



PORT OF OAKLAND

MARITIME e-NEWS

September 2015



Executive Director's Message

In 1992, Queen Elizabeth II made the famous *Annus Horribilis* proclamation. It was a horrible year, her Royal Highness concluded, because of family discord and a fire at Windsor Castle.



*Chris Lytle
Executive Director of Port of Oakland*

There are many who'd like to declare an *Annus Horribilis* at West Coast ports in 2015. The reasons? A crippling contract dispute, labor shortages and congestion that still slows delivery of containerized cargo. It's enough to give you a royal case of heartburn.

But I'm no Latin expert. I'm also not one to give in easily. So instead of writing off 2015, I'm looking ahead to the fourth quarter. This is our chance to demonstrate that we're delivering on commitments to improve service. Among those commitments:

- An end to the backlog of container ships anchored in San Francisco Bay;
- Sufficient labor;
- Extended hours of operations;
- A common chassis pool;
- Wait-time and turn-time metrics;
- An off-site equipment depot.

That's a daunting list. But if we deliver, we'll advance on two goals: faster cargo delivery and greater reliability. Here's a look at how we're doing:

Vessel backlog: The backup in San Francisco Bay ended late last month. Ships now go straight to berth in Oakland. No more waiting at anchor. That's because we've added dockworkers and picked up the pace of vessel operations.

Labor status: Labor requests are being filled at Oakland marine terminals after a summer of shortages. We're adding 150 registered longshore workers and more than 300 casuals to the ranks. Newly trained workers arrive every week. They should all be in place before peak season winds down.

Status update

Vessel backlog clears out at Port of Oakland, labor picture improves

A backlog of container ships in San Francisco Bay has vanished in September. The Port reports no vessels at anchor waiting for berths at its five marine terminals. That's a major turnaround after a summer-long buildup of ships in the Bay.

"The issue of vessels waiting to berth has been corrected," said Maritime Director John Driscoll. "Ships are arriving in Oakland and going straight to berth—just what our customers need and how we expect the Port to operate every day."

As many as 13 ships filled the San Francisco Bay anchorage in July. They were delayed by a labor shortage that slowed vessel loading and unloading in Port. The backlog diminished after that before disappearing in early September.

The Port said an influx of additional longshore labor over the past six weeks has helped eliminate the backlog. About 150 more dockworkers are joining the work force to accelerate vessel operations in Oakland. They're being augmented by more than 300 casual or part-time workers. Another 30 marine clerk positions are being created, as well.



In recent weeks, nearly all requests for labor have been filled at Port of Oakland marine terminals. For much of the summer, only 50-to-70 percent of the labor orders were filled.

The Port cautioned that vessel backlogs could reoccur until all longshore labor reinforcements are in place. That could take another month, the Port said. Growth in the labor force is expected to be completed in time for the autumn peak shipping season.

The Port said it continues to work on cargo congestion in marine terminals that was exacerbated by vessel backlogs. Proposed remedies include Saturday gates and a common pool of container chassis to help harbor truckers move containers more quickly. The measures are intended to hasten cargo delivery to customers.

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Maritime Director's Message

This is National Truck Driver Appreciation Week. It's a time to recognize the men and women who transport the nation's commerce. At the Port of Oakland, we're observing the moment. As you'll see in the adjacent space, we're honoring our harbor truckers with a special event Friday, Sept. 18. Food, giveaways, health services—this will all be part of the celebration at the Port's Middle Harbor Shoreline Park. But this is not the best we can do in tribute. What we really need to give our drivers is a more efficient seaport. We need to make it easier for them to do business with us.



John Driscoll
Port of Oakland
Maritime Director

More than 3 million truck drivers deliver the nation's freight daily. They haul 10 million tons of freight a year—nearly 70 percent of the U.S. total. More than 7,000 drivers work at the Port of Oakland. They transport most of the 2.4 million shipping containers we process annually. Without these millions of professionals, global trade would stop. That's why we owe it to the trucking community to continually improve Oakland operations.

What are we doing? We're advancing a number of efficiency measures from additional labor to extra hours of operation. You'll read more about them elsewhere in this newsletter. Why are we doing this? Two reasons:

1. To accelerate cargo flow so shippers receive cargo on time;
2. To minimize delays that diminish drivers' earning potential.

Compensation for many West Coast harbor truckers is based on the number of shipping containers transported. If they're stuck in line at port, they can't make a maximum number of deliveries—or turns. As a result, their pay goes down.

Drivers from San Diego to Seattle complain that Port congestion reduces the number of turns they can make daily. The resulting financial hit has chased many from the industry, they add. That's not good for any of us.

Celebrating National Trucker Appreciation Week

Port Trucker Appreciation Day

Friday, September 18 • 11am-4pm

Middle Harbor Shoreline Park • 2777 Middle Harbor Road

In appreciation of our Port Truckers, the Port of Oakland is sponsoring a Trucker Appreciation Day providing you free health services, food and giveaways!

PLEASE STOP BY!

FOOD

**GIVEAWAYS
Safety Vests!**



For more information or directions, please call (510) 627-1634

**Flu Shots
12-4 pm**



PORT OF OAKLAND

We need a healthy trucking community motivated to keep the global supply chain humming. Without enough drivers to carry the load, costs to ship goods will rise. Just-in-time will become never-on-time. This is why the Port of Oakland wants to improve efficiency. We owe it to our customers and harbor truckers.

Anecdotal evidence indicates that wait times in Oakland marine terminals are slightly improved in the last two months. That's not a declaration of victory. We know that too many drivers still wait more than 90 minutes

to conduct a transaction. But it's a sign that we are moving on the goal: getting trucks in and out of Oakland faster.

We understand the pressures facing truckers. We meet regularly with licensed motor carriers, employee drivers and independent operators. They're not shy about sharing their concerns. We're not hesitating to act on them. From a common chassis pool to wait-time metrics, we're introducing measures to make Port drayage efficient—and rewarding.

We have a long way to go, but we'll get there.

They Said It

"Vessel delays at Oakland port end as peak season nears"

—Journal of Commerce

Saturday gates: The Federal Maritime Commission is reviewing plans from Oakland terminal operators to open Saturday gates. The review will continue into October. The Port favors Saturday gates to ease weekday congestion and speed cargo flow. But there are three conditions: 1) sufficient labor, 2) reasonable fees, and 3) transparent use of fees. There's no start date yet.

Gray pool: We've meet with the three main chassis providers at the Port of Oakland. All are on board with a common pool of chassis. It may be available by year-end. That should mitigate a chassis shortage that has bedeviled harbor truckers for much of 2015.

Metrics: We're two months into a test of technology that measures how long truckers wait to enter Oakland terminals. We hope to deploy the system at all of our terminals. It will help shippers and motor carriers avoid peak periods of activity. The next step: measuring turn-

times inside terminals. This is the key concern for harbor truckers.

Central Valley depot: The plan is to open a depot near growers who ship through Oakland. It would be a pick-up and drop-off location for empty containers and chassis. The benefit: no more long drives to Oakland just to pick up equipment. The challenge: finding an operator who can make the concept economically feasible. Can we make the idea work? Hope so, but not certain yet.

We think this is an encouraging activity summary. It shows that the Port is advancing on plans to improve efficiency. Most of these measures should be in place before year-end. Once they're operational, we expect less congestion, fewer delays and improved service for shippers. The year may have started horribly on the West Coast, but we don't think it'll end that way.

Statement from Federal Maritime Commission on Saturday Gates Proposal

September 2, 2015 - Today the Federal Maritime Commission voted unanimously to issue a request for additional information (RAI) to the parties of the Oakland MTO Agreement (OAKMTOA), an agreement among five container terminals at the Port of Oakland, concerning an Amendment to the agreement that would authorize an off-peak hours program. This request for additional information delays the effectiveness of the proposed amendment.

The Commission has concerns about the program being proposed based on an initial review and comments received from various stakeholders who would be impacted by the program. Stakeholders have expressed their concern that insufficient details about how the system will work have been made available to them. The Commission believes additional transparency by the parties will greatly aid in its analysis of this important issue. After the agreement parties have fully responded to the information request, a new 45-day review period will begin. Commission staff will continue their

economic review to determine whether the proposed amendment is likely, by a reduction in competition, to produce an unreasonable reduction in transportation service or an unreasonable increase in transportation cost.

Notice that the Commission has issued this request for additional information will be published in the Federal Register next week and will announce a 15-day public comment period for interested parties to comment on the proposed agreement.

The Federal Maritime Commission is the federal agency responsible for regulating the nation's international ocean transportation for the benefit of exporters, importers, and the American consumer. The FMC's mission is to foster a fair, efficient, and reliable international ocean transportation system while protecting the public from unfair and deceptive practices.

Port of Oakland Efficiency Task Force Reprinted from Devine Intermodal newsletter

Cargo interests transiting through West Coast ports, especially Oakland, realize we are not yet on the other side of the effects of the contract related labor slowdowns. We continue to experience congestion, long lines, chassis shortages and slow truck turn times.



The Port of Oakland has convened an Efficiency Task Force. The purpose of the task force is to exchange ideas and formulate strategies to improve the fluidity of cargo at the Port of Oakland. Members of the task force include cargo owners, terminal operators, ocean

carriers, chassis providers, labor leaders, associations, port staff and motor carriers, and Devine is honored to have a seat at the table. Last month was the first meeting of the task force, and we have to say the mood from all attendees was cooperative and collaborative. Every one of these vital parties wants the port to succeed and be a viable gateway.

The initiatives discussed were:

- Grey Chassis Pool to smooth out the supply of chassis across the various marine terminals.
- Saturday Gates (aka OakPass) to increase gate operating hours at the port thereby alleviating congestion. There is a \$17/TEU fee assessed on containers moved Monday-Friday in order to pay for the extra gate. Much like PierPass, cargo owners will have to register with OakPass to pay the fee on-line.
- Central Valley Container Yard to exchange empty equipment in the Central Valley and improve equipment utilization.

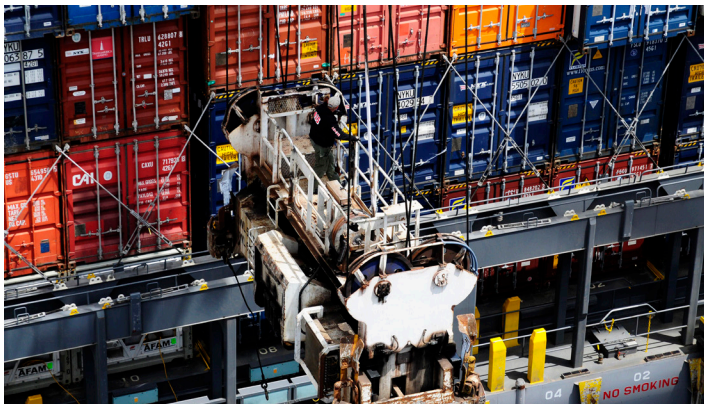
There will be future meetings of the whole task force as well as break out meetings to discuss specific topics in the weeks ahead. We will keep you posted on the progress.

August Cargo Volume

Containerized import volume keeps growing at the Port of Oakland as peak shipping season nears. The Port said today that imports jumped 15 percent in August compared to 2014 totals. It was the sixth-consecutive month of gains ahead of the traditional autumn pre-holiday cargo surge.

“We’re building momentum before the peak,” said Maritime Director John Driscoll. “It’s an indication that the season could be a good one; but more importantly, it’s a sign that customers are counting on the Port of Oakland to deliver.”

The Port said overall container volume in August—imports, exports and empty boxes—was up 6 percent. Year-to-date total volume is still down 4.8 percent from a year ago. But that’s a significant recovery from double-digit volume declines in winter. [Click here for full cargo statistics.](#)



Imports have led Oakland’s volume rebound. The Port said it lifted the equivalent of 82,492 20-foot containers last month. That was the most since March when the Port’s import rally began. Import growth has been continuous since the Feb. 20 tentative settlement of a West Coast waterfront labor dispute.

The Port said an increase in longshore labor on the waterfront is helping to absorb volume growth. About 150 more dockworkers are being deployed at Oakland’s five marine terminals. With added labor, the Port said it has cleared a summer backlog of ships waiting to berth.

They Said It

“Much of the Modesto area’s bounty sails from Oakland”

—Modesto Bee

“Shipping traffic is back to normal at the Port of Oakland”

—ABC 7

“Worker influx pushes Port of Oakland backlog down”

—World Maritime News

