



**PORT OF OAKLAND
SEAPORT**

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Cool Port construction should conclude in August. See story, page 3



Investments paying off at Port

Containerized cargo volume moving through Oakland is expected to increase 2 percent annually for the next five years. The catalyst for growth: a nearly \$700 million injection of capital from outside investors. That's the message Port of Oakland officials delivered to trade and transportation leaders recently.

"This is good, measured growth that's not debilitating for our community or our operations," Executive Director Chris Lytle told a meeting of the Port's 55-member Efficiency Task Force. "A big shout out to those who have stepped up to make the investments that will drive our growth—they're showing faith in Oakland's future."

The Port boss said investment in facilities and infrastructure is boosting Oakland's global trade status. Projects range from a new logistics campus to an online information gateway for cargo owners. Mr. Lytle said many of the projects would come online by summer, including:

- Substantial completion of TraPac marine terminal's \$60 million expansion to double the size of its Oakland footprint;
- Completion of a \$15 million project to heighten four ship-to-shore cranes at Oakland International Container Terminal;
- Groundbreaking for a \$52 million Seaport Logistics Complex by CenterPoint Properties;

- Opening of a \$90 million Cool Port Oakland refrigerated distribution center by Lineage Logistics and Dreisbach Enterprises;
- Launch of a \$40,000 web-based portal by Advent Intermodal Solutions for shippers to track containers or manage cargo pick-up.

Still on the drawing board: a \$500 million upgrade at Seventh Street, one of the Port's principal entryways. That project would include separating rail lines from roads. It would also introduce new technology to help freight haulers navigate the Port. Alameda County's Transportation Commission is seeking government grants to finance the work, Mr. Lytle said.

"How do you make traffic flow at the Port?" Mr. Lytle asked. "How do you eliminate congestion points? We couldn't do it without the support of the County Transportation Commission."

Port Maritime Director John Driscoll predicted that new development would increase cargo volume on Oakland docks. Cool Port alone could account for more than 50,000 20-foot containers of cargo annually, he said.

"We applaud the vision of those who are investing in Oakland," said Mr. Driscoll. "The payoff will be more business for the Port and more jobs and economic stimulus for the city."

Port of Oakland 2018 update

Night gates a big hit

More truckers now visit the Port of Oakland at night than at any time in its 91-year history. Oakland's largest marine terminal reported this month that the number of freight haulers arriving after sundown has doubled in 12 months.

Oakland International Container Terminal (OICT) said it's conducting between 1,500 and 2,000 truck transactions a night. That's up from 800 a year ago. Nearby TraPac marine terminal has been experimenting with night gates, as well. Port officials said that the difference is night and day. According to the Port:

- There's less daytime congestion even though Oakland's containerized cargo volume broke records in 2017.
- Truck traffic on city streets and freeways has declined.
- Cargo owners receive shipments in less time.
- Freight haulers, mostly independent operators, transport more freight daily thereby boosting their income.

"Night operations have transformed the Port," said Executive Director Chris Lytle. "No more 8-to-5 work days...we're too busy for that."

Oakland International Container Terminal introduced night gates two years ago. It was the first terminal to open for a second shift in Oakland history. Freight haulers use the gates for everything from picking up loaded import containers to dropping off refrigerated exports.

According to the terminal, truck transaction times average 60-to-90 minutes since night gates began. In the past, a driver could wait 2-to-3 hours to conduct business. The terminal said night gates account for about 30 percent of its daily transaction volume.



"We've spread out the truck traffic and improved the drivers' turn times," said Jim Rice, General Manager at Oakland International Container Terminal. "Night gates have allowed us to operate nine shifts a week with a domino effect: there's less traffic and congestion and it's easier for cargo owners to pick up their shipments."

Oakland International Container Terminal is the second-busiest marine terminal in the U.S. It handles 60-to-70 percent of all containerized cargo in Oakland. By stretching its workday, the

terminal has helped Oakland improve overall operating performance, the Port said.

"Oakland International Container Terminal has really led the charge with all of its investments and most importantly adding the night gates," said Peter Schneider, Vice President with T.G.S. Transportation Inc., one of the major motor carriers serving the Port. "It has helped transform not only Oakland, but many other ports and terminals are looking at their model moving forward."

Other ports have followed suit in the past year, opening night gates to lengthen the workday. Ports in Los Angeles and Long Beach say they'll consider adopting the Oakland terminal's model for their night gates.

Oakland International Container Terminal assesses a \$30 fee on all container loads to finance night operations. The fee is used primarily to cover labor costs. Said Kevin Bulger, Chief Operating Officer at Apex Maritime, one of the largest cargo shippers in Oakland: "It's the best \$30 I ever spent."

Port of Oakland ready for the ONE

Port of Oakland officials say they expect little difficulty as Japan's newly merged shipping line arrives this month. The Port predicted normal operations as container carriers MOL, NYK and K Line consolidate under a new flag.

The three Japanese ocean carriers merged in 2017 to form a new company, Ocean Network Express, known as ONE. They combined operations April 1 with the first ship arriving in Oakland a week later. ONE is the world's sixth-largest container shipping line with 240 vessels.

The Japanese shipping lines previously visited Oakland with eight weekly vessel services. That number has moved up to nine with the arrival of ONE, the Port said. Japanese ships continue to tie up at Oakland's largest marine terminals: TraPac or Oakland International Container Terminal.

"Everyone affected with this merger—the shipping lines, marine terminals, cargo owners, other Port stakeholders—has been gearing up for it since last year," said Port of Oakland Maritime Director John Driscoll. "There may be unforeseen challenges but we are confident they will be promptly addressed and no operational disruptions in Oakland are expected."

Japan is one of Oakland's leading trading partners. It's the Port's largest market for agricultural exports.

Marine terminal status report

Marine terminals report progress this month in efforts to gear up for increased Port of Oakland cargo volume. Initiatives at all three international terminals should near completion before the late summer peak season arrives, they say. Here's a status report:

Everport: The terminal announced that it would purchase four additional transtainers to deliver loaded import containers to drayage drivers. Everport said it needs more cargo-handling equipment because it's stacking more containers in its yard. That means the terminal is staging fewer loaded imports on chassis after vessel discharge. The changeover is helping Everport cope with increased volume resulting from the arrival of more vessels. The terminal will deploy 6-to-8 transtainers in its yard by the third quarter of 2018.

Oakland International Container Terminal (OICT):

The Port's largest marine terminal said it would complete a year-long crane-raising project this summer. Three cranes have been raised 27-feet higher since last year, the terminal reported. A fourth is due to be heightened soon. According to a terminal spokesperson, the taller cranes are working well. The modified cranes help the terminal handle megaships that increasingly call Oakland. According to OICT, its nearly 2-year-old night gate program has transformed operations. About 1,500 of the terminal's 6,000 daily truck transactions are handled by the night shift, the terminal said. Refrigerated container loads account for much of the nighttime traffic. The move to night gates has significantly eased the strain on dayside operations, the terminal explained. It added that night transactions take little time to complete. It urged more cargo owners to dispatch drayage drivers at night.

TraPac: TraPac said it continues to test its new gate complex on Maritime Street. The entryway opened late last month for all truck transactions. TraPac continues to operate its legacy gate complex while the new facility is de-bugged. Construction continues on TraPac's Oakland expansion. It expects new reefer racks to be in place this summer. Construction could conclude by the end of the third quarter. TraPac said turn-times for harbor truckers spiked during construction but have receded lately.

Port of Oakland 2018 update

Update on development projects

This is a big year for development projects at the Port of Oakland. Cool Port Oakland is scheduled to be completed in late summer. Work could begin at the Seaport Logistics Complex within two months. These highly anticipated projects are expected to attract new business to the Port. Others are on the drawing board, too. Here's a status update:

Cool Port Oakland: Construction is well along for this 283,000-square-foot refrigerated distribution center between Seventh and Maritime streets. Work on the building is expected to conclude in August. A rail extension to Cool Port should be ready one month later. Cool Port Oakland could process up to 50,000 TEUs of temperature-controlled beef, pork and poultry annually. Shippers will send product to Cool Port primarily via refrigerated rail cars. It will be quickly transloaded to 40-foot ocean containers in Oakland, then exported overseas. Cool Port Oakland is

a development by Lineage Logistics and Dreisbach Enterprises.

Seaport Logistics Complex: Developer CenterPoint properties hopes to begin demolition work this summer at the Seaport Logistics Complex. Workers will clear the way for a 440,000-square-foot transload center, the first new building at the complex. The 27-acre facility will go up along Maritime Street across from TraPac marine terminal. It will be set in the heart of the former Oakland Army Base. CenterPoint awaits permits to begin work at the site.

Truck Service Center: This proposed 8.5-acre facility is still in the negotiating phase. The Port is in discussions with Gawfco Enterprises to create a fueling/shopping/parking facility for harbor truckers. It would be located at Maritime Street and Burma Road. The center is intended to meet driver needs—including truck maintenance—inside the Port's footprint. The Port said it hopes to see construction begin in early 2019 with full operation by the summer of 2020.

Labor outlook good

Waterfront labor relations are good and the labor supply will soon grow. That's the upbeat assessment at the Port of Oakland heading into the second quarter of 2018.

Labor and management officials reported no on-the-job arbitration issues in the first quarter. The Pacific Maritime Association, the waterfront hiring organization, said it will add 125 dockworkers to the casual ranks by summer. Casuals augment the pool of steady longshore workers, filling in when extra labor is required.

Labor and management reached agreement on a contract extension in 2017 that runs through 2022. Both sides reported last month to the Port's Efficiency Task Force that labor relations have been good in 2018.

Ag exports up 42.7 percent in Oakland since 2013

Agricultural exports shipped from here have increased 42.7 percent in volume since 2013, according to the Port of Oakland. Port officials said that the vigorous growth reflects continued strong overseas demand for U.S. farm goods. They added that export growth could stall if foreign governments tax American goods in retaliation for Trump Administration tariffs.

"Overseas demand for high-quality American-grown products—especially in Asia—has never been stronger," said Chris Lytle, the Port's Executive Director. "We'd be disappointed to see anything curb the gains being made by American producers."

According to just-released data, Oakland ag export volume totaled 375,727 20-foot containers in 2017. That was up from 263,218 containers just four years ago. The Port said that California producers accounted for 55 percent of Oakland farm shipments last year. Japan, China and South Korea were the top-three export destinations.

The Port tracks agricultural shipments closely since export cargo accounts for half of its total volume. Oakland is considered a principal U.S. gateway to overseas markets for two reasons:

- It's the last U.S. stop for ships heading back to Asia. That makes it the shortest route to the world's fastest-growing markets.
- Oakland is the closest port for producers in California's Central, Napa and Salinas valleys.

According to Port data, leading export commodities from Oakland in 2017 included California almonds and rice. Oakland expects big increases in meat shipments beginning this fall. The Port said a 283,000-square-foot distribution center called Cool Port Oakland should open in September. The distribution center expects to export up to 50,000 containers of beef, pork and poultry annually. The Port said much of that product would originate in the U.S. Midwest.

The Trump Administration announced in March that it intends to impose tariffs on some steel and aluminum imports. China responded with a promise of retaliatory tariffs on a range of U.S. commodities including some farm goods.



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Arrivals are ramping up, and we're thankful for all the hard work the Port of Oakland is putting in. Keeping all those containers in order and getting them out of port ASAP is no small feat!



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March cargo volume took holiday dip

Port of Oakland import volume dipped last month while export growth flattened during a seasonal lull in containerized trade. The Port reported that March imports declined 1.9 percent compared to March 2017. Exports were essentially flat—down just 0.5 percent.

The Port attributed declining import volume to post-Lunar New Year holidays in Asia. Shipments traditionally slump as factories that produce many U.S.-bound goods temporarily shut down, the Port explained.

Oakland exports remained virtually unchanged after three consecutive months of growth. The Port said China's restrictions on recyclable commodities such as waste paper contributed to the export growth pause.



Free Port of Oakland harbor tours return



The Port of Oakland's free summer harbor tours will return this May and run through October. Due to their popularity, the Port has provided tips on its web site for how to reserve a ticket on the tour. These 90-minute harbor excursions are narrated and conducted aboard the Blue & Gold Fleet. Tickets can be reserved on the Port's web site home page: <https://www.portofoakland.com/>

"Port of Oakland harbor tours allow us to connect directly with the communities that we serve," said Port of Oakland Director of Social Responsibility Amy Tharpe. "The harbor tours are also a way of saying thank you to our community for supporting the work that we do."

Last year, more than 3,000 attended the Port's summer harbor tours. Every harbor tour has sold out since the excursions began in 2015. Each Blue & Gold vessel can hold 230 passengers per tour.

The Port will host two harbor tours a month on Friday afternoons departing from Jack London Square's ferry dock at the foot of Clay Street. Ticket registration begins May 7 and will take place the first Monday of each month of the tours. The first harbor tour is slated for May 11.

Tour organizers said the cruises were designed to give neighbors a close-up look at how the Oakland seaport works. The tours follow the port's shoreline along Oakland Estuary and Outer Harbor, and passengers will be able to see working marine terminals, giant cranes and megaships. The tours will also provide views of the East Bay hills, the Bay Bridge, and San Francisco's waterfront and skyline.