



**PORT OF OAKLAND  
SEAPORT**

AUGUST 2018

# MARITIME e-NEWS



## Update on Seaport Logistics Complex

A freight distribution center placing high-demand logistics capability inside a global trade gateway will soon take shape in Oakland. The Port of Oakland said that work should begin this fall on a long-awaited Seaport Logistics Complex.

The complex is envisioned as a cargo-handling campus that could change the trajectory of Port business. Currently a West Coast terminus for Transpacific trade vessels, Oakland could eventually double as a major freight distribution point.

"This is our future," said Port of Oakland Maritime Director John Driscoll. "The Seaport Logistics Complex will give freight shippers the opportunity to manage international supply chains right next door to the rail yards and marine terminals where their cargo is transported."

CenterPoint Properties, a premier industrial real estate company, is building [CenterPoint Landing](#), the first 440,000-square-foot facility at the complex. Oak Brook, IL-based CenterPoint said site preparation on its 27-acre leased parcel should begin by October. The tentative schedule calls for construction to begin next spring. The building is expected to open by summer 2020.

CenterPoint's \$52 million facility will be constructed at Maritime and 14th streets in the heart of the Port. The property once served as an Army supply depot.

The Army decommissioned its Oakland base in the late 1990s. The Port received about 240 acres of the property between 2003 and 2007. Since then, planners have imagined a logistics campus that could further strengthen Oakland's role as a global trade gateway.

The plan eventually calls for a 240-acre logistics campus with multiple buildings for warehousing or distribution.

The Seaport Logistics Complex is seen as a transload center where shippers can ready cargo for transfer from ships to trucks or rail. Transloading has become increasingly popular with supply chain managers pursuing cost-effective transport alternatives. CenterPoint officials said no other U.S. port has the land to duplicate Oakland's marriage of transportation and logistics capabilities.

The Port opened a \$100 million rail yard at the Seaport Logistics Complex in 2016. CenterPoint's development will be the first building at the campus.

## Port of Oakland debuts clean air plan

The Port of Oakland has embarked on a path to emissions-free cargo operations. The ambitious target is at the heart of a draft air quality improvement plan sent out for public review in June. It calls for reducing criteria pollutants and greenhouse gases at Oakland's seaport - technology, feasibility and budget willing.

"This is a bold and ambitious plan. Achieving a zero-emissions seaport will take years, requiring substantial investments in transformative technology, new infrastructure and equipment," said Richard Sinkoff, Director of Environmental Programs and Planning at the Port and principal architect of its clean-air plan. "But we are 100 percent committed to eliminating emissions related to the movement of containerized trade, wherever and as soon as we can."

Called the Draft Seaport Air Quality 2020 and Beyond Plan, the 30-page document would transform how Oakland operates. It proposes everything from electric trucks to new infrastructure to eradicate freight transport emissions. It would attack both diesel particulate and greenhouse gas emissions.

The Port said its plan specifies three primary clean-air strategies:

- Continuing with a 2009 plan that calls for an 85 percent reduction in diesel emissions by 2020;
- Promoting a pathway to zero-emissions equipment and operations that reflects the state of California's 2030 and 2050 greenhouse gas goals; and
- Building out infrastructure - including electrical systems - to support a future less reliant on diesel-emitting cargo handling equipment and trucks.

Zero-emission operations means most Port trucks and terminal equipment would be powered by sources other than diesel fuel. Alternatives could include battery power or other fuel from renewable sources, the Port said.

Under the plan, visiting vessels in Oakland would continue switching off engines and plugging into the landside power grid. Nearly 80 percent of ships calling Oakland do that now. The plan

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promotes higher levels of shore power use.

The Port didn't put a price tag on its plan, but said implementation would be costly. It added that public sector funding and investments by businesses serving the Port would be essential in moving toward emissions-free operations.

Oakland's draft plan arrives as the state of California is formulating stricter regulations for cargo transport. The state is expected to curtail diesel-powered freight hauling and put tougher restrictions on all sources of emissions in the next few years. California ports, including Oakland, have developed their own plans in advance of new state mandates.

More than 1,500 ships visit the Port of Oakland annually carrying the equivalent of 2.5 million 20-foot containers.

## How Oakland bounced back

By Martin Rushmere

Reprinted from *Port Strategy* magazine Aug. 6, 2018

Analysts predicted an indefinite period of stagnation two years ago when Oakland was hit by the withdrawal of the joint venture between Ports America and MSC at the Outer Harbour Terminal.

Two years before that, the port had suffered from the tremors of anxiety over contract negotiations on the Western Seaboard with the ILWU. Conventional wisdom declared that while Long Beach/Los Angeles were 'too big to fail' and able to weather any financial blows, Oakland was vulnerable and could lose significant business.

Two factors lessened the impact - the union is totally united ('an injury to one is an injury to all') and its actions apply equally to all ports; coupled with the port's administrative control of the international airport, which could offset the seaport's financial problems. Still, the Outer Harbour loss came at a bad moment and reinforced pessimistic views that business volumes were going to be sluggish at best.

In May this year container import volumes were the highest in the port's 90 years (76,000 teu) and overall volumes could be 3% higher than 2017.

Executive director Chris Lytle diplomatically credits everyone involved for the success - "all links in the supply chain came together to dig us out of the hole" - and although this is partly true, three strategic decisions probably count for even more.

At the forefront is the Efficiency Task Force, initiated by the port's executives, consisting of tenants, shipping lines, the ILWU, suppliers, terminal operators, railway companies and representatives of the heavy vehicle drivers serving the port. This mirrors the 20-member task force at New York/New Jersey that has significantly improved vehicle delivery and turnaround times.

According to people involved with the early meetings, initial expectations were that there would be wariness and even suspicion. "The actual reaction was 'Why hasn't this happened before - this is just what we have been wanting'," said one participant.

An immediate result of the meetings was the introduction of night gates for vehicles at the terminals, plus a limited appointment system.

### Taking digital steps

Chris Lytle and maritime director John Driscoll have also been quick to recognise the benefits of digital technology, which suppliers have been clamouring for throughout the US. The port has adopted what it calls the Oakland Portal. Says the port: "This is thought to be the first digital collaboration platform which aggregates shipping information from every marine terminal in a harbour. The portal provides a universal view of the port by consolidating information from Oakland's four active marine

Between 3,000 and 5,000 trucks haul boxes daily at the Port. Oakland has reduced diesel emissions from those sources by 76 percent in the past decade. The Port said it wants further reductions - ideally to zero - to mitigate the impact of trade on nearby communities and to abate climate change.

The Port said it has planned a public engagement process before the draft air quality plan becomes final. It will include a series of public meetings to be scheduled this fall.

The Port posted its plan on the Port of Oakland website June 29. It has since distributed copies to East Bay library branches to reach residents who may not have access to technology at home. Click [HERE](#) to see the Port's draft air quality plan.

The Port expects to have a final plan in place by year-end.

terminals, including data such as vessel schedules, cargo status and live camera views of port thoroughfares."

A unified information system taking in all terminals has been a goal - verging on the equivalent of the unified field theory in physics - of all port administrations in the country, but has been held up by management doubts that proprietary and sensitive business and operating information can be hacked into. This obstacle has largely been overcome.

Some industry observers on the US West Coast see Oakland's rapid introduction of the system as a triumph over the Southern California ports. "Los Angeles/Long Beach are four times bigger and each has four times the number of terminals," says a consultant, "and their complications are that much greater. They might be seen as slow to get going, but they have wasted little time since."

The departure of Ports America proved to be a longer-term benefit. Says port spokesman Mike Zampa: "All of the terminal's business was retained in Oakland. It was redistributed to remaining terminals. Since then, all three remaining international terminals have invested heavily for the long-term in Oakland. The reason? Their business volume has increased and their financial positions have strengthened. That's because supply and demand at the terminals are in equilibrium."

A third strategic decision has been to develop a former army base into a logistics park, which has led to heavy demand from companies taking advantage of the efficiencies of being sited right at the port.

At the same time, Oakland has an inherent solid base in being the natural outlet for the huge volume of farming exports from California's central valley. In fact, 85% of all the traffic going through the port is going from or to Northern California.

### July container volume up 3.6 percent

Port of Oakland total container volume increased 3.6 percent in July, according to data released this month. The Port said the rise over July 2017 totals was driven by an increase in empty container shipments to Asia.

Import cargo volume declined 0.6 percent in July, the Port said. Exports were down 7.3 percent.

The Port said the increase in empty container volume may have resulted from strong import activity earlier in the summer. When import boxes are emptied, they must be returned to origin points to be reused for further cargo shipments to the U.S.

For all of 2018, Oakland's total container volume - which measures imports, exports and empties, has increased 2.5 percent. The Port said it would establish a new full-year volume record, if the trend holds.