Harbor Container Terminal Project

Dec. 6, Los Angeles Harbor Commissioners approved the Berth 136-147 TraPac container terminal expansion project - first major capital improvement project in the San Pedro Bay Port in seven years. The TraPac container terminal project is also the first major project in the nation's leading seaport complex to apply groundbreaking emissions mitigation measures outlined in the San Pedro Bay Ports Clean Air Action Plan (CAAP) which was approved a year ago by Los Angeles and Long Beach port commissioners.

"Today we move from talking about how we're going to "grow green" at the Port of Los Angeles to actually doing it out on the terminals," said S. David Freeman, president of the Los Angeles Harbor Commission. "This project sets the new industry standard for responsible and environmentally sustainable cargo terminal expansion."

Port of Los Angeles Executive Director Geraldine Knatz, Ph.D., added: "Our main goal for 2007 was to bring a major construction project to our Board with an environmental document that everyone could feel good about, and

we've done it. For the first time ever, we've addressed the health risks associated with a terminal expansion project and we've found ways to significantly reduce pollutants – all while addressing increased trade, adding a rail yard and creating hundreds of jobs at TraPac."

The TraPac Terminal expansion, between Berths 136 and 147 on the northwest perimeter of the Port, will allow TraPac to expand cargo handling in an efficient manner from 900,000 TEUs (baseline year 2003) to 2.4 million TEUs by 2025. At the same time, particulate matter of less than 2.5 microns will be reduced by 75 percent and nitrogen oxides (NOx) will drop by 55 percent below baseline levels as a result of mitigation measures applied during project operations. By 2015, total project emissions of volatile organic compounds (VOC), nitrogen oxides (NOx), sulphur oxides (SOx), and particulate matter (PM10 and PM2.5) will be reduced approximately 50 percent. The health risks associated with the modernized terminal operations will be well below regulatory standards of significance and will reduce the estimated cancer risk associated with terminal operations to below baseline levels in large parts of Wilmington and San Pedro.

A variety of environmental mitigation measures are included in the project: requirements of vessel speed reductions when ships are transiting

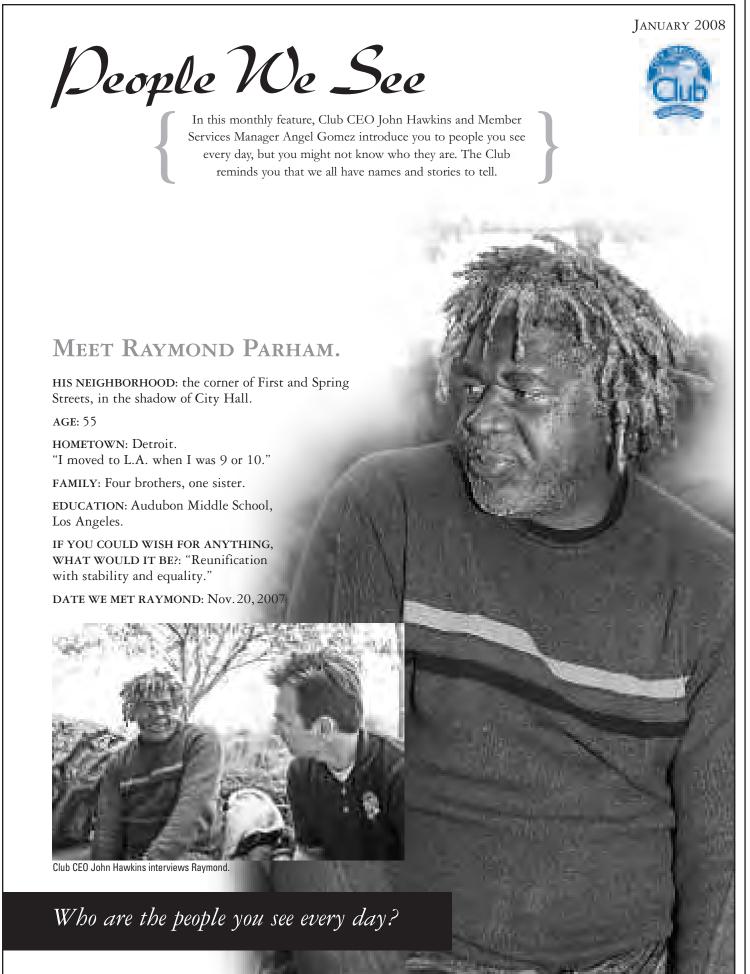
within the South Coast Air Basin; use of lower-sulfur fuel in ships; plugging ships into shore-side electric power while at berth (AMP or Alternative Maritime Power); use of clean container handling terminal equipment; construction of a new on-dock rail facility; trafficrelieving surface road and terminal entry improvements; clean trucks meeting EPA 2007 standards; and energy-efficient "Gold" LEED standard terminal offices.

Benefits to the local com-

munity incorporated in the project include an open, 30-acre buffer area between the TraPac container terminal and the Wilmington community, 300 new terminal jobs and a total net employment of as many as 5,433 regional jobs annually connected directly or indirectly to termi-

nal operations at build out, and 2,800 construction jobs at peak construction. The Berth 136-147 container terminal operation will generate approximately \$1.5 billion to \$1.8 billion in revenues. Annual tax revenues associated with construction jobs for the peak year of build-out activity could be as much as \$24.1 million in federal taxes, \$5.6 million in state taxes and \$2.4 million in local taxes.





Newsbrief

HARBOR JOB GENERATION

As many as 918,800 jobs - or one out of every eight jobs in the five-county Southern California region - are related to the Port of Los Angeles, according to a study focused on the local and regional economic impacts of the nation's number one container port. The study, conducted earlier this year by Lancaster, Pa.-based Martin Associates, shows that the number of jobs connected to the Port of Los Angeles have more than tripled since a 1996 study estimated that 259,100 regional jobs were connected to the Port of Los Angeles. The threefold rise in jobs has largely paralleled the rise in goods movement since 1996, when the port handled 2.7 million TEUs (20-foot equivalent units) and was estimated to facilitate 1 out of every 24 jobs in the region.

"This study shows the magnitude of jobs and economic value connected to our operations," said Port of Los Angeles Executive Director Geraldine Knatz, Ph.D. "It's a strong reminder of the vital roles port operations and the goods movement industries play in our Southern California economy, and it's impetus for the green-growth strategy that we are forging in order to reduce port emissions and continue to develop our operations to create more regional jobs in the decades ahead."

Based on 2006 figures, the study calculated 130,869 port-related "industry jobs" spread across each of the following operational categories: marine cargo activity (121,600 jobs), cruise (2,512 jobs), fishing (1,404 jobs), marinas (1,581 jobs), and other Port tenants including Ports O' Call (3,772 jobs). Among the "industry jobs" cited in the study, 47,105 are direct jobs in port operations and an estimated 83,764 are indirect or induced jobs that are created by the spending of firms and individuals directly employed by Port related operations. For example, an industry job may be a longshoreman at the World Cruise Terminal, and indirect jobs may be a bus operator who shuttles cruise passengers from the airports to the World Cruise Terminal, or the mechanic that maintains the bus, which receives a portion of its business from cruise operations.

While "industry jobs" are tied to Port operations, according to the study Port related economic activity also generates an estimated 787,979 "port user" jobs regionally, which are jobs related to the economic activity associated with the value of the trade that is tied to cargo shipped through the Port of Los Angeles. These jobs are associated with the production of goods for export and those involved in the finishing, wholesaling, and retailing of imported goods.