



**PORT OF OAKLAND
SEAPORT**

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MARITIME e-NEWS



Port of Oakland's new Maritime Director shares outlook

Bryan Brandes seeks to grow capacity during pandemic



Bryan Brandes

Port of Oakland Maritime Director Bryan Brandes this week touted key projects to help the Port through the current global pandemic. In a [video update](#), Mr. Brandes discussed long-term strategies to secure the Oakland Seaport's future. He pointed to the opening of a new logistics center, arrival of giant container cranes, and increased cold storage capacity.

COVID-19 has slowed the container shipping industry in recent months. However, canceled ship sailings are on the decline at the Port of Oakland.

Mr. Brandes discussed key projects that will help the Port grow long-term capacity:

- Seaport logistics center opening later this year to speed up the transport of cargo to U.S. destinations;

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Port of Oakland import cargo volume grew 6.4 percent in July

Increase tied to warehouse restock, but exports dropped for third straight month

Import cargo volume increased again at the Port of Oakland last month as U.S. retailers restocked dwindling inventories. The Port said today that containerized import shipments jumped 6.4 percent in July compared to 2019 totals. The step up followed a 1.9 percent increase in June.

The news was tempered by a 6.4 percent decline in July export volume compared to July 2019. Oakland export volume has now dropped in three consecutive months.

The Port attributed import gains to

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Protection of the California agriculture-port relationship should be a top priority

Reprint of Special to CalMatters

By Dave Puglia, president and CEO of Western Growers Association and John McLaurin, president of Pacific Merchant Shipping Association

California's agricultural industry and its port system are inextricably linked, and both are now at risk.

California is the largest agricultural producer and exporter in the nation. California's farmers exported approximately 26% of their production by volume in 2018, worth about \$21 billion. From fresh produce to dairy, wine and much more, people across the globe look for California's farm goods when they shop.

Because of the close ties between the agricultural industry and the ports, the success or failure of one inevitably impacts the other. In order to compete in overseas markets, California farmers require well-run and cost-effective ports. But, California labor and environmental regulations have created enormous compliance and operational costs.

What California needs during the COVID-19-induced recession, when millions of Californians are out of work, is a holistic approach.

The facts are difficult to ignore. California farmers compete in a global food market, yet layers and layers of state policies have made it hard for them to thrive. In their effort to create the most progressive policies in the world, California regulators have overlooked global economic realities.

The competitive overseas market, which is critical to the success of California farmers, is extremely price sensitive and volatile. Adding costs in the supply chain impacts the competitiveness of countless California farm products; the mystique of the "California Grown" label can't overcome yawning price differentials for the same food product grown elsewhere.

Farmworkers, truckers, distribution workers, longshoremens and other farm-related companies all suffer when a California farmer loses the ability to sell farm products at a price that continues to make the farming operation viable and profitable.

Considering these dynamics and this critical period of economic uncertainty, protection of the California agriculture-port relationship should be a top priority. Gov. Gavin Newsom should steer his administration in a direction that ensures state regulations are balanced against the economics of international commerce.

Thoughtful port policy that protects California's agricultural and related

industries should not be conflated with a wholesale rollback of regulatory policies. Instead, an administration that champions resilience in water and climate change adaptation, and even in the state's pandemic recovery efforts, should also pursue a regulatory environment that insists on economic resiliency for businesses and their employees. This approach should promote California's



ports, support the supply chain, and limit regulatory costs on agricultural products and other exports.

California ports play a critical role not just for agricultural exports but imports as well. For example, the Port of Oakland, which is a premier gateway for exports, also supports sectors such as the wine industry with the importation of large amounts of empty wine bottles for use by California's wine industry. Empty wine bottles are imported, and full bottles are exported.

And a renewed focus on our ports will touch virtually every sector of our state's economy. The volume of California exports creates a large number of jobs that extend far beyond the state's agricultural regions. The ports of Los Angeles and Long Beach estimate that 18 to 27 jobs are created for every 1,000 20-foot containers that move through the LA/Long Beach port complex. These jobs are found throughout the supply chain and touch all areas of California.

The COVID-19 pandemic has highlighted the critical importance of California agriculture and ports to many who have historically taken them for granted. These two industries have supplied essential food and served as gateways for the movement of medical supplies and other essential products. Workers in both industries have been determined by the state of California and the federal government to be "essential workers."

Californians need the Newsom administration to review state regula-

Cargo, from page 1

shippers resupplying warehouses after retrenching during early stages of the global coronavirus pandemic. Rising cargo volume was welcome in Oakland after four straight months of declines between February and June. But the Port cautioned against reading too much into the results.

"It's good to see an uptick in cargo activity," said Port of Oakland Maritime Director Bryan Brandes. "But we're not doing any victory celebrations because the trade outlook remains unclear as long as the pandemic is with us."

The Port said dwindling exports could be the result of China's efforts to bar waste product shipments. Scrap paper is one of the leading U.S. exports from West Coast ports including Oakland.

The Port said its year-to-date total cargo volume is down 5.8 percent from 2019. That's due primarily to a nearly 10 percent drop in shipments of empty cargo containers back to origin destinations.

Maritime status update

Import volumes could rise in August/September at West Coast ports with vessel freight rates at record highs due to demand

- Blank sailings at ports including Oakland have been restored
- Import outlook after September uncertain; volume could flatline or fall depending on pandemic's course
- Temporary chassis challenge due to summer uptick in imports
- Recent export dip could continue due in part to China's impending ban on waste product shipments...a staple of West Coast ports
- But recent flooding that devastated crops in China could eventually lead to increase in U.S. exports of grain/other farm goods

tory policies with the goal of economic resilience, effectively balancing rules imposed on the private sector with the need for growing our export businesses that support jobs and local communities. Without active engagement, the current imbalance will have a permanent impact on two important California industry sectors and millions whose jobs are linked to them.

Port of Oakland hybrid electric cranes deliver major emissions savings

Port of Oakland's largest marine terminal has cut diesel emissions from all 13 of its massive yard cranes by 95 percent after retrofitting them with hybrid electric engines. Terminal operator Stevedoring Services of America (SSA) said that the project will eliminate about 1,200 metric tons of greenhouse gas emissions annually from each crane.

"Retrofitting our rubber-tire gantry cranes to battery power produced remarkable results," said Crane Manager Ken Larson, at SSA Marine's Oakland International Container Terminal (OICT). "We're impressed with the huge drop in emissions from equipment that we regularly use on the marine terminal."

SSA said that the clean air project would result in a 93 percent reduction in diesel fuel.

The older engines used 10 to 13 gallons of diesel fuel an hour whereas the hybrids use about three-quarters of a gallon an hour, according to Mr. Larson. "We were honestly surprised to learn how little diesel fuel we need to use now," said Larson.

This is the first project of its type at SSA terminals. SSA replaced 1,000-horsepower diesel generators on its yard cranes with 142-horsepower diesel hybrids. The new power plants have small diesel engines used only to charge a crane's pack of batteries. Each crane has a housing unit that contains the hybrid generator. Mr. Larson said that the project was challenging, including the construction of new electrical systems for input power protection when converting current from AC to DC on a crane. Mr. Larson added that the hybrid generators capture energy as a container is lowered. Besides saving fuel and reducing emissions, the hybrid performs better than the older diesel generators because there is no delay in power delivery to the crane.

"We're delighted with this project because it reflects the way the Port advances its emission reduction goals by focusing on feasible technologies that can perform the heavy work of moving containers," said Richard Sinkoff, the Port of Oakland's Director of Environmental Programs and Planning. "It fits ideally in the Port's Seaport Air Quality 2020 and Beyond Plan. We hope it serves as a model for other marine terminals to follow." Rubber-tire gantry cranes are industry workhorses at marine terminals throughout the world. Combined, the 13, 90-foot-tall cranes can lift as many as 1,000 containers a day on and off trucks at OICT.

"We are pleased that an Air District grant has enabled the completion of the SSA hybrid crane project that will significantly reduce harmful emissions for many years to come," said Jack Broadbent, Executive Officer of the Air District. "The hybrid engine technology installed on these large yard cranes will help improve air quality and protect the health of those in the communities surrounding the Port of Oakland."

The Bay Area Air Quality Management District (Air District) awarded SSA \$5 million in grant funding as part of the Air District's Community Health Protection Program (CHP - AB134) to replace 13 diesel powered rubber-tire gantry crane engines with Tier 4 Final hybrid engines in order to bring about immediate emissions reductions benefits.

The SSA Terminals project is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing GHG emissions. The Cap-and-Trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution.

California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-

Maritime Director, from page 1

- Giant cranes arriving in late 2020 to attract newer, bigger ships; and the
- Oakland's 'Cool Port' facility doubled the Port's temperature-controlled storage and logistics capacity.

Mr. Brandes was appointed Maritime Director in June 2020. He arrived during the pandemic when the Port's overall container volume declined 2.3 percent from the previous year. A 25-year shipping industry veteran, he has worked with ocean carrier companies, port authorities, trucking companies, and rail partners. Mr. Brandes said the Port's biggest advantage is its strong customer relationships, which will remain key to future success.



COVID 19—Your actions save lives

Stay healthy: wear a mask, wash your hands and keep your distance.

Useful links:

- **CA Industry guidance**
<https://covid19.ca.gov/industry-guidance/#top>
- **CA Counties information**
<https://covid19.ca.gov/roadmap-counties/>
- **CA COVID-19 testing**
<https://covid19.ca.gov/testing-and-treatment/#top>

Port of Oakland provides coronavirus updates via blog

Online visitors can find coronavirus impact updates from the Port of Oakland's [blog](#). The blog includes reports from the Port of Oakland and its Oakland International Airport.

Industry resource links:

Oakland Portal	Shore Power & Vessel Commissioning
Oakland Seaport Map	Trucker Resources
Ocean Carrier Services	TWIC
Shipping Forms & Permits	Maritime Service Directory

emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are located within and benefiting residents of disadvantaged communities, low-income communities, and low-income households across California. For more information, visit the California Climate Investments website at: www.caclimateinvestments.ca.gov.

Planning for the crane conversions began after the signing of the CHP Program contract with the Air District on July 5, 2018. The first crane was retrofitted in February of 2019 and the 13th crane was converted in July 2020.