The Challenge of Surging Trade Volumes

Richard D. Steinke
Port Executive Director
June 24, 1911 -- Municipal Pier 1 dedicated officially opening Port of Long Beach
Key economic engine

2nd busiest U.S. container cargo seaport; part of the world’s 6th busiest port complex
$140 billion in yearly trade

Consumer goods imported from Asia; U.S. raw materials and agricultural products exported
Port activities support 1.5 million goods movement jobs nationally.
About 85% of all trade is with Asia, and about half of that is with China.
U.S.-Asia trade routes

1. Pacific Northwest (Prince Rupert, Vancouver, Seattle, Tacoma)
2. Port of LONG BEACH (San Pedro Bay)
3. Mexico (Lazaro Cardenas)
4. All Water (Gulf and East Coast)
Our advantage

Weekly vessel calls from East Asia to U.S. West Coast
(1 line = 2 calls)

Providing the best facilities, more ships, more trains

www.polb.com/100years
Best rail connections

BNSF and UP Intermodal traffic density map

Source: Company Websites, Norbridge Industry Knowledge
Sudden swings

Yearly Total TEUs

2001 2007 2009 2010

2010 totals up 23.6%
Imports up 23.4%
Exports up 15.6%
Getting ready

Projected trade growth and competition will require more productive port facilities
Investing in the future

Port is fiscally strong, ready to invest $4 billion in infrastructure over the next decade
Middle Harbor

$1 billion project to upgrade two older terminals, doubling capacity, cutting pollution in half
Pier G redevelopment

$800 million upgrade to improve efficiency, expand rail yard, improve air quality
$950 million project to replace aged bridge, improve traffic flow, safety and ship access
$700 million in projects to expand rail yard, realign tracks to support increased on-dock rail operations
Pier S terminal project

$650 million redevelopment of former oil field would create 160-acre container terminal
At the same time...

Green Port Policy implemented to reduce negative environmental impacts.
Clean Trucks Program

Program has reduced truck pollution 80% -- two years ahead of schedule
Shore power

By 2014, all container terminals will have plug-ins for shore-based electricity
Port-wide plug-in

- By 2014, 50% of container ships will plug in to shore power
- By 2020, 80% of container ships will plug in to shore power
In conclusion

Ports must make major infrastructure and environmental investments to be ready for project trade growth