



News Release

Port Adjusts Incentive to Attract Rail Cargo Change to encourage more shipments through Long Beach

October 6, 2009



The Long Beach Board of Harbor Commissioners on Monday, October 5, approved a simple fix to a five-month-old cargo incentive that should prompt more importers to ship rail-hauled cargo through the Port of Long Beach.

"It's important that our customers know that we are responding to the current economic downturn and that we understand their concerns. These changes will encourage shippers to keep coming to Long Beach," said Alex Cherin, the Port's Managing Director for Trade Relations and Port Operations.

Two incentives — one for ocean carriers and one for marine terminal operators — began on May 1, 2009, to both maintain and help increase the flow of cargo through the Port during the global economic recession. The change approved Monday will apply to ocean carriers and help more of these businesses qualify for the incentives. The marine terminal operator incentive has not been changed.

The twin incentives focus on bringing in additional "intermodal cargo" — which is hauled by railroad to or from distant parts of the U.S. This cargo is important for the Port because it represents business that could be shifted to other ports at a shipper's discretion.

The change realigns the "baseline year" to more accurately reflect the recession's start — a move that will help more ocean carriers qualify for the incentive. Although the incentive measure for marine terminal operators has been effective, the earlier version of the incentive measure for ocean carriers had not attracted participation.

Under the program, ocean carriers are given an incentive of \$20 for each additional 20-foot intermodal container shipped through the Port of Long Beach from October 1, 2009, through September 30, 2010, over and above the new baseline year, October 2008 through September 2009.

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