To Our Customers:

I am pleased to inform all Port of Long Beach customers and potential Port of Long Beach customers of our new Green Flag Incentive Program. The program rewards carriers with reduced dockage rates and environmental achievement awards for consistent compliance with the voluntary vessel speed reduction program that was implemented by the industry in 2001.

The voluntary vessel speed reduction program asks carriers to slow their speed to 12 knots within a 20-mile radius of Point Fermin. Please take special note that in 2004, the Pacific Maritime Association began using the arrival time at this 20-mile radius instead of arrival at the ports, to define the allocation point of longshore labor for both the Port of Long Beach and the Port of Los Angeles. This important change means carriers no longer need to race to the ports to get in line for labor.

Vessels that dock in the Port of Long Beach are eligible for a “Green Flag” environmental achievement award if they achieve 100% compliance with the voluntary vessel speed reduction program for a 12-month period (measurement beginning January 2005). Carriers, as listed in Lloyds register, which remain 90% compliant with the voluntary vessel speed reduction program for a 12-month period (measurement beginning in January 2006) are eligible for a 15% reduced dockage rate (Green Rate) in the following year. This program will continue for two years.

The Marine Exchange of Southern California records speed data for all vessels with its radar equipment and supplies this information to the Port of Long Beach for distribution to Port of Long Beach carriers. The Port of Long Beach will post monthly compliance reports on its website at www.polb.com, beginning in February 2006. For more detailed carrier performance reports or additional program information please contact greenflag@polb.com.

Again, I am pleased to inform you of this program and I look forward to your continued commitment to improving air quality in Southern California by complying with the voluntary vessel speed reduction program.

Richard D. Steinke

Executive Director

Port of Long Beach
Green Flag Incentive Program

Green Flag = Lower Rates

The Port of Long Beach is pleased to announce the start of its new Green Flag Incentive Program, beginning on January 1, 2006. The $2.2 million-a-year program offers reduced dockage rates and environmental awards for vessels that help improve air quality by voluntarily reducing their speeds when they enter or depart from the Port of Long Beach.

Vessels that dock at the Port of Long Beach will earn a Green Flag environmental achievement award when they attain 100% compliance with the voluntary vessel speed reduction program for a 12-month period measurement beginning in January 2006. Carriers, as listed in Lloyds register, which achieve a 90% compliance rate in a 12-month period measurement beginning in January 2006, will be eligible for a 15% reduced dockage rate (Green Rate) in the following year. This program will continue for two years.

The Port’s voluntary speed reduction program asks that vessels entering or leaving the Port observe a 12-knot speed limit in a zone that extends 20 nautical miles seaward from Point Ferrini. The speed of every vessel in the speed reduction zone is measured and recorded by the Marine Exchange of Southern California. The Port of Long Beach greatly appreciates your cooperation with this important air quality improvement program.

For more information on the Green Flag Program please email: greenflag@polb.com or visit the Port of Long Beach’s website at www.polb.com, or call the Port’s Trade and Maritime Services Division at (661) 590-4113.

AIR QUALITY COMPLIANCE ZONE
12 Knots 20 Nautical Miles from Point Ferrini