



WEST COAST PORTS/RAILS ANNOUNCE COLLABORATION Six ports, two railroads demonstrate strength as Global Gateway

Qingdao, China (Thursday, November 12, 2009) -- In a historical first, six major U.S. West Coast ports and two western railroads came together at the World Shipping Summit in Qingdao, China, to announce their collaboration. They addressed leaders and customers of the maritime industry including ocean carriers, beneficial cargo owners and marine terminal and intermodal operators.

The U.S. West Coast Collaboration is comprised of the major container ports on the West Coast – Seattle, Tacoma, Portland, Oakland, Long Beach and Los Angeles – along with BNSF Railway Company and Union Pacific Railroad. The Collaboration showcased the benefits of the West Coast as the premier region for trans-Pacific trade. The Summit in Qingdao is being held November 12 and 13, 2009.

According to Omar Benjamin, executive director of the Port of Oakland, who chaired the session that included the Collaboration panel, "Today's economic conditions have compelled all of us to take a closer look at how we conduct our business to discover new approaches that yield improved results. This is happening throughout the entire supply chain and U.S. West Coast ports and Western railroads are no exception. Our mission is to further strengthen the U.S. West Coast ports' position as the preferred gateway for Asia cargo to and from the Midwest and cities further east."



Timothy J. Farrell, executive director of the Port of Tacoma, highlighted the advantages that the ports offer in terms of shipping choices and access to growing U.S. and international consumer markets. "We have more than 100 ships sailing to and from the West Coast each week," Farrell said, "providing access to 80 ports in 36 key consumer markets around the world. Looking to the future, our ports will provide strategic access to America's consumers whose numbers are expected to grow to 228 million by 2030."

John E. Kaiser, vice president and general manager of Union Pacific Railroad, commented, "Union Pacific has a long track record of investing in its network to support the growth of the West Coast ports and its customers. With valuable input from both, we use a systematic, structured approach. We have added capacity and enhanced service through new and expanded terminals, a new interline gateway and additional main line capacity. Working with the ports, we are creating faster, more reliable service, as well as greater access to growing markets throughout the United States."

According to John Lanigan, BNSF executive vice president and chief marketing officer, "BNSF and the other members of the U.S. West Coast Collaboration are committed to



helping shippers get more from their supply chains. At BNSF alone, we have invested \$30 billion to create a rail network that delivers more goods, to more markets faster and with less environmental impact than all-water alternatives."

Richard D. Steinke, executive director of the Port of Long Beach related, "The U.S. West Coast Ports are major players in world trade because of our deep water, vast container

terminals, an unrivaled roadway and rail network, and the neighboring warehousing to complement our ports. These advantages enable us to handle more than \$450 billion in trade a year. We are the best way to move trade between the U.S. and Asia."

Bill Wyatt, executive director of the Port of Portland, talked about the U.S. West Coast Ports' distinct advantage because of its geographic proximity to China, "This makes a compelling case for U.S. West Coast deployments because these deployments require fewer vessels, transit times are faster. The resultant bunker fuel requirement is much lower." Wyatt added, "The typical U.S. East Coast services from North China into Norfolk or New York/New Jersey for example will require nine-11 vessels in a single loop vs. five-seven vessels required for most deployments into U.S. West Coast ports."

Port of Los Angeles Executive Director Dr. Geraldine Knatz emphasized the extensive U.S. West Coast rail network and infrastructure, "Beyond our local markets, the West Coast ports offer 200-250 weekly trains to all major intermodal hubs in the United States. Our terminals are served by both on-dock and near-dock facilities that guarantee cargo shipments leave our docks within eight hours of arrival by ship. Based on a scenario of 8,000 TEUs per acre, our total U.S. West Coast capacity today is almost 41 million TEUs and growing. Transit times are fast she added, "Transit times from China to the U.S. West Coast are 10 to 14 days, with rail from four-six days to the Midwest and East Coast.

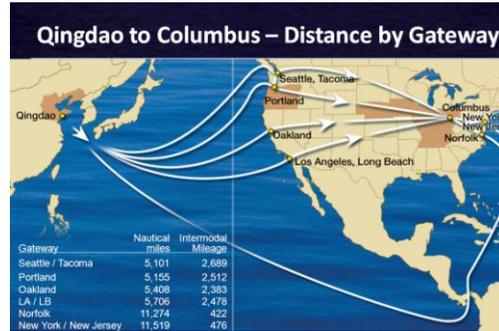
Port of Seattle CEO Tay Yoshitani concluded, "The ports and rails are working jointly on behalf of common goals to obtain greater resources for port and rail infrastructure as well as recognition as the most effective trade gateway into North America. Simply stated, the U.S. West Coast ports and the Western railroads connect America to the world with more services, more options and more markets than any other region in the U.S., and we do it with the lowest environmental impact in the business."

The concept behind this collaboration began earlier this year when the top leadership of these ports met to discuss ways to take advantage of their combined resources, experience and proximity to Asia. They also recognized that the participation of the two largest U.S. railroads, Union Pacific and BNSF, was absolutely critical given the interdependency between port and rail to connect American markets with global markets.

Members of the Collaboration traveled to Washington, D.C., this past summer, to carry the message to the federal level – a national goods movement plan is essential for

sustaining America's role in global trade; and that more federal resources are necessary to maximize the advantages of moving goods from Asia through the U.S. West Coast.

Meetings with top leadership among the ports and rails followed soon thereafter and a strong commitment was made to develop a new collaborative effort that would achieve the following objectives: Identify and communicate the strengths and advantages of shipping through the U.S. West Coast with ocean carriers and cargo owners; Clarify and correct misinformation and/or misperceptions about the U.S. West Coast ports and the Western railroads; Create one strong voice in Washington, D.C., advocating for investment in U.S. West Coast gateway intermodal infrastructure and promoting a strong National Goods Movement Strategy.



The Collaboration presentation at the Summit in China is part of the effort to communicate globally the trade advantages of the West Coast ports. Although there is currently a downturn in maritime trade, future growth looks promising as officials talked about the growth in population in the U.S. and the anticipated American consumer demand for imports over the next two decades.

Together Collaboration speakers highlighted the benefits of their combined gateway relative to: Service: 30+ ocean carriers, two Class I rail networks, supported by trucking and logistics services and warehousing facilities, 31 container terminals with 225 cranes and more than 2000 hectares of capacity; Network: 100+ weekly vessel calls with direct connections to 80 ports in 36 countries and links to multiple North American road and rail routes; Cost Efficiency: Closest U.S. ports to Asia, lower fuel consumption, larger economies of scale; Reliability: Multiple ports/routing options, ample labor force, proven track record; Responsibility: Lowest carbon emissions to U.S. markets, pro-active environmental programs.

The U.S. West Coast ports are the largest trade gateway between Asia and the US. The U.S. West Coast handles approximately 70 percent of all containerized trade between Asia and the U.S.

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