



## News Release

### **Commission to Consider \$9 million in Incentives Vessel, terminal operators would get boost**

January 29, 2010

The Long Beach Board of Harbor Commissioners on Monday, February 1 will consider adding nearly \$9 million in incentives to further boost participation in the Green Flag air quality program and increase the use of trains to move import and export cargo containers.



"These incentives are designed to assist our ocean carriers and terminal operators financially, as well as increase their involvement in two important Port programs," said Alex H. Cherin, the Port's Managing Director of Trade Relations and Port Operations.

The proposed Green Flag incentive would add \$3 million to the program to encourage more vessel operators to slow their ships within 40 nautical miles of the Port. Green Flag offers discounted dockage rates for vessel operators who slow their ships within 20 miles or 40 miles of the Port.

More than 95 percent of ships slow down in the 20-mile zone, but only about 70 percent slow down in the 40-mile zone. The incentives are expected to boost the 40-mile participation rates for additional air quality benefits. In 2009, the Green Flag Program helped reduce about 2,000 tons of pollution; the expanded incentives could reduce an additional 300 tons.

The other proposal is designed to attract more rail-borne cargo through the Port of Long Beach. Currently, terminal operators are eligible for a 10 percent discount on wharfage fees for containers that are bound to or originate from inland destinations. The program is designed to attract more import cargo destined for markets outside Southern California through Long Beach. The program is set to expire on April 30, 2010. The proposal would extend the deadline to December 31, 2010, adding about \$5.8 million in discounted fees. The program would help the Port's customers stay competitive during the current economic downturn.

Already, the Green Flag Program provides more than \$2 million a year in incentives, and the first year of the rail incentive is expected to provide \$8.8 million in incentives.

In a related proposal, Port staff also is recommending the elimination of potential double wharfage fees for export containers that are transported between terminals.

Currently, a container that arrives by train at one terminal, but must be moved to another to be loaded onto a ship may be charged fees at each terminal. The new proposal, modeled after a similar measure already adopted in Long Beach for imported cargo, would eliminate such double charges and would apply to containers headed to the neighboring Port of Los Angeles as well. The move is expected to increase the use of on-dock rail at the Port of Long Beach, decreasing truck trips and related air pollution.

The Port of Long Beach Board of Harbor Commissioners will meet Monday, February 1 at 12:50 p.m. in the 6th floor of the Administration Building, 925 Harbor Plaza, Long Beach, CA 90802. For a copy of the agenda click [here](#).

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