a “first call” plaque November 17 at Total Terminals International’s Pier T facility.

The Independence, with a capacity of 3,045 TEU, is part of Wan Hai’s China Transpacific Service with a rotation of Long Beach, Oakland, Yantian (China), Hong Kong, Kaohsiung (Taiwan), and Qingdao (China).

Port officials also presented a “first call” plaque to the Wan Hai 305, a 2,496-TEU vessel, on November 30.

The vessel, which called at Total Terminals International’s Pier T facility, is part of Wan Hai’s China Transpacific Service.

PORT PEOPLE . . .

Soo Ho Cho, chairman of Hanjin Shipping, passed away at age 52 on November 26.

Cho is survived by his wife and two daughters. He joined Hanjin in 1985 and was promoted to company president in 1994. He became chairman in 2003.

Hanjin Shipping and its affiliate, Total Terminals International, are among the Port of Long Beach’s largest customers.

Dr. Yung Won Hyun, the former Chairman of Hyundai Merchant Marine, passed away at age of 79 on November 24.

Dr. Hyun is credited with leading Hyundai’s growth and expansion as a global carrier while helping to advance the entire global shipping industry. He also served as chairman of the Korean Shipowners’ Association and the American Bureau of Shipping’s Korean Committee.

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