



PORT OF OAKLAND

MARITIME e-NEWS

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Saturday Gates

The Port of Oakland wants Saturday operations at its marine terminals. But it has two big concerns. That was the message Executive Director Chris Lytle delivered this month in a letter to the Federal Maritime Commission.

The Port boss said opening terminal gates on Saturdays could ease congestion and improve efficiency in Oakland. He added, however, that there are caveats:

- A labor shortage that has slowed vessel loading operations must be resolved; and
- The fee to fund Saturday operations must be reasonable and used exclusively for those operations.

“The Port strongly supports additional gate hours,” Mr. Lytle said. “There are, however, several points for the Commission to consider.”

Mr. Lytle’s letter was in response to plans by Oakland marine terminal operators to open their gates on Saturdays. The proposal, currently under Commission review, could ease weekday terminal crowding by adding a sixth day of work.

Oakland terminals are already open on weekends for vessel operations, but rarely for other activities. The new arrangement would open terminals every Saturday for full operations, including gate entry. That would enable harbor truckers to pick-up containerized imports for delivery, drop-off exports or return empties.



The Port doesn’t operate marine terminals. But it favors Saturday hours as part of a broader plan it developed to speed up cargo delivery. That plan includes offsite locations to collect empty containers and a common pool of container chassis for harbor truckers.

A labor shortage that has reduced productivity this summer is being addressed, the Port said. It added, however, that more dockworkers are needed to ensure Saturday operations are successful.

There’s no word yet on when the Commission will complete its review of Saturday gates in Oakland. The Port said it’s not yet clear when they would begin. The Port called for a review of the Saturday program after one year of operation.

Status Update

A vessel backlog temporarily delaying cargo delivery this summer at the Port of Oakland is easing. The Port said the number of vessels anchored in San Francisco Bay August 17 was down to one. Most ships are proceeding directly to Oakland terminals for cargo discharge and loading. It’s expected that berthing delays will disappear in the next month.

The reason for the improvement: a two-month-old labor shortage in Oakland is being addressed. Waterfront labor and management have arranged to introduce 150 additional longshore workers to the Port’s labor pool. Another 30 marine clerks are being added, as well. With more labor, terminals are getting faster at loading and unloading vessels.

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Task Force

Port of Oakland officials have a plan to move cargo more efficiently at their global trade gateway. This month they got expert guidance in implementing the plan. A 30-member task force met in Oakland to prioritize efficiency measures and get them launched.

Here’s what the group of shipping lines, marine terminal operators, cargo owners, harbor truckers and dockworkers wants:

- An end to vessel backlogs forcing some ships to temporarily anchor in San Francisco Bay instead of berthing;
- Enough dockworkers, marine clerks and equipment to efficiently manage high volumes of containerized cargo;
- Extended hours and an appointment system to help harbor truckers get cargo in and out of Oakland quickly.

The efficiency measures are intended to accelerate cargo movement in Oakland. Task force members said they’re needed because Port operations have been inhibited for much of 2015.

“You’re my port,” one cargo owner told Oakland officials. “I want it to work efficiently.”

The Port said it’s acting on the efficiency priorities. “What we needed was the collaborative ideas of our stakeholders,” said Executive Director Chris Lytle. “Now we’ve got them and we’re eager to get going.”

Port officials told the task force that a two-month old labor shortage is already being addressed in Oakland. About 150 dockworkers and 30 marine clerks are joining the workforce by autumn.

The Port said it is making significant progress in clearing out a backlog of delayed ships that developed during the labor shortage. Only one vessel was reported at anchor August 17. That was down from a high of 13 vessels three weeks ago.

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Training for the new workers is underway day and night adjacent to Oakland's Howard Terminal. About 20 longshore workers a week are entering the labor pool. The influx should continue for the next six-to-eight weeks.

The labor shortage disrupted Oakland operations in several ways:

- Empty containers bunched up in several marine terminals as behind-schedule vessels departed without loading them.
- Sporadic chassis shortages resulted because the empties they ride on couldn't be returned to terminals.
- Turn times for harbor truckers inside several marine terminals were longer than normal.

The Port said 20 vessels omitted Oakland calls in the past two months because of the vessel backlog. The vessel calls are expected to be restored this fall.

Legislature

California ports are in a competitive fight and could use Sacramento's support. That was the message to senior legislative staffers visiting here recently as the battle for the state's containerized trade intensifies.

"Challenges to our business are everywhere—Mexico, Canada the U.S. East Coast" said Port of Oakland Executive Director Chris Lytle. "We're doing all we can to keep Oakland and other California ports the most attractive option for international shippers, but we can use your help."



Chris Lytle
Executive Director of Port of Oakland

Freight transport industry executives were in Oakland addressing 35 aides to top legislators engaged in goods movement policy. Their theme: California's major ports, including Oakland, Long Beach and Los Angeles are evolving rapidly to maintain a competitive edge. Their request: Sacramento's help in allocating infrastructure funding along priority trade corridors. Their goal: keep containerized trade from going elsewhere.

Industry speakers singled out California ports as major contributors to jobs and the economy. They also pointed to the ports as leaders in investing to improve air quality.

Legislative staffers heard that California's share of containerized imports and exports has declined in 2015. The drop was traced to wintertime labor-management disputes and aggressive marketing from out-of-state and international competitors. In response, ports here are improving their competitiveness, said California Association of Port Authorities Executive Director Tim Schott. Mr. Lytle said Oakland is finalizing plans that range from extended hours to offsite cargo pick-up locations.

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Next on the Port's list of initiatives: extended terminal hours. According to the Port, a proposal for permanent Saturday operations is under review with the Federal Maritime Commission. The plan would lengthen the work-week to six days in Oakland, easing congestion during peak weekday periods.

The Port said it's also finalizing plans with equipment providers to ensure any chassis can be used by any trucker. By fall, the truck trailers that haul containers over the road will be made available from a common pool. That should make more equipment available to more drivers. The benefit: containers won't be stranded while motor carriers await chassis.

The Port said it's evaluating the benefits of a Central Valley equipment depot and is talking to potential operators. The Valley's growers are among the biggest exporters at the Port of Oakland. A depot close to home would enable them to pick up empty containers without driving hours into Oakland.

Task force members said they'd like to meet regularly – monthly or quarterly – to ensure Oakland efficiency measures move ahead.

Press Conference

Sacramento came to the Port of Oakland this month seeking support to fix ailing transportation infrastructure. Without road and other transport improvements, Gov. Jerry Brown and Assembly Speaker Toni Atkins warned, California's economy is at risk.

"It's fundamental that California be able to move goods and people in a modern, efficient way," the governor told an audience of 70 during a morning press conference at the Port of Oakland headquarters. "This is critical to California prosperity."



California Governor
Jerry Brown

The comments coincide with a special session of the state Legislature currently looking at how to fund transportation improvements. The fixes would target roads, highways and transport infrastructure. "We can't have a thriving economy if we can't keep people and goods moving," Speaker Atkins said.

Funding for everything from congestion relief to pothole repair is under discussion in Sacramento, the governor said. The outcome will be particularly important for the Port of Oakland. The Port handles 99 percent of the containerized goods moving through Northern California. Much of that trade is carried by trucks on roads leading in and out of the Port.

"Our infrastructure is aging and in need of public and private investment to help ports and other parts of the supply chain remain competitive," Board of Port Commissioners Vice President Michael Colbruno told the audience. "We're hopeful that the Legislature is on a path that again prioritizes freight and transportation solutions in its special session."

They Said It

"Business is up at the Port of Oakland"

—KCBS radio

The executives urged the Legislature to make ports a statewide priority. The timing is good. A special legislative session devoted to transportation is currently underway in Sacramento. Senators and Assembly members are looking at ports, goods movement and their impact on the state's economy. Issues range from trade corridors to transportation funding and the competitive challenges facing California's freight transport sector.



Mr. Lytle asked legislative leaders to consider the impact of ports on the state's job picture. The Port of Oakland, for instance, is responsible for more than 73,000 jobs in the San Francisco Bay Area.

Legislative staffers took a two-hour tour in Oakland to learn first-hand about the competitive pressures facing California ports.

Global Trade Statistics

Global trade through the Port of Oakland totaled \$21.29 billion in the first half of 2015. That placed Oakland 26th among the nation's 450 top seaports, airports and border crossings, researchers at [TradeNumbers reported in August](#).

"The Port of Oakland conducts the most trade of any non-L.A. California port," said the subscription trade publication. TradeNumbers said its analysis was based on U.S. Census Bureau data.

Oakland is the state's third-busiest container seaport. Eight of the Port's top 10 trading partners during the first half of 2015 were from Asia, TradeNumbers reported. No. 1 was China with trade valued at \$6.8 billion.



Perishables have been the leading containerized exports by value shipped through Oakland so far this year, the publication said. They include nuts, meat and wine. Computers have been the highest-value import at Oakland.

They Said It

"The Port of Oakland is much improved because ILWU and shipping companies are working together at last"

—KTVU television

"The Port of Oakland conducts the most trade of any non-L.A. California port"

—TradeNumbers

What's in the Box?

The Port of Oakland moves 99% of the containerized goods that come through Northern California. What's in the box? Anything from furniture to glassware to machinery is coming into the US through Oakland. Outbound, containers are filled with products like edible fruits and nuts, meat, and beverages.

Imports – Top commodities through Oakland in 2014

| | | |
|---|--------------|--|
| 1 | 120,281 TEUs | Furniture, bedding, and lamps |
| 2 | 47,738 TEUs | Packaging to support the beverage industries |
| 3 | 42,060 TEUs | Glass and Glassware |
| 4 | 39,899 TEUs | Machinery |
| 5 | 38,816 TEUs | Electrical machinery |

Exports – Top commodities through Oakland in 2014

| | | |
|---|--------------|--|
| 1 | 145,890 TEUs | Wood pulp (Used in making furniture, paper, and hardboard) |
| 2 | 80,756 TEUs | Edible fruits and nuts |
| 3 | 53,747 TEUs | Meat and fish |
| 4 | 40,214 TEUs | Beverages, spirits and vinegar |
| 5 | 31,995 TEUs | Grains and Seeds |

Although people see huge ships every day going to and from the Port of Oakland, it's probably not well understood as to what's inside those colorful boxes. The Port of Oakland has created a video called "What's in the box?" to explain what goods are transported through the seaport. Check out the new video [here](#).



Where are the goods coming from and where are they going? Asia is the Port of Oakland's major trading partner at 76 percent with Europe in second position at 14 percent. Five percent of the Port's trade is with Australia, New Zealand and Oceania and the remaining five percent is with other countries.

The total value of imports and exports through the Oakland seaport is more than \$40 billion annually.

July Cargo Volume

Imports extended their growth streak to five straight months at the Port of Oakland in July. The Port said that containerized import volume jumped 8.7 percent last month from a year ago.

Exports were up too, albeit marginally. The Port said July export volume increased 0.94 percent over last year. It was the first monthly improvement in Oakland exports this year.

The numbers reflect continued recovery after a slow start to the year.

Volumes at all major West Coast ports dropped in January and February. Oakland imports have been on the rise ever since.

The Port said a shortage of longshore labor slowed vessel operations in July. Some ships waited 36 hours to berth. Since then, additional dockworkers have joined the labor pool, the Port said. It added that a backlog of vessels has significantly decreased in the past two weeks.

“We’re working hard to regain momentum,” said Maritime Director John Driscoll.

Overall July volume in Oakland – including loaded and empty containers – was up 0.98 percent. The Port moved 9 percent fewer empty boxes than it did a year ago.



Diversity Award

The Port of Oakland has been selected by the East Bay Stonewall Democratic Club to receive its 2015 Corporate Leader Award. The award is given to organizations that demonstrate a commitment to supporting lesbian, gay, bisexual, transgender and queer diversity in the workplace.

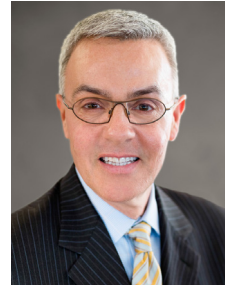
“We were particularly impressed by the Port of Oakland’s efforts to form an LGBTQ group of statewide port officials and make port culture a safe place for LGBTQ people,” said Brendalynn Goodall, president of the East Bay Stonewall Democratic Club.

The ports of Oakland, San Francisco, and San Diego formed an LGBT Affinity Group within the California Association of Port Authorities (CAPA) in 2013. CAPA is comprised of the state’s 11 publicly-owned, commercial ports and is dedicated to maintaining a vigorous and vital port industry in California. The LGBT Affinity Group aims to increase inclusion within the workplace and provide training to educate port workers about LGBT issues.

“We want maritime industry employees to feel empowered to bring their full authentic selves into the workplace,” said Port of Oakland 2nd Vice President Michael Colbruno. “After our initial meetings, we identified many LGBT workers do not feel safe in their workplace.”

Commissioner Colbruno was one of the founding members of the CAPA LGBT Affinity Group.

Port representatives will receive the award at the Oakland Pride Breakfast which will be held at the California Nurses Association September 13. The East Bay Stonewall Democratic Club is the longest serving LGBTQ advocacy organization in the East Bay.



*Michael Colbruno
Board of Port
Commissioners*

