



**PORT OF OAKLAND
SEAPORT**

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MARITIME e-NEWS



Port of Oakland strategy, investments will lead to business recovery

Maritime Director addressed trade group on Port initiatives



Bryan Brandes

Strategic initiatives and investment in operational improvements are the Port of Oakland's solutions to post-pandemic business recovery and future growth. That is the message the Port's Maritime Director delivered to the Pacific Trade Association at its Zoom meeting this month.

"We are determining our strategic initiatives right now," said Port of Oakland Maritime Director Bryan Brandes. "We're continuing to spend and invest a fair amount into Port facilities to ensure that we're set up for the future."

The Port of Oakland is considering an 'only-port-of-call' express service. It is also looking into focusing on rail within the western states, both short-haul, and into the US interior as an opportunity for moving more cargo through the Port.

According to Mr. Brandes, the Port of Oakland is expecting a slight decrease in Oakland's overall cargo volume in 2020 due to the pandemic but expects that to

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Port import volume up third straight month

Entering peak season, exports also up

Import cargo volume increased for the third consecutive month at the Port of Oakland in August. Containerized import volume jumped 9 percent in August compared to 2019 totals. Exports were also up, 1.4 percent compared to August 2019.

The Port said it's encouraged by the rebound as it enters peak shipping season which runs from August to October. Peak season is when retailers get ready for the traditionally busy shopping months of November and December.

"We remain cautious because as we have already seen, the coronavirus

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More cargo, fewer ship calls, and trade trends



Andrew Hwang
Manager of Maritime
Business Development and
International Marketing

Current loaded cargo volumes at the Port of Oakland are up. Although the Port saw six percent fewer vessel calls through August 2020 compared to 2019, more cargo is being handled per

ship. In August, the Port averaged the equivalent of nearly 2,000 twenty-foot containers per vessel call compared to 1,750 in 2019.

"It's encouraging considering that last summer we had some record numbers as well," said Andrew Hwang, the Port of Oakland's manager of maritime business development and international marketing. However, year-to-date through August, the Port's total loaded cargo volume was flat. "I think this is the kind of year where if you break even, it almost feels like a win because the impacts of the pandemic continue," added Mr. Hwang.

Earlier this year the Port of Oakland saw increases in imports from Vietnam, Thailand, and Malaysia, mostly because of the trade war with China. China has reclaimed some of that market share in recent months, said Mr. Hwang, while addressing a recent Zoom meeting of the Pacific Trade Association.

According to Mr. Hwang, civil unrest and pandemic impacts in Hong Kong caused an initial drop of 30 percent in US exports there, but the loss decreased to a 12 percent decline over the last three months showing a trend of a returning Hong Kong consumer market for American goods.

Most of the import products coming into the Oakland seaport are consumer goods. Demand for furniture dropped during May and June but has since roared back.

The other rise in imports is for e-goods like computers, laptops and notebooks. With shelter-in-place due to the pandemic, a large part of the U.S. population is working and/or distance learning from home. This has created a huge need for tools to digitally connect with co-workers and teachers.

But the big story is exports, explained Mr. Hwang, "If we look at China, everyone has been talking about the trade war, but the statistics show that China has been buying big from America." China is expected to buy a lot of corn and soybeans from the U.S. once this year's harvest is in.

U.S. wastepaper exports are up with producers shifting their selling from China to Southeast Asia and the Middle East. China used to take 27 percent of all US solid waste in 2017. In 2020, that dropped to 2 percent.

The domestic consumption of American recycled products was 62 percent in 2017. This year it is at 82 percent. A lot of wastepaper is staying in the U.S. It is being processed into wood pulp. Scrap plastic is being processed into resin before being shipped out overseas. Southeast Asia is staying open to wastepaper because fiberboard is needed there to manufacture packaging for products destined for the U.S. and Europe.

Year-to-date American auto and dairy exports through Oakland are up by 61 and 66 percent respectively compared to last year. Despite the pandemic reducing overseas demand for protein, year-to-date protein exports through Oakland are up nine percent compared to 2019.

Blank sailings are coming up due to holidays in China, South Korea and Japan. Heavy export producers will be shutting down operations for the holidays. Three blank sailings have been announced, for late October/early November. That has generated high demand for space on ocean carriers in September. Blank sailings are posted at www.oaklandseaport.com.

The outlook through 2020 is mixed. Factories in Asia are saying that orders are strong through the end of the year. U.S. export proteins are expected to be stable through December.

In the U.S., the federal aid that was helping Americans has ended. U.S. consumers may pull back on purchasing. Additionally, if there is another surge of the corona virus with schools and colleges reopening, that could hamper trade.

With the pandemic continuing around the globe and the U.S. presidential election in November, it is a challenge to forecast trade.

"After October it's difficult to predict the unpredictable," said Mr. Hwang.

Industry resource links:

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

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pandemic has created lots of uncertainty," said Port of Oakland Maritime Director Bryan Brandes. "We're waiting to see how COVID-19 will affect our retail partners."

The Port attributed the boost in imports to U.S. retailers restocking their dwindling inventories. Shipments include pandemic-related items such as e-commerce goods, medical equipment and personal protective equipment. The gain in August exports was due to fruit and beverage shipments doing slightly better compared to August 2019.

The Port said its year-to-date total cargo volume is down 5 percent from 2019. That's due primarily to a 25.3 percent drop in shipments of empty cargo containers back to origin destinations.

Maritime status update

Import volumes could rise in October at West Coast ports with peak season in full swing.

- Three blank sailings expected at Oakland in October/early November
- Import outlook after October uncertain; volume could flatten or decline depending on impacts from continuing pandemic
- Due to high demand for chassis, there is a temporary operational challenge at Oakland
- Overall Port cargo volume 2020 expected to drop slightly compared to 2019 due in large part to COVID-19 impacts



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>

Construction of Port traffic management system takes off

Construction of the Port of Oakland's Freight Intelligent Transportation System (FITS) is due for completion in 23 months. The Port said FITS will decrease congestion and improve traffic flow for truckers who haul cargo containers to and from the Port. It will also provide a common communication platform for first responders and update security systems.

Funding for the \$32 million program comes from local monies and state and federal grants. It includes 15 projects in partnership with the Alameda County Transportation Commission.

"One of the major benefits from the FITS program for shippers will be better coordination with the marine terminals and trucking community," said Port of Oakland Maritime Director Bryan Brandes. "FITS improvements target enhancing truck traffic flow, increasing operational efficiency and upgrading safety and incident response capabilities throughout the seaport," added Mr. Brandes.

"It's exciting to be in project construction following a well-planned design phase," said Port of Oakland's Senior Maritime Projects Administrator Pia Franzese.

One of the significant components of the program is the buildout of the Port's Emergency Operations and Traffic Management Center (EOC/TMC). This feature involves enhancing the existing facility through various infrastructure and software improvements.

"The EOC/TMC is the first of the FITS projects to be completed, with the entire program expected to be operational in Summer 2022," said Ms. Franzese.

The EOC/TMC can house data from multiple FITS field devices. It centralizes the location to plan, run and manage traffic and incidents by integrating the data from a variety of sources.

FITS includes a robust Wi-Fi system that will shore up gaps in cellular coverage in the Port area, offering more consistent connectivity so that truckers and other stakeholders will have reliable remote Internet access.

Within the Port area large electronic changeable message signs (CMS) will be installed on the main roadways. CMS will supply information to those entering or exiting the Port, including traffic conditions, terminal wait times, roadway wait times at rail crossings and other relevant data.



Turn times are critical for truck drivers to decide how best to use their time within the Port area. The Port plans to install cameras along the Port arterials to track and monitor roadway conditions including traffic queuing, through artificial-intelligence-based video analytics. The cameras view and evaluate in real-time vehicle speeds and traffic congestion. This information will be electronically sent back to the EOC/TMC as well as pushed out to the public through CMS and the Port's current web-based application, Oakland Portal.

Enhancements to the Port's Oakland Portal is also part of FITS. This includes the sharing of valuable information with the public: truck turn times, live video feeds from the Port's roadways, vessel operations/schedules, terminal information and traffic conditions.

"We're committed to operating the FITS system for a period of up to five years," said Ms. Pia Franzese. "If the system as a whole or certain components perform well over this period of time, that will create a great foundation for managing traffic throughout the seaport in the years ahead."

Maritime Director, from page 1

pick up in future years. Mr. Brandes is optimistic about Oakland's maritime business and welcomed input from attendees as the Port continues to shape its strategy.

Fifteen transportation related infrastructure and software projects are being built in Oakland. Together they make up the Freight Intelligence Transportation System (FITS). "It's a combined effort with the Alameda County Transportation Commission, the Port and the City," said Mr. Brandes. "The new system will improve security, safety and the customer experience for those who are involved with the Port."

A long-term project at the Port of Oakland is the redevelopment of the former Oakland Army Base. The Seaport Logistics Complex (SLC) encompasses the Port's part of the former base. CenterPoint Landing is the first construction project at the SLC. The 466,000 square foot warehouse is on 27 acres and will soon be completed.

Three, new, huge container cranes are coming into Oakland International Container Terminal (OICT) later this fall. These will be the tallest cranes Oakland has ever had at 442 feet as measured with the boom at rest, pointed skyward (301 feet at the apex). TraPac terminal operators at Oakland also have plans to either raise cranes or bring in new, bigger cranes next year, Mr. Brandes said.

Mr. Brandes highlighted the Port's Seaport Air Quality 2020 and Beyond Plan, "This is the Port's plan on how it's going to sustainably grow its cargo business while at the same time be responsible to the surrounding communities regarding air quality, truck traffic control, and providing local jobs."

The Port is continuing its negotiations with the Oakland A's regarding a proposed baseball stadium at Howard Terminal. The project includes a residential development next to the stadium. It requires multiple approvals before it can be formally considered by the Oakland Board of Port Commissioners.

Port officials say they are committed to the growth of container cargo volume. If the ballpark project goes through, the Port plans to ensure that it does not impede maritime activities.

Mr. Brandes emphasized that the Port's investment in its facilities is a clear sign that the Port will be improving its infrastructure in ways that support maritime growth in Oakland.



United Cold Storage comes to Oakland

Supports temperature-sensitive cargo business

Facilities that can handle temperature sensitive imports and exports are in demand in the U.S. That's the word from United Cold Storage (UCS).

"Customers who need cold storage are underserved in the U.S., so we decided to expand our operations near the Port of Oakland," said UCS General Manager Clint Morgan.

UCS is taking over a facility previously operated by another supply chain company.

This UCS investment will shore up existing reefer protein business in Oakland and make much-needed room for more chilled agricultural imports and exports to move through the Oakland Seaport.

"UCS's new commitment in Oakland will help sustain and hopefully grow our thriving temperature-controlled cargo business," said Port of Oakland Maritime Director Bryan Brandes.

The UCS family-owned operation recently took over the transload facility designed for cargo that requires refrigeration like beef, chicken, pork, dairy and finished food goods ready to eat/heat.

"This Oakland facility offers greater capability to serve our existing customers and bring in new business," G.M. Morgan added.

The transload facility, called "81st Avenue", is already handling container operations. It consists of two buildings totaling more than 160,000 square feet. Ninety percent will be temperature-



controlled with the rest available for dry capacity (packaging). G.M. Morgan explained that the plan is for third-party logistics warehousing with import and export inspection services.

"We're over capacity with our facilities in San Francisco and on the Peninsula," said G.M. Morgan. "Adding this warehousing in the East Bay will make a substantial difference because we can grow both domestically and internationally." Mr. Morgan expects that once 81st Avenue is fully operational, it will improve UCS's quality of service, reduce truck times and enhance distribution accuracy. Mr. Morgan projects that at first, they will be able to position 15,000 pallets. He emphasized it would also provide future opportunity for value-added services in Northern California including:

- Over packing
- Case packing, and
- Item picking

United Cold Storage said its initial goal is to better serve its customer base. With the Oakland facility, Clint Morgan estimates that the company will be able to move at least 40 containers a week through the warehouses during peak season. Looking to the future he anticipates doubling UCS's overall tonnage throughput.

UCS has been in business in Northern California for more than 50 years. They offer service to customers who move as little as two cases a week to more than 250,000 pounds weekly. Cargo handled includes seafood, fine pastries, meat and poultry and various commodities for the growing boutique food manufacturing industry.

G.M. Clint Morgan recapped, "We're going to deliver more responsive and customized service with the Oakland warehousing and we're going to grow our global food logistics business, I'm certain of it."

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