

Small ports also benefit as global trade swells

In addition to giants L.A. and Long Beach, niche harbors in the state see business boom.

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A rising tide lifts all ports: The continuing global trade boom, which has produced record cargo traffic this year in Los Angeles and Long Beach, has spread to smaller harbors across California.

The upturn in business stretches from San Diego, which has seen freight volume rise 28% in the last fiscal year; to Port Hueneme in Ventura County, which has prospered by specializing in fresh fruit, new autos and other profitable niche categories; and to San Francisco and Sacramento, which have reorganized their port operations to accommodate changing customer demands.

For many of the ports, the key has been to present themselves as alternatives to Los Angeles and Long Beach, the bulk of whose business is in moving the massive cargo containers that carry tools, toys, electronics and all manner of relatively small goods across the Pacific.

"It's been another banner year for us," said Port Hueneme Harbor Commissioner Ray Fosse, whose facility moved 1.3 million metric tons of goods during the fiscal year that ended in June, or 9% more than the previous record volume in fiscal 2005. This year, it is again on a record pace.

"With the major ports going with containers as much as they can, customers are looking for a place where they won't get chased out and where they become very big fish in a much smaller pond," Fosse said. "And with the expanding economy there is just more and more demand out there for ports access."



Del Monte's 86,000 Sq. Ft. refrigerated facility handles fresh produce from Latin America.

L.A. and Long Beach, which together constitute the nation's largest port complex, have continued to lead the way this year.

Through November, the Port of Los Angeles handled nearly 7.8 million containers, eclipsing the record of 7.5 million set in 2005 with another month still to go and extending its streak to 12 straight years of cargo gains. No. 2 Long Beach moved 6.72 million containers by the end of November, already beating the 2005 record of 6.71 million.

The Marine Exchange of Southern California, which tracks vessel movements at the L.A.-Long Beach complex, said a record number of ships would be calling at the ports this year.

Don Snyder, the Port of Long Beach's director of trade relations, said the numbers were also driven by a newer class of vessels capable of carrying 8,000 or more containers, compared with the 5,000 to 6,000 carried by older ships.

"We will continue to attract them as long as we can handle them without a significant amount of congestion," Snyder said of the larger ships.

The expansion continued far beyond Southern California, spreading business to smaller harbors.

San Diego and Port Hueneme are enjoying record cargo booms in so-called break bulk — cargo that doesn't fit into a container.

In San Diego, which has tapped business that used to enter and leave the U.S. through Los Angeles and Long Beach, the cargo includes fresh bananas, pineapples and melons and construction materials such as cement and lumber.

But it's the number of autos entering the country through San Diego that has increased most dramatically, to 500,000 this year from 30,000 in 1990.

Total cargo has increased by 95% since 2003, said Ron Popham, senior director of the port's maritime division.

"We believe it will continue in 2007," he said of the growing volume, "and we are predicting 4 million metric tons next year."

Oakland is running more than 6% ahead of 2005's record of 2.3 million containers and is set to become the third-largest transcontinental gateway for goods moving throughout the U.S., behind Los Angeles-Long Beach and Tacoma-Seattle.

The port continues to dredge its ship channels to 50 feet, deep enough to accept fully loaded 8,000-container vessels, and it has acquired the old Oakland Navy base for use as a rail facility. That is considered a crucial step as the port takes on more customers seeking to ship goods beyond the Bay Area.

"That will allow Northern California to become an integral gateway to the rest of the U.S.," said Wilson Lacey, maritime director for the Port of Oakland. And what Los Angeles and Long Beach have done in terms of spreading business to neighboring ports, Oakland is also doing.

San Francisco, which long ago lost its ranking as the West Coast's busiest port, has rebounded by concentrating on products such as steel in the form of rebar and coils for building, road and bridge construction. San Francisco's cargo business has grown to 260,000 metric tons this year from 98,000 in 2003.

The port is building an on-dock rail link to reduce truck traffic and speed deliveries.

"It turned out to be a very good move for us," said Jill Simpson-Rodby, maritime marketing manager for the

Port of San Francisco. "Now we think we are one of the best break-bulk ports on the West Coast."

The biggest port comeback story is Sacramento, which was on the verge of filing for bankruptcy protection 18 months ago.

Sacramento has shifted from being a so-called operating port, which hired its own workers to run the facility, to a landlord port that negotiates leases for customers that use their own employees. The port hired a respected terminal operator, SSA Marine Inc. of Seattle, to run its facilities, and it drew businesses that were having difficulty finding space at other ports.

It has landed two new tenants, Mexican cement giant Cemex and A&A Ready Mixed Concrete Inc. of Newport Beach, which have contracts to move a total of 2.8 million metric tons of concrete. That will virtually assure that the port will move more cargo this year than it has since 1990, its biggest year at 1.4 million metric tons.

"It's a huge deal for us. Before, we were still climbing out of the red ink," port manager Mike Luken said. "This will help put us back into the black."

Experts predict continuing gains at West Coast ports.

"The start of 2007 will show slow monthly growth compared with the same months of 2006," business research firm Global Insight reported in its monthly analysis of U.S. port performance, "although still at record levels for the region."



Nearly 300,000 automobiles (lead by BMW) transited the Port of Hueneme in FY 2005-06