



**PORT OF OAKLAND
SEAPORT**

MAY 2021

MARITIME e-NEWS



MSC Anna, an ultra-large container ship, heads to Oakland.

Port sets all-time cargo record

Another month delivers another record at the Port of Oakland. The Port said it handled the equivalent of 100,096 20-foot import containers in April 2021. It was the most for a single month in the Port's containerized history that began in the late 1960s. It marked the first time that Oakland has passed the 100,000-box milestone for imports in a month.

"We're sounding like a broken record, but containerized trade continues to flourish as the U.S. economy rebounds," said Port Maritime Director Bryan Brandes. "And as we've said before, there doesn't seem to be a letup in sight."

Oakland said April import volume increased 25 percent from the same month a year ago. It was the third consecutive month of import gains, and the second straight record month, the Port said. According to the Port, import volume year-to-date has increased 19 percent.

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Port's leader addresses Export Council and MARAD



*Danny Wan
Executive Director*

Improving air quality is a strategic priority for the Port of Oakland, Executive Director Danny Wan said this month. But Oakland's long-term vision of zero-emission operations faces hurdles, he warned.

Mr. Wan told Northern California's Export Council that Oakland has reduced diesel emissions 85 percent over 12 years. That, unfortunately, may have been the easy part, he suggested.

"The biggest challenge now will be making the jump to electric and other carbon neutral technologies wherever feasible," Mr. Wan said in remarks to an audience of 50 exporters, policymakers and seaport officials. "This is a critical issue for local residents and for my staff, who are working continuously to advance air quality initiatives."

Mr. Wan highlighted three needs as the freight transport sector attempts to move away from diesel dependence:

- Production of cost-effective, commercially available electric trucks to make long hauls from ports while carrying heavy loads;
- Government funding, affordability and feasibility of zero-emission technology; and
- A level regulatory playing field for ports.

California ports have long claimed they have a disadvantage against other U.S.

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\$2.25 billion ask from CA surplus funds

Investment in clean port future

A coalition, including the Port of Oakland, wants California to spend \$2.25 billion on emissions-free freight hauling. Supply chain and environmental groups sent their request to Sacramento this month, seeking surplus state revenue to finance:

- Zero-emission trucks and cargo handling equipment,
- Infrastructure such as electric charging stations, and
- Training to operate and maintain the equipment.

“The need for state investment to accelerate zero-emission vehicle adoption has never been more urgent, nor has the state ever had the means, as it does today, to enact change,” said the letter from 37 organizations including Oakland and five other California ports. “The state surplus presents a once in a lifetime opportunity to lay the strong foundation for an accelerated and equitable transition to a zero-emission freight transportation system.”

The letter to Gov. Gavin Newsom and legislative leaders follows projections of a \$75.5 billion 2022 state surplus. It aligns with commitments from ports in Oakland, Los Angeles and Long Beach to move containerized cargo emissions-free.

“Ports are essential to global trade and our state and local economies,” said Port of Oakland Executive Director Danny Wan. “But we’ve got an obligation to minimize the impact of our operations on the community and the state can help us achieve our objective.”

More than 6,000 big rigs are registered to transport cargo containers in and out of Oakland. Dozens of pieces of cargo handling equipment lift the mammoth boxes at its four marine terminals. Many of those vehicles are diesel-powered.

The request to the state calls for funds to help supply chain operators electrify equipment. The objective: cut emissions of diesel particulates and greenhouse gas.

Port of Oakland reports a 98% drop in harmful diesel truck emissions over the past decade through clean truck programs. The next step, according to the Port, is a switch by freight haulers to electric big rigs. Oakland and other ports want California to provide \$1 billion in financing for truckers ready to convert. An electric truck can cost up to \$500,000.

The state has also been asked for \$1 billion to fund electric charging stations at California ports. They’re considered a prerequisite for electrifying trucks and cranes that move containerized cargo through marine terminals.

“We share your goals of reducing greenhouse gas emissions, improving air quality and public health, and transitioning to zero-emission vehicles and cargo handling equipment,” said signatories to the request for state surplus revenue. “Our commitment to this goal is evident in our collective global leadership to innovate and implement cutting-edge, emission reduction practices. To continue this trajectory, it is imperative that the state’s policy leadership be accompanied by major fiscal investments to achieve these goals.”

In addition to California’s largest ports, other signers of the letter to Gov. Newsom included: The Bay Area Council, The Sierra Club, The Environmental Defense Fund, and Earthjustice.

Zero emissions, from page 1

gateways because of the state’s stringent air quality rules. There’s a belief that cargo is lost to Gulf and East Coast ports that don’t face strict emissions guidelines.

“Too often we hear of the potential for diversion of goods across port gateways or international shipping lines choosing to call one port over another because of differing greenhouse gas reduction standards,” Mr. Wan said. Different air quality standards can serve as an advantage to port gateways that have the least amount of environmental investments; that situation does little to support the goal of reducing greenhouse gas and addressing climate change.

Mr. Wan said his port has used technology to minimize the impact of containerized trade on Oakland air quality. He pointed to a \$60 million investment in shore power enabling ships to cut diesel engines at berth. He said a clean trucks program has reduced diesel exhaust from big rigs 98 percent.

The path to zero emissions requires study of multiple advances in technology, Mr. Wan said. These could include trucks powered by batteries or hydrogen cells, or ships using liquified natural gas. Seventeen battery-powered trucks will be on trial at the Port this year, according to Mr. Wan. The Port has already constructed ten charging stations to enable enlargement of the electric fleet, he added.

The Executive Director said Oakland will push for increased government funding to advance the spread of transport technologies. “Zero emissions equipment is currently much more expensive than diesel equipment, so we have concerns about any of those costs being passed onto customers,” said Mr. Wan. “We’re looking for increased support from our federal and state partners, due to the tremendous public benefits of green equipment.”

Mr. Wan praised government agencies including the Maritime Administration (MARAD) for supporting U.S. ports. “The Port of Oakland stands ready to partner with MARAD,” he said. “The funds that MARAD and other federal agencies invest in ports are critical, especially for ports like Oakland that do not receive local tax dollars for operations.”



Battery powered transtainer



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>



The Port said consumer spending continues to drive trade growth. To meet demand, U.S. retailers and e-commerce distributors are importing goods from Asian manufacturers at unprecedented levels. Asia is Oakland's No. 1 trade partner.

Oakland said its April export volume decreased 3.7 percent from a year ago. According to the Port, empty containers may have been to blame. Here's why:

Asian manufacturers needed empty boxes to transport record U.S. imports.

- Shipping lines sent large numbers of empties from the U.S. to Asia to meet demand.
- Empties leaving the U.S. took vessel space from U.S. exports intended for Asian markets.
- The Port said its total volume in April – imports, exports and empty containers – increased 8 percent from April 2020.

Industry resource links:

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



Federal funding for clean air infrastructure

Consumer demand for goods is creating big challenges for port authorities, marine terminal operators, trucking companies, rail partners, customs brokers and freight forwarders – everyone from the cargo owners to all those working the global supply chain. Port infrastructure in California and across the US is strained working to keep record breaking amounts of cargo moving across the docks.

Port of Oakland Executive Director Danny Wan called on the Port's maritime partners to contact their legislative representatives in support of federal funding for much needed Port infrastructure in the U.S.

Executive Director Wan told a meeting of the Propeller Club of Northern California that the Biden administration has put renewed emphasis on development of infrastructure, "The efforts include the goal of making America more competitive internationally."

The Port of Oakland, along with the legislative efforts of the California Association of Port Authorities (CAPA) and the American Association of Port Authorities, have been ensuring its federal partners and legislators are aware that ports are a critical part of America's infrastructure.

"The infrastructure plan that the Biden administration proposed has a 'Healthy Port' component to it," said Mr. Wan. "Its emphasis is on safety and greenhouse gas reduction and nonetheless, provides needed investment in ports."

"The Port of Oakland stands ready to tell the administration that exporters need this (federal) investment to be sure that 'made in America' continues to be the preferred brand in the world, and that exporting at Oakland is efficient and green," added Mr. Wan.

Inland Port Utah and Oakland pushing rail cargo

Utah's Inland Port Authority and the Port of Oakland are teaming up to improve cargo flow and container volume. The two agencies signed a cooperative agreement this month aimed at curbing supply chain congestion and cost. The pact is significant because Oakland-Salt Lake City is a major U.S. intermodal rail corridor.

"We're seeing a nonstop trade surge that has no signs of slowing," said Port of Oakland Maritime Director Bryan Brandes. "This collaboration with the Utah Inland Port Authority creates a path to long-term stability in the supply chain by improving fluidity and velocity as goods move inland."

The deal calls for optimizing on- and near-dock rail at Oakland. That's expected to reduce dwell times and improve the speed and consistency of rail deliveries to and from Utah. The Utah Authority will develop transloading capacity within its jurisdiction to accept imports and increase export capacity.

"This partnership is a huge step to establishing Utah as a transformational location in trade logistics," said Jack Hedge, Executive Director of Utah Inland Port Authority. "Working directly with the nation's Western cargo gateways will shape new trade patterns for the Western U.S."

Signatories to the agreement said they'd increase business by easing cargo transport delays and lowering supply chain costs. Programs, services, and facilities that are developed through the agreement will be promoted exclusively through the Port of Oakland to carriers, shippers, and service providers.

The agreement is timely given the introduction of two, first-call services at Oakland in 2021. The services make Oakland their first U.S. stop after leaving Asia. First-call services transport most U.S. imports.

A large percentage of imports are shipped from West Coast ports to the U.S. interior via rail. Two of the nation's largest railroads – Union Pacific and BNSF – serve Oakland. Both report capacity to handle added volume.



Economic relief for CA ports for COVID losses

The Port of Oakland will be a recipient of California Governor Gavin Newsom's economic relief for ports. The Governor's proposed budget includes \$250 million for public ports that have been financially challenged due to the pandemic.

Although trade has been booming for containerized ports, tourism and related businesses like restaurants and hotels on port property have been gutted by the pandemic. California ports have survived despite those revenue losses from port tenants; however, ports still need financial assistance.

For example, the Ports of Oakland, San Diego, and San Francisco, have business partners who rely on robust tourism, which in turn pays for port leases. With COVID-19 impacts, ports have had to defer many capital projects and dig into budget reserves to meet the financial consequences presented by the pandemic.

"These new funds will help ports, which are absolutely vital to the state's economic strength and recovery going forward," said Port of Oakland Executive Director Danny Wan. "When Oakland's port flourishes and its business partners are doing well, together, we can support more than 84,000 jobs in the region and impact more than a million jobs across the country." Mr. Wan is also Vice President of the California Association of Port Authorities (CAPA).

The Port of Oakland served as an early responder during the Princess Cruise ship COVID emergency last year; it offered easy access to COVID testing for its employees, residents, and visitors; and it provided rent relief to small, local businesses at the Oakland waterfront during the pandemic.

Funding relief will help fill the financial gap generated by losses at California ports due to COVID. The funding is from the American Rescue Plan Act of 2021, also known as the COVID-19 Stimulus Package passed by Congress. With budget approval, the funding relief will be distributed by the Governor's Office of Business and Economic Development (GO-Biz).

"We thank Governor Newsom, Lieutenant Governor Kounalakis, and State Controller Betty Yee for their valued advocacy to make these funds available to California ports at this critical time," said Mr. Wan.

State Controller Yee and Lieutenant Governor Kounalakis both serve as State Lands Commissioners overseeing many port operations, and the Lt. Governor is also serving as the state's Representative for International Affairs and Trade.

Some of California's ports' revenue streams were cut in half due to the pandemic's impacts on tourism and hospitality industries. Despite those major losses, California ports have not received direct state or federal relief up to this point.

California ports are critical components of the state's supply chain, moving goods in and out of the United States. Ports make huge contributions to economic activity and tourism, provide regional employment, and boost revenue for local jurisdictions and the state.

California's ports comprise the most significant system of ports in the U.S.

More information will be forthcoming when the Governor's budget goes through the approval process in the state legislature in June 2021.



Jack London Square, Oakland is part of the Port

Customer Profile: Unicold

Unicold Corporation has been providing refrigerated and dry ocean freight transportation, cold storage warehousing and distribution of food products since 1962 with its first operations in Hawaii.

Since then, Unicold has grown to service customers in the Pacific Northwest and California.

Employees at Unicold are focused on moving their clients' products from suppliers to the end users and making that process as seamless as possible.

The company's West Coast terminals are located with access from both truck or rail, allowing efficiency in consolidation and freight forwarding.

Unicold has the largest refrigerated food warehouse in Hawaii, located minutes away from the Port of Honolulu and Daniel K. Inouye International Airport



to serve its customers' needs on the islands.

Unicold Oakland offers a full range of export and import services for chilled and frozen goods. Its 22,000 square-foot, cold storage cross dock is within the overweight zone at the Port of Oakland. Company officials say this location and their service capabilities make them able to provide quality refrigerated logistic needs.

The temperature sensitive facility is within minutes of the Port of Oakland's marine terminals. This strategic location allows for cargo to be loaded at maximum capacity.

Unicold officials say close access to two, Class I rail spurs, serviced by BNSF and Union Pacific railroad, creates the opportunity at Unicold Oakland to hold up to 12 rail cars in its facility, making rail transloading quick and practical.

Unicold

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