

Ports 101

How the Port Operates and It's Relationship to the Regional, National, and International Economy

presented by

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Ports 101-Topics for Today

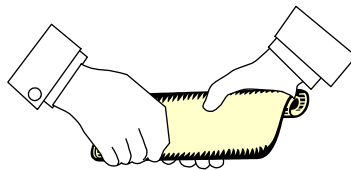
- Where is the Port?
- Public policies related to the Port
- Port organization and operation
- Imports/Exports and Economic Impacts
- Port Planning and environmental policy issues
- Future challenges and balancing competing needs



SAN PEDRO BAY PORTS



TIDELANDS TRUST



- GRANT FROM STATE
- MANAGE FOR PEOPLE OF CALIFORNIA
- RESTRICTED USES



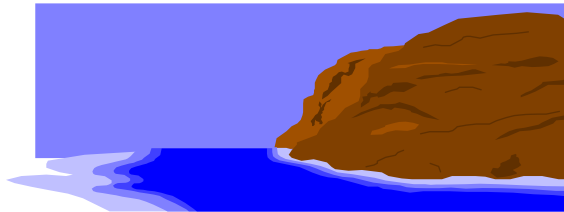
Relationship with State Government

- Port follows provisions of tidelands law:
- State tidelands granted to city.
- Earns money only from commerce, navigation, marine fisheries and marine recreation.
- Spends money only on the same.



CALIFORNIA COASTAL ACT

- GOVERNS COASTAL ZONE
- SPECIAL CHAPTER ON PORTS



Relationship with City Government

- Commissioners set policy.
- Executive Director administers.
- Harbor Commissioners appointed by mayor; confirmed by City Council.
- Council approval required only for bonded indebtedness; annual budget.
- Receive no tax revenue.
- Reimburse city for services.



How We Stay Involved

- Hire State and Federal Legislative Advocates
- Educate Federal, State, and Local legislators and regulators
- Participate in professional and trade associations.
- Participate in National and State port associations.



Leading Import Commodities

by weight

by \$ value

- Petroleum
- Furniture
- Cement / Gypsum
- Machinery
- Electrical Machinery
- Machinery
- Electrical Machinery
- Vehicles
- Furniture and Bedding
- Toys/Sporting Goods



Leading Export Commodities

by weight

by \$ value

- Petroleum Coke
- Waste Paper
- Plastic
- Iron / Steel
- Cotton
- Machinery
- Plastic
- Vehicles
- Electrical Machinery
- Cotton



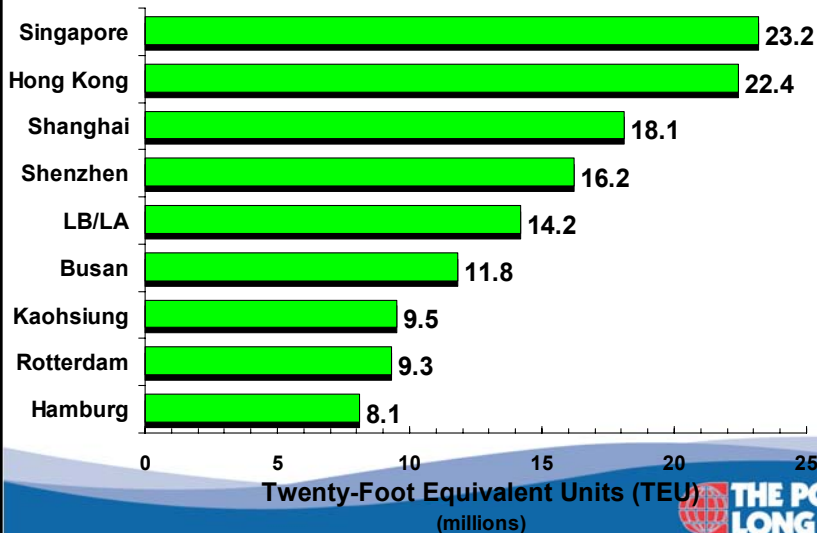
Leading Trading Partners

- China
- Japan
- South Korea
- Taiwan
- Malaysia



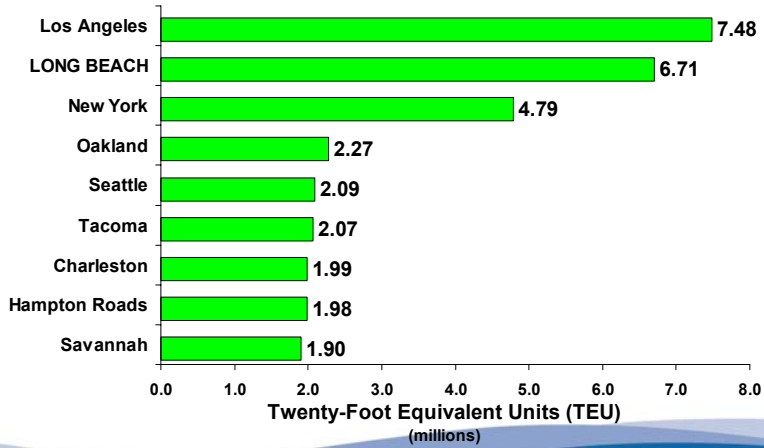
Top World Container Ports

Calendar Year 2005



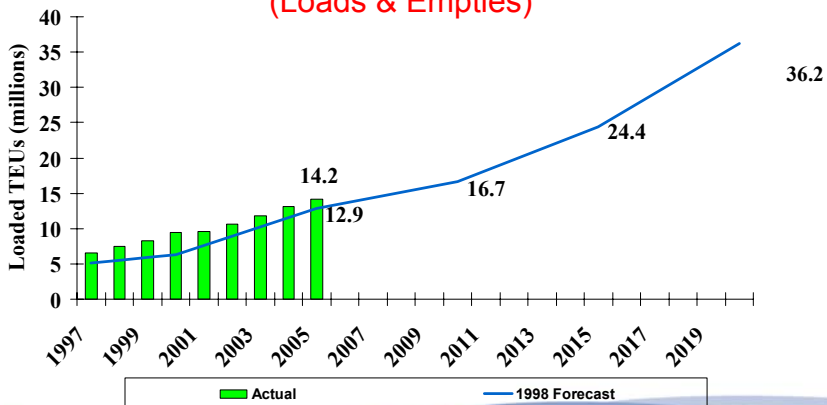
Top U.S. Container Ports

Calendar Year 2005



SAN PEDRO BAY

CARGO FORECASTS
ACTUAL vs. FORECASTED TEUs
(Loads & Empties)



Economic Benefits

- Value of foreign trade ~ \$250 Billion
- Approximately ~\$7 Billion in U.S. Customs Revenue for San Pedro Bay
- More than >\$100 Billion in business sales revenue
- Approximately ~\$12 Billion in federal, state, and local tax revenue



Growth = Economic Prosperity

- >40% of U.S. Trade
- Port trade generates 30,000 Long Beach jobs.
- >800,000 regional jobs (five Counties)
- ~3M jobs nationally



Why We Have Grown

- Location, Location, Location:
Temperate climate year-round.
- Gateway to Pacific manufacturing centers.
- Demographics:>17 million
consumers/producers in LA region
- Infrastructure:\$1 billion-plus in 4 years



Other Reasons for Our Success

- We are run like a business.
- Strong leasing policy.
- Prudent fiscal policies.
- Appropriate return on investments.
- Focus on cargo-handling.
- Proactive development attitude.
- Responsible environmental policies



Evolution of Vessel Capacity

Generation	Capacity (TEU)	Length (m)	Beam (m)	Draft (m)
1. (1968)	750	180	25	9.00
2. (1972)	1,500	225	29	11.50
3. (1980)	3,000	275	32	12.50
4. (1987)	4,500	275	39	11.00
5. (1998)	7,900	347	43	14.50
6. (2001+) Future Suezmax	11,000	360	55	14.5



The Impact of Larger Ships

- >8000 teu containers per ship.
- Require deeper water; more CY storage



The Impact of Intermodalism



The Challenge: Escalating Trade



PORT PLANNING

- Port Objectives
- Cargo Forecasts
- Existing Facilities
- Needed Facilities
- Development Strategies
- Environmental issues

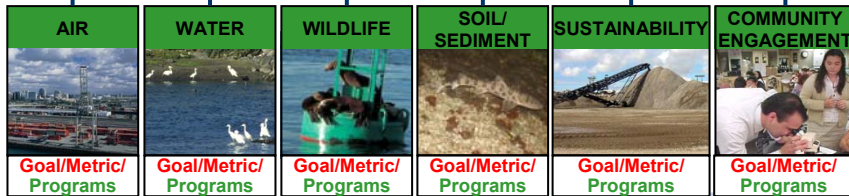


Responsible Environmental Policies

- POLB demonstrates leadership, innovation, and commitment to environment and quality of life
- Goal – continued improvement of air quality, water quality and wildlife habitat in Long Beach and surrounding communities
- We don't have to sacrifice air quality, water quality, wildlife or our quality of life to enjoy the economic benefits of port activity.

Environmental Policies

- Protect the community from harmful side effects of Port operations
- Distinguish Port as leader in environmental stewardship and compliance
- Promote sustainability
- Employ best available technology to minimize environmental impacts
- Engage and educate the community



Planning for Growth

- Terminal Optimization Plan (TOP)
- Better utilization of assets
- Extended gate hours
- Technology in the workplace
- Increase efficiency in terminals
- Highway and Rail transportation improvements

Long Range Land Use Planning



Meeting Future Needs

- >\$2.5 billion committed to capital projects (total both Ports)
- Most terminals 300-plus acres.
- Water depths to 50 feet.



Issues to Balance

- Trustee Obligations
- Growth Demand
- Development
- Environmental Impacts
- Infrastructure Costs

