

The State of the Port

AAPA Management Seminar
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Port Challenges

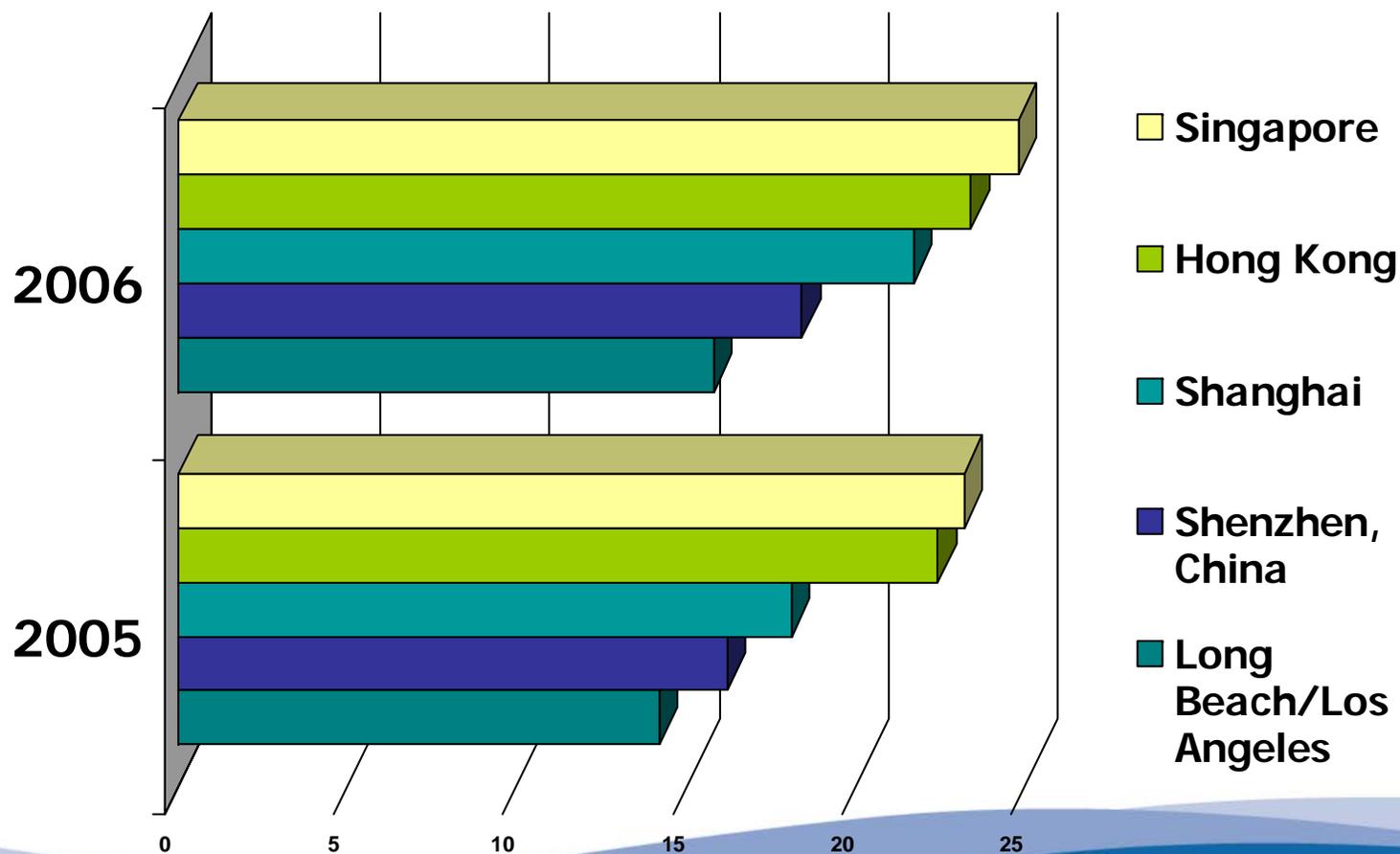
Economic Leadership

- Trade demands
- Infrastructure improvements

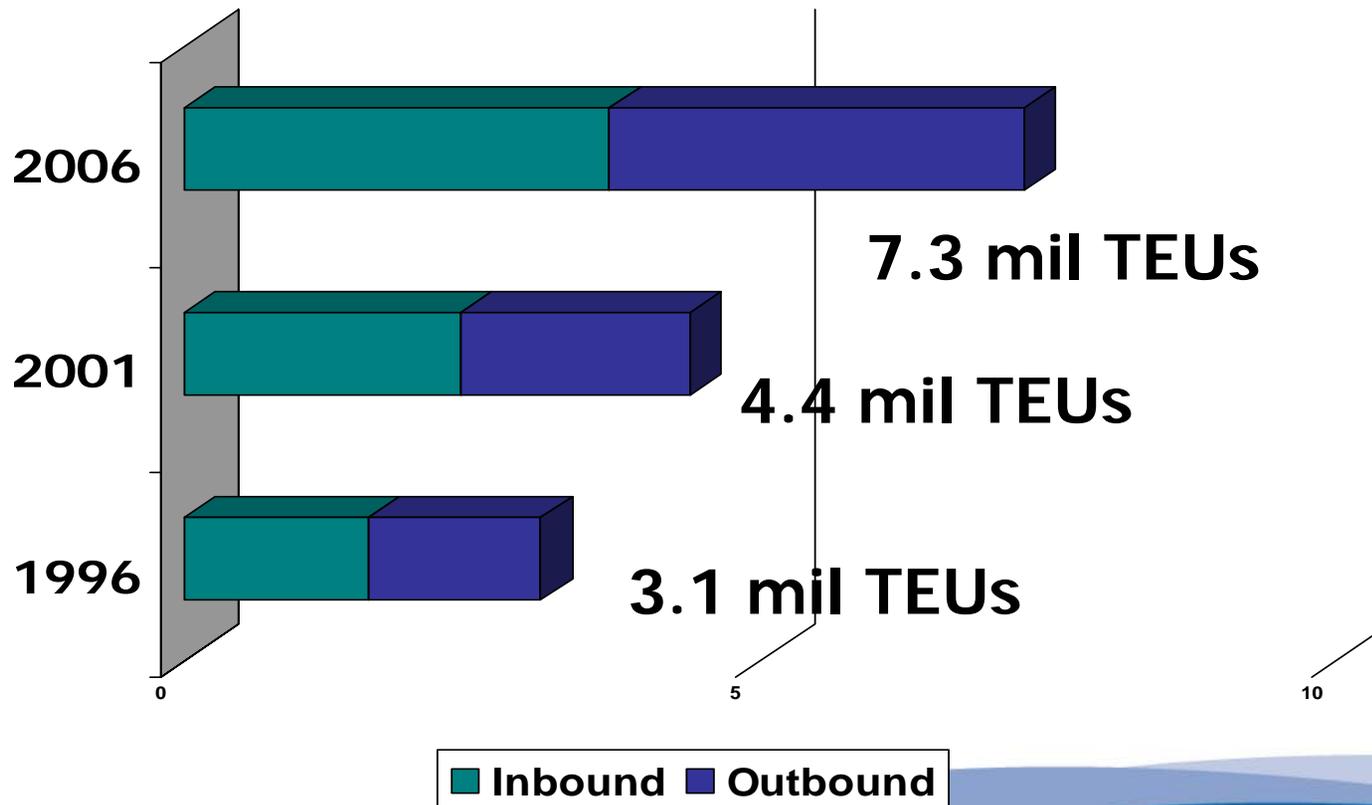
Environmental stewardship

- Clean Air
- Truck fleet modernization

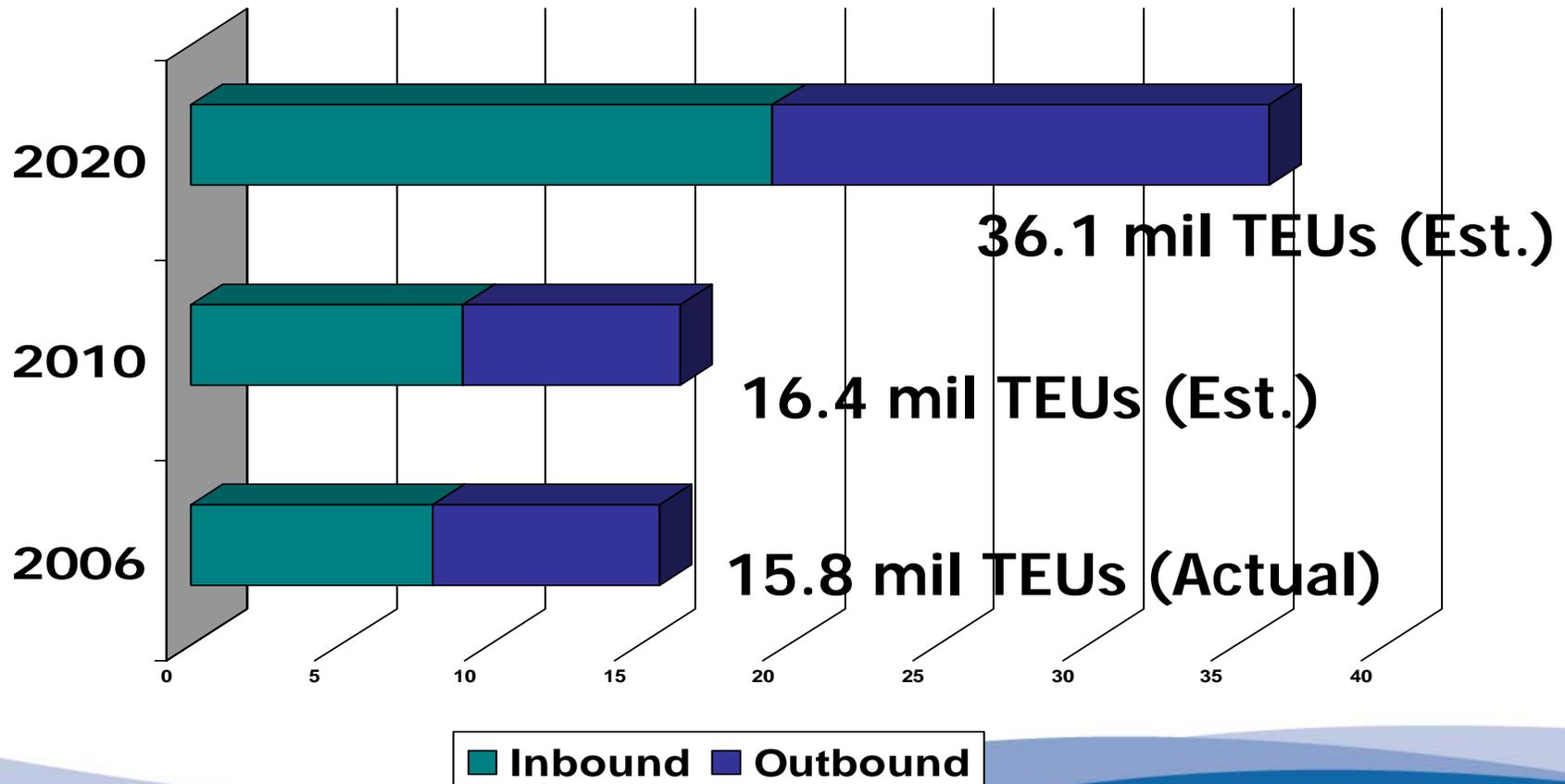
World's Top Container Ports



Port of Long Beach Trade Growth



POLB/POLA Forecast



Our Port Competitors

U.S. West Coast

- Los Angeles, Seattle, Tacoma, Oakland

Canada

- Vancouver, Prince Rupert

Mexico

- Ensenada, Manzanillo, Punta Colonet, Lazaro Cardenas

Panama Canal

- All water to U.S. East and Gulf Coasts ports

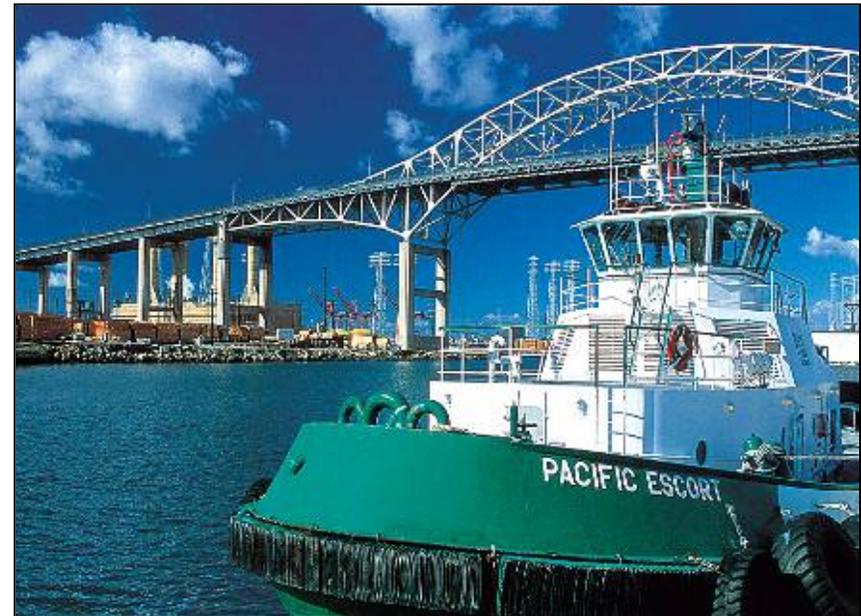
Port's Economic Impact

- \$100 billion a year in cargo
- \$47 billion a year in business sales
- \$14.5 billion in wages
- 30,000 local jobs
- 316,000 regional jobs



Infrastructure Needs

- Gerald Desmond Bridge replacement (\$800 million)
- Upgrade for the I-710 Freeway (\$5.5 billion)



Terminal Improvements

- International Transportation Service Pier G (\$600 million)
- Proposed Pier S Container Terminal (\$440 million)
- Proposed Middle Harbor Container Terminal Consolidation (\$550 million)



Infrastructure Funding

Port lease revenues

- No tax revenues

Proposition 1B (\$20 billion total statewide)

- \$2 billion for port infrastructure
- \$1 billion for port-related environmental projects
- \$100 million for port security projects

Who else pays?

Container fees?

Our Biggest Challenge:

**Minimizing the environmental impacts of
port operations**

Environmental Impacts

- Air Quality
- Water Quality
- Marine Habitats
- Public Health



Green Port Policy

- Adopted January 2005
- Protect community from harmful impacts of port operations
- Use best technology
- Promote sustainability
- Environmental leadership
- Engage the community



Green Port Projects

- Yard Tractor Retrofit
- Clean Diesel Locomotives
- Testing Hybrid Yard Tractors



Green Flag Ship Incentives

- Slower ship speeds cut air pollution
- Reduce NOx by as much as 550 tons a year
- 82% compliance in 2006
- \$2.2 million in dockage discounts



Green Leases

- Reduce air pollution by 90%
- Shore-side electricity; clean yard equipment
- International Transportation Service/"K" Line
- SSA/Matson



Clean Air Action Plan

- Reduce San Pedro Bay pollution by 45% in five years
- Shore-side electricity
- Clean vehicles, vessels and equipment
- Alternative technology



CAAP Clean Trucks

- Truck fleet modernization
- Replace or retrofitted 16,000 dirty diesel trucks within five years
- Concessionaire trucking companies
- Truck replacement grants/loans



Thank You