

tie lines – February 2007

A monthly newsletter from the Port of Long Beach

AROUND THE PORT . . .

The Board of Harbor Commissioners has voted to end an environmental review of a proposal to build a liquefied natural gas importing facility at the Port of Long Beach.

The January 22 decision effectively ends nearly three years of negotiations between the Port and the applicant, Sound Energy Solutions. Sound Energy Solutions had proposed to build an LNG facility at Pier T.

Commissioners released the following statement after the closed-session meeting January 22: "After deliberation, based upon an opinion from Long Beach City Attorney Robert Shannon, who concluded that the Environmental Impact Report on the proposed LNG project 'is and in all likelihood will remain legally inadequate,' and since an agreement between Sound Energy Solutions and the City does not appear to be forthcoming, the Board of Harbor Commissioners disapproves the project and declines to pursue further negotiations."

The full text of Shannon's opinion is available on the Port's web site, www.polb.com.

Port officials discussed current and upcoming development projects, security initiatives, Green Port Policy and Clean Air Action Plan environmental updates, legislative issues and more at a special meeting for terminal customers January 24.

Electronic versions of the presentations are available on the Port's web site at <http://polb.com/facilities/orientation.asp>.

More than 80 percent of all vessels calling at the Port of Long Beach in 2006 met Green Flag incentive program environmental standards.

According to the Port's preliminary figures, about 81 percent of all vessels were in compliance with the Green Flag program in 2006, an increase of more than 13 percent from 2005. Compliance in December was at 85 percent, the highest rate yet for a program that has shown steady improvement since its inception.

The Green Flag program offers environmental recognition and lower dockage rates for ships that slow down their speeds approaching the harbor area. Reducing ship speeds decreases fuel consumption and cuts air pollution.

The Port is seeking public input in advance of environmental studies that will examine a proposed container terminal development project at Pier S on Terminal Island.

With the release of a Notice of Preparation (NOP), the Port is soliciting public input in writing and with two public "scoping" hearings this month. Comments received from the public during the "scoping" phase will be considered as the Port prepares its Environmental Impact Report (EIR).

"We encourage members of the public to let us know what issues they think are important to include in our EIR," said Robert Kanter, the Port's director of planning and environmental affairs.

The Port and the Army Corps of Engineers (the two lead agencies for the project) will solicit public comment at two meetings: February 12 at Cesar Chavez Park, 401 Golden Ave., at 7 p.m., and February 22 at Long Beach City Hall, 333 W. Ocean Blvd., at 6:30 p.m.

The Port is also accepting public comments in writing, through March 14, at 925 Harbor Plaza, Long Beach, CA, 90802 (attn: Dr. Robert Kanter, Director of Planning).

Further opportunities for public comment, Kanter noted, will also be available upon release of the draft EIR and before any decisions are made by the Port's governing body, the Board of Harbor Commissioners.

The Pier S Development Project proposes to construct a 160-acre, environmentally friendly containerized cargo terminal to meet consumer and business trade demands.

The project also proposes improvements to the Back Channel waterway to increase navigational safety.

The project would adhere to all environmental measures in the Port of Long Beach Green Port Policy and San Pedro Bay Ports Clean Air Action Plan, including on-dock rail, a "green lease" to require environmental compliance from the terminal operator, an electrical substation for shore-side electricity, alternative-fuel powered cargo equipment, and "green" truck requirements to phase out older, dirtier trucks.

Reflecting the continued strength of the U.S. economy, Port terminals moved more cargo in 2006 than during the previous year.

"Port cargo movement is a good barometer of what's happening in the economy," said J. Christopher Lytle, managing director of trade relations and port operations. "Consumer confidence has been high, unemployment is low, and in general the U.S. economy had a very strong year."

Port terminals moved 7.29 million twenty-foot equivalent units (TEU) in 2006 – an increase of 8.7 percent over the previous record of 6.71 million TEUs set in 2005. Port terminals have increased the total number of TEUs, which includes import, export and empty containers, every year since 2001.

Inbound cargo at the Port increased by 11.2 percent, to 3.7 million TEUs, while exports increased by 5.7 percent to 1.3 million TEUs. The movement of empty containers, most sent overseas to be refilled with products, increased by 6.4 percent to 2.3 million TEUs.

A busy December at the Port, with a cargo volume increase of 5.4 percent over the same month a year ago, helped push the Port's 2006 totals higher. In December, Port terminals moved 282,726 imported containers, a 6.1 percent increase from the same month a year ago. Exports increased to 111,838 TEUs, a 7.3 percent increase from the same month a year ago. Empty container movement increased by 3.1 percent to 180,663 TEUs.

As trade activity has increased, the Port has worked aggressively to minimize environmental impacts on the surrounding communities, said Port Executive Director Richard Steinke.

"Through our Green Port Policy and Clean Air Action Plan we are demonstrating that environmental responsibility and economic growth go hand-in-hand," Steinke said. "We don't have to choose between a strong economy and a healthy environment – we can and must have both."

With the increased trade in 2006, the ports of Long Beach and Los Angeles have retained their No. 5 ranking among the world's busiest seaports.

The two San Pedro Bay ports moved a combined total of 15.8 million TEUs in 2006, an 11 percent increase over the previous year's totals. That allowed the neighboring ports to retain their combined ranking of fifth busiest seaport complex in the world for at least another year, despite rapid growth among Asia's largest container ports.

Singapore was the world's busiest seaport in 2006, with nearly 25 million TEUs moved. The second busiest was Hong Kong, with about 23.5 million TEUs, followed by third-place Shanghai with nearly 22 million TEUs and fourth-place Shenzhen (China), which moved nearly 18.5 million TEUs.

The \$65 million Ocean Boulevard/Terminal Island Freeway improvement project reached a key milestone January 22 with no noticeable disruptions to commuter traffic or terminal truck activity.

The Port shut down the Ocean Boulevard and Terminal Island (47) Freeway interchange from 8 p.m. Friday, January 19 to 5 a.m. Monday, January 22, while crews reconnected traffic lanes to the newly reconstructed Ocean Boulevard.

In advance, drivers were advised to avoid Ocean Boulevard or to take alternate routes to access Port terminals. Traffic flow the morning of January 22 was good in all directions, with no noticeable backups.

The Ocean Boulevard project will ease congestion and improve air quality by eliminating two Terminal Island traffic signals – at Ocean and the 47 Freeway, and Ocean and Pier S Avenue.

Ocean Boulevard is being raised nearly 20 feet to enable east-west traffic to move non-stop between the Gerald Desmond Bridge and Navy Way. Local access to Terminal Island facilities from Ocean Boulevard will be via on- and off-ramps. The project is expected to be completed in June 2007.

Are the ports and the rest of the supply chain ready for the 2007 peak shipping season?

Will the rail lines have enough capacity to accommodate trade growth? Will the Transportation Workers Identity Credential (TWIC) disrupt the trucking industry?

These questions and many more will be answered March 27 when the Port of Long Beach hosts its annual peak-season forecasting event, "Pulse of the Ports." The annual event brings leaders from the logistics, shipping, trucking, rail, marine terminal and other industries together to offer their predictions for the coming peak season.

The free breakfast conference will be at the Long Beach Convention Center on March 27 at 7:30 a.m. More details will be included in the March issue of Tie Lines and at the Port's web site, www.polb.com.

The Port has developed a series of informational graphics to explain how cargo containers are used to transport goods through a complex global supply chain.

The series includes four graphics that illustrate the journey of a container: How containers are moved from an overseas manufacturer, supplier or consolidation facility to the Port of Long Beach; how imports are moved from ships, truck and train to various consumer and business destinations; how containers bound for export are transported from domestic companies, manufacturers or produce growers to the Port; and how empty containers move through the supply system to be filled with exports or shipped overseas to be refilled with goods bound for import.

The series, *Cargo Movement: In Focus*, is now available as a special feature on the Port's web site, www.polb.com.

Port officials welcomed three "K" Line vessels in January with "first call" plaques at International Transportation Service's Pier J facility.

The "K" Line Vincent Thomas Bridge, the "K" Line Verrazano Bridge and the "K" Line Venice Bridge are 4,700-TEU vessels.

California United Terminals has ordered five new, lower-polluting Rubber Tired Gantry (RTG) cranes for use at its Pier E facility.

The RTG cranes, manufactured by Konecrane, use a diesel-electric system for lower emissions and fuel savings of as much as 30 percent.

The Port has leased its first two electric vehicles, Toyota RAV4s, as part of an effort to replace its existing fleet with alternative-fueled vehicles.

The zero-emission electric vehicles can travel for 50 to 75 miles with a single charge and can recharge in 5 or 6 hours using a special charging station. The Port plans to convert its entire fleet to low- or zero-emission vehicles.

James Flanigan, the *New York Times* business reporter and former *Los Angeles Times* business columnist, will be the keynote speaker at a Harbor Association of Industry & Commerce luncheon February 15.

Flanigan, who has covered national and international business for more than four decades, is the author of a soon-to-be released book on Southern California's vibrant business climate and its relationship to the global economy.

The luncheon will be at the Coast Long Beach Hotel, 700 Queensway Drive, at 11:30 a.m. Information and RSVP: (818) 951-2842.

Bruce Wargo, President and CEO of Pierpass, will be the featured speaker at the Harbor Transportation Club's dinner and annual meeting February 15.

The organization will also be selecting new officers for 2007. The dinner will be at the Reef Restaurant, 880 S. Harbor Scenic Drive, at 6 p.m. Information: (562) 435-2355 or www.htc.org.

PORT PEOPLE . . .

U.S. Customs and Border Protection has named Bonnie L. Lemert as assistant port director for Trade Operations for the ports of Long Beach and Los Angeles.

Lemert previously served as port director at a Customs service port and inspection facility in Calexico.

Help us improve the monthly *Tie Lines* newsletter by taking a survey at the Port web site at http://polb.com/about/publications/tie_lines_newsletter.asp.

Let us know what you find interesting in *Tie Lines*, what kinds of stories you'd like to see, or anything else you would like to suggest.