



October 2, 2009

City of Long Beach  
Civic Center Plaza  
333 West Ocean Blvd, 14<sup>th</sup> Floor  
Long Beach, CA 90802

Dear Mayor Foster and Members of the City Council:

On behalf of the National Retail Federation (NRF), we would like to express our concern and opposition to efforts by the Long Beach City Council to require the Port of Long Beach to increase its payments to the city's Tidelands Operating fund.

By way of background, NRF is the world's largest retail trade association, with membership that comprises all retail formats and channels of distribution including department, specialty, discount, catalog, Internet, independent stores, chain restaurants, drug stores and grocery stores as well as the industry's key trading partners of retail goods and services. NRF represents an industry with more than 1.6 million U.S. retail establishments, more than 24 million employees - about one in five American workers - and 2008 sales of \$4.6 trillion. As the industry umbrella group, NRF also represents more than 100 state, national and international retail associations

We believe that increasing the Port's contribution to the Tidelands Operating fund would significantly impact the Port's ability to make needed infrastructure investments to facilitate the movement of current freight as well as attract new cargo. In order to remain competitive with other North American ports, including those in Canada and Mexico, the Port of Long Beach needs to make upgrades to its infrastructure to meet current and future needs. Increasing the Port's contribution to the city will only hamper their ability to make the needed investments, such as repair of the critical Gerald Desmond Bridge.

Without these much needed investments and improvements, retailers and others will look for alternative ports to move their freight. It is important to note that continued investment in the Port of Long Beach will help lead to benefits for both the goods movement industry as well as the city. We encourage you not to increase the payments from the Port of Long Beach

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Gold".

Jonathan Gold  
VP, Supply Chain and Customs  
Policy

Liberty Place  
325 7th Street NW, Suite 1100  
Washington, DC 20004  
800.NRF.HOW2 (800.673.4692)  
202.783.7971 fax 202.737.2849  
www.nrf.com



October 1, 2009

City of Long Beach  
Civic Center Plaza  
333 West Ocean Blvd, 14<sup>th</sup> Floor  
Long Beach, CA 90802

Dear Mayor Foster and City Council:

On behalf of the Waterfront Coalition, I would like to express concern for an effort to require the Port of Long Beach to increase its payments to the City. We fear that this may set a dangerous precedent that could diminish the ability for the Port to make needed infrastructure investments to facilitate the movement of current freight as well as attract new cargo.

The Waterfront Coalition represents shippers, including manufacturers, retailers, product suppliers and agricultural producers as well as transportation providers moving cargo through Long Beach marine terminals. Our members move a significant amount of freight through the region that helps promote economic development and sustain employment at good wages.

For shippers, speed to market is an essential component in its supply chain. Choosing a destination port dedicated to freight mobility is an important part of a healthy supply chain. Many of our members move discretionary cargo - that is, cargo not bound for the Southern California region. Shippers typically choose a destination port that promotes the swift movement of cargo. Many North American gateway ports, even those in Canada and Mexico, are making large infrastructure investments that promote the free movement of freight moving by truck and rail. The Port of Long Beach is not immune from this competitive pressure to improve freight mobility.

We fear that efforts to raid revenue generated by the Port of Long Beach may greatly reduce the financial wherewithal for the Port to make infrastructure improvements to facilitate current cargo and attract future cargo to remain competitive with other gateway ports. We hope that you recognize the enormous benefit of the goods movement industry in the region needed to sustain healthy businesses offering good jobs. For these reasons, we urge you to not require the Port to increase its payment to the City.

Sincerely,

Robin Lanier  
Executive Director

CC: Long Beach City Attorney

# AgTC Agriculture Transportation Coalition

1120 G Street, N.W. Suite 1020 Washington, D.C. 20005  
Tel: 202-783-3333 Fax: 202-783-4422 www.AgTrans.org Info@AgTrans.org

## AgTC Board of Advisors

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J.R. Simplot Co.

September 21, 2009

City of Long Beach  
Civic Center Plaza  
333 West Ocean Blvd, 14<sup>th</sup> Floor  
Long Beach, CA 90802

Dear Mayor Foster and City Council,

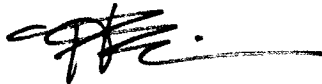
It has come to our attention that your agenda tomorrow will include consideration of a requirement that the Port of Long Beach increase the payments it makes to the City. On behalf of the agriculture exporters and importers who depend upon the most competitive and cost effective ports, we wish to express our concern.

The Port of Long Beach, as other ports, must continuously improve its infrastructure in order to increase efficiency. Failure to keep up with the efficiency enhancements at other U.S. ports will cause agriculture exporters and importers to divert to those other ports. The cost of fuel, rail freight rates and the widening of the Panama Canal are creating incentives to use ports other than those in Southern California to access major U.S. population centers.

Even on the West Coast, other ports, including Canadian ports, provide competitive gateways for agriculture. Even agriculture based in the Central Valley of California is finding its way to Houston for export. This demonstrates that the Port of Long Beach cannot assume that even California agriculture will transit its docks. Our preference is that the closest ports – the Ports of Long Beach, LA and Oakland – be highly competitive. We are concerned that diversion of funds away from capital improvements and operations will undermine the Port's ability to serve agriculture cargos.

We ask you not to increase the Port payments to the City at this time.

Sincerely,



Peter Friedmann  
Executive Director  
Agriculture Transportation Coalition



*Serving the international trade community since 1919*

September 21, 2009

The Honorable Robert Garcia  
Long Beach City Council  
333 West Ocean Blvd., 14<sup>th</sup> Floor  
Long Beach, CA 90802

Dear Councilmember Garcia

The Foreign Trade Association wishes to go on record that it opposes the Long Beach City Council Agenda Item 27.09-1018 to divert critically needed operating funds. The FTA is the oldest non-profit trade association in Southern California, established in 1919, to facilitate trade and commerce in Southern California by creating jobs in international trade and growing the economy in the area.

FTA members are concerned that the diversion of funds will affect the ability of the Port to meet its obligations to support current and future environmental, security and transportation projects.

Reducing operating funds will reduce the Port's ability to prepare adequately for the future, thus negatively impacting the healthy and sustainable growth of the Port. Increasing or making changes to the tidelands transfer will diminish the Port's ability to invest in environmental, security and transportation programs. The Port has made major strides to improve the environment through the Green Port Policy and the Clean Air Action Plan. Taking additional tidelands funds away from the Port's operating revenue will impede the Port's ability to fund these programs and accomplish its environmental and security program goals.

In the past, the state has looked at having tideland trust ports like Long Beach, transfer funds directly to the state. As a state asset, the City of Long Beach has greatly benefited from investments made to the City (tidelands transfer, sponsorships, debt relief). The state is also experiencing tough financial times and an action to increase and or significantly change the transfer would send the message to Sacramento that they should look to receive a similar transfer from the Port. If that were to happen, the state would receive the transfer and the City of Long Beach would no longer receive any funds from the Port.

We urge the Long Beach City Council not to make any changes to the tidelands transfer from the Port of Long Beach as this would send the wrong message to the international trade community at a time when the State and local cities are already considered not business friendly.

Sincerely,

A handwritten signature in black ink, appearing to read "Caroline Brown", written in a cursive style.

Caroline Brown  
President

P.O. Box: 4250, Sunland, CA 91041

Phone: (818) 352-6753 • Fax: (818) 353-5976 • [www.ftasc.org](http://www.ftasc.org) • e-mail: [info@ftasc.org](mailto:info@ftasc.org)



## PACIFIC HARBOR LINE

Andrew C. Fox  
President

October 5, 2009

City of Long Beach  
Civic Center Plaza  
333 West Ocean Blvd, 14th Floor  
Long Beach, CA 90802

Dear Mayor Foster and City Council:

On behalf of Pacific Harbor Line, Inc., I would like to express concern about the effort to require the Port of Long Beach to increase its payments to the City. We are concerned about this precedent that could diminish the ability for the Port to make needed infrastructure investments to facilitate the reduction of emissions, the movement of current freight as well as attract new cargo.

PHL is the local rail carrier that serves the Ports of Long Beach and Los Angeles. We recently invested \$30 million for new low emission locomotives. The Port of Long Beach helped to share in the cost of this project to the extent of \$5 million. Had the port been starved for cash two years ago and unable to partner with us, we could not have undertaken this worthy project. This plan to divert funds jeopardizes other worthy projects in the future. Further we made this investment in anticipation that we would grow along with the Port. Diversion of funds sends the wrong signal to our customers and puts into the question the ability of businesses such as ours to truly partner with the Port.

The Port's Clean Air Action Plan, to a large extent, depends on the construction of new facilities and infrastructure to enable the introduction of new emission reducing technology. If the City is serious about reducing emissions and improving the quality of life, the last thing it should be considering is diverting funds from the Port.

I strongly urge you to resist the temptation to raid revenue generated by the Port of Long Beach. To do so will greatly reduce the financial wherewithal for the Port to make infrastructure improvements to reduce emissions, facilitate current cargo and attract future cargo to remain competitive with other gateway ports. We hope that you recognize the enormous benefit of the goods movement industry in the region needed to sustain healthy businesses offering good jobs. For these reasons, we urge you to not require the Port to increase its payment to the City.

Sincerely,

October 6, 2009

City of Long Beach  
Civic Center Plaza  
333 West Ocean Blvd, 14th Floor  
Long Beach, CA 90802

Dear Mayor Foster and City Council,

On behalf of the Harbor Truckers for Sustainable Future (HTFSF), we write to respectfully express our *opposition* to amending the City Charter to increase the annual transfer from the Port of Long Beach Harbor Department Tidelands Operating Fund.

HTFSF is a coalition of Los Angeles and Long Beach intermodal carriers whose purpose is to advocate, educate and promote strategies with other goods movement stakeholders and policy makers that will sustain emission reductions, provide a dialog for intermodal truck efficiency, and to return cargo and jobs to Southern California ports. It is important to HTFSF members that the older marine terminals be modernized to improve the velocity of cargo through the terminal gates to our new port compliant trucks.

Keeping money at the Port for basic maintenance and services is crucial to preserving it as an economic engine for the City. The environmental programs which the Port is partially funding are critical to continue to deal with quality of life issues for Long Beach residents that would be at risk under the proposed transfer.

The City would realize an economic stimulus from moving forward on construction projects that will bring revenue to the city from the jobs created and goods/services related to construction.

Taking money away harms the Port's ability to facilitate international trade and ultimately will hurt the region's bottom line. HTFSF urges you to oppose a City Charter amendment and preserve future revenues and economic development potential.

Sincerely,

*Patty Senecal*, for  
HTFSF, Executive Committee Members



## THE LOS ANGELES CUSTOMS BROKERS & FREIGHT FORWARDERS ASSOCIATION, INC.

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October 2, 2009

Long Beach City Hall Office  
Civic Center Plaza  
333 West Ocean Blvd., 14th Floor  
Long Beach, CA 90802

Dear Mayor Foster and City Council,

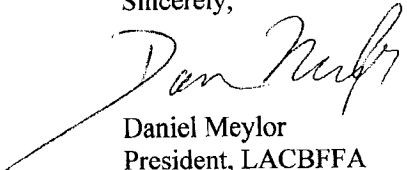
There is a proposal before the city council to assess a higher percentage of the Port of Long Beach's revenue to the Long Beach Tidelands fund. While the maintenance of the tidelands fund is important, this proposal comes at a time that the Port of Long Beach is already facing challenges to remain competitive in the worldwide logistic environment. The amount of cargo being shipped through Long Beach has dropped dramatically during this harsh economic time. The Port is working on recovering the losses as we hope the economy is turning around. Additionally there are concerns with the development of alternative gateways throughout North America and the looming expansion of the Panama Canal for all water transportation to the Gulf and Atlantic ports. These are just some of the challenges the Port of Long Beach faces as it tries to recover from reduced cargo volumes and lost revenue.

Currently, the fees paid by terminal operators and the shipping industry are required to be reinvested in the Port through capital improvements and environmental programs. Transferring money away from the Harbor Department will send the wrong message to industry at this critical time. Competitors are targeting the trade in both the Ports of Long Beach and Los Angeles by claiming our ports as business unfriendly as both Ports had to assess fees to clean up the environment (and which they have been progressing very well). The Ports are in the process of reducing the difficulty of working with them on the fees and the Port of Long Beach is developing its own campaign to bring the business back to Southern California. The City of Long Beach, in particular, should be concerned about its port that has had a loss of market share of container volume in this recession.

Finally, funds used for the current transfer and any increases come from leases, wharfage fees and other fees paid by terminal operators and the shipping industry. These funds have are collected and designed to be reinvested in the port through capital improvements and environmental programs. The Port of Long Beach is operating in an extremely competitive environment and should not be have to deal with further restraints as it tries to continue to be one of the better-managed port facilities in the U.S. that is operating in an extremely competitive environment.

At this time, we urge you not to make any changes in the percentage of assessment of revenue from the Port of Long Beach to the Long Beach Tidelands Fund.

Sincerely,

  
Daniel Meylor  
President, LACBFFA



## HARBOR ASSOCIATION OF INDUSTRY & COMMERCE

P.O. Box 4250 • Sunland, CA 91041

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Website: [www.HarborAssn.com](http://www.HarborAssn.com) • E-Mail: [info@harborassn.com](mailto:info@harborassn.com)

September 21, 2009

The Honorable Val Lerch  
Councilmember, City of Long Beach  
333 West Ocean Blvd., 14<sup>th</sup> Floor  
Long Beach, CA 90802

Dear Councilmember Lerch:

The Harbor Association of Industry & Commerce (HAIC) is a non-profit industrial trade association dedicated to the growth and economic development of the San Pedro Bay area. We provide a collective voice for the harbor business community on important issues pertaining to economic, environmental and public policy. All of our members have a vested interest in the economic performance of our San Pedro Bay harbor area and they all support the need for better air quality in Southern California.

We strongly oppose the proposed City Council amendment to increase the Port of Long Beach tidelands transfer to the City of Long Beach. Increasing the tidelands transfer will severely limit the Port's ability to invest in its current programs. Taking additional tidelands trust funds will impede the Port's ability to fund environmental, transportation and security programs. Increases or changes to the tidelands transfer will send the wrong message to the maritime transportation and international trade community for many reasons.

Funds used for the transfer come from leases, wharfage fees and other fees paid by terminal operators and the shipping industry. These funds are collected and are designated to be reinvested in the port through capital improvements and environmental programs. By taking these funds needed to invest in the ports' infrastructure, the city sends the message to industry that it is not business friendly or committed to making certain that we have a state-of-the art, environmentally-friendly port complex.

If the City Council were to approve an increase in the tidelands transfer, there is no guarantee that the money transferred to the City will be reinvested as intended by the tidelands trust. The transportation industry expects, and rightly so, that the money be invested back into port-related environmental and infrastructure programs. There is also a strong possibility that failure to reinvest will result in the diversion of cargo. Canadian, Mexican and the Pacific Northwest ports are already directly marketing against the Port saying that this is not a business friendly environment because there are too many financial burdens here. Fees like PierPass, ACTA and the Clean Truck program are directly linked to port operations. Industry must perceive improvement to goods movement efficiency as a result of fees. When cargo is diverted, jobs are directly impacted.

We urge the Long Beach City Council not to make any changes to the tidelands transfer from the Port of Long Beach.

Sincerely,

Anthony Misetich  
President

It shall be the mission of the Harbor Association of Industry & Commerce to be a collective VOICE  
and advocate for the harbor business community on the issues pertaining to economic environmental and public policies.



# THE CALIFORNIA RAILROAD INDUSTRY

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October 2, 2009

City of Long Beach  
Civic Center Plaza  
333 West Ocean Blvd, 14th Floor  
Long Beach, CA 90802

Dear Mayor Foster and City Council:

The California Railroad Association joins labor, retailers, agriculture importers/exporters, truckers, ocean carriers and numerous other business interests to express our opposition to efforts that may require the Port of Long Beach (Port) to increase the percentage of tidelands funds to the City of Long Beach's (City) account. Competition for discretionary cargo has increased in recent years and the jobs associated with this cargo, as well as the emission reduction goals of the Port, are at risk if the Port is not positioned to invest in necessary infrastructure improvements.

The California Railroad Association represents West Coast Class I, as well as numerous shortline railroads. The railroads, and other private sector shipper and supply chain interests, have invested significantly in both infrastructure and environmental improvements necessary to sustain the viability of the San Pedro Bay ports. For example, the Class I railroads have invested in double and triple tracking system routes serving Southern California. And all railroads serving the San Pedro Bay ports have invested in clean-burning locomotives. The Port has rightly planned necessary infrastructure such as Middle Harbor and On-Dock projects that will create efficiencies. These investments, including potentially the Alameda Corridor, are at risk of not reaching their intended potential if the City depletes the Port's ability to continue to invest.

We recognize that the City faces tough economic times. We have all had to make difficult spending decisions. But now is the time to invest in our future and resist weakening the Port's economic competitiveness in order to preserve and even grow future revenues. We urge you to resist changing the Port's historically successful contribution formula.

Sincerely,



Kirk Marckwald  
California Railroad Association Representative

■ BNSF Railway Company  
■ Union Pacific Railroad Company  
■ (415) 421-4213 ext.12



September 22, 2009

Councilman Gary DeLong  
Civic Center Plaza  
333 West Ocean Blvd., 14th Floor  
Long Beach, California 90802

**Re: OPPOSE Tidelands Operating Funds Transfer Increase**

Dear Councilman DeLong:

On behalf of the Los Angeles Area Chamber of Commerce, I write to respectfully express our opposition to Item 27 on tonight's City Council agenda, a proposal to increase to the Harbor Department Tidelands Operating Funds transfer. While the City of Long Beach may be struggling to close a \$43 Million budget gap, taking money from an economic asset will do long-term damage to the City.

Currently, fees paid by terminal operators and the shipping industry are required to be reinvested in the Port through capital improvements and environmental programs. Transferring money away from the Harbor Department will send the wrong message to industry during a time in which marketing campaigns are targeting Southern California's trade volumes by claiming our ports as business unfriendly. The City of Long Beach, in particular, should be concerned about its port, which has lost national market share of container volume in this recession.

Despite declining revenues the Port has been and will continue to be a great asset to the City of Long Beach. According to the Port of Long Beach's FY10 budget materials, the Port has invested over \$790 million into the City of Long Beach since 1990. That equates to approximately \$41.5 million per year on average. Keeping money at the Port for basic maintenance and services is crucial to preserving it as an economic engine for the City. Additionally, the port's environmental programs, which help maintain quality of life for Long Beach residents will suffer under the proposed transfer.

The Port of Long Beach belongs to the people of California as a goods movement gateway. Taking money away harms its ability to facilitate international trade and ultimately will hurt the region's bottom line. While pulling out money to close the city's budget gap may seem to be a good short term fix, its long term ramifications are immeasurable. The Los Angeles Area Chamber of Commerce urges you to resist tampering with the Tidelands Operating Funds transfer in this time of economic scarcity in order to preserve future revenues and economic development potential.

Sincerely,

A handwritten signature in cursive script that reads "Gary Toebben".

Gary Toebben  
President & CEO

cc: Mayor Bob Foster  
Richard Steinke, Port of Long Beach  
Councilmembers, Long Beach City Council