



**PORT OF OAKLAND
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Peak season outlook in Oakland

Uncertainty clouds the peak season container shipping outlook with more threatened tariffs on Chinese imports to the U.S. looming. But the Port of Oakland said this month that there's no uncertainty about handling the annual August-October cargo rush.

"The Port is operating efficiently, ships are getting in-and-out on time and cargo is moving without delay," said Maritime Director John Driscoll. "We don't see that changing in the coming months."

The Port said it wouldn't project volume for shipping's traditional highwater mark when imports increase to support holiday merchandising. It advised, however, that Oakland marine terminals where ships load and unload are reporting uninterrupted operations. It added that it expected cargo to continue flowing unfettered through the peak season.

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Oakland set all-time record in July

Last month was the busiest in the Port of Oakland's 92-year history for containerized import cargo. The Port said it handled the equivalent of 90,598 20-foot import containers in July. It was the first time ever that Oakland import volume had crossed the 90,000-container threshold in a single month. The total surpassed the Port's old monthly record of 87,207 containers set in June 2018.

According to the Port, July import volume was up 7.5 percent from the same period a year ago. The Port attributed the gain to strong U.S. consumer demand.

"This is the fourth-time import volume has increased in the past five months," pointed out Port of Oakland Maritime Director John Driscoll. "This demonstrates the continued strength of the U.S. economy and consumer purchasing power."

The Port reported good news on the export front, as well. Export volume jumped 10.2 percent last month over July 2018, the Port said. It was the fifth-straight month of year-over-year gains in export volume.

The July figures come just days after the Trump Administration signaled it may impose new tariffs on Chinese imports. Those could be implemented starting next month. The Port said it wouldn't project how new levies might affect Oakland trade volume. The Port's total cargo volume for all of 2019 is up 3.1 percent despite a lingering trade war with China.

Strong July cargo volume can foreshadow a busy peak season in container shipping. August-through-October are months when U.S. importers traditionally stock up for holiday sales. The Port cautioned, however, that the trade conflict makes estimating future cargo volume difficult.

Exports up with help from China's neighbors

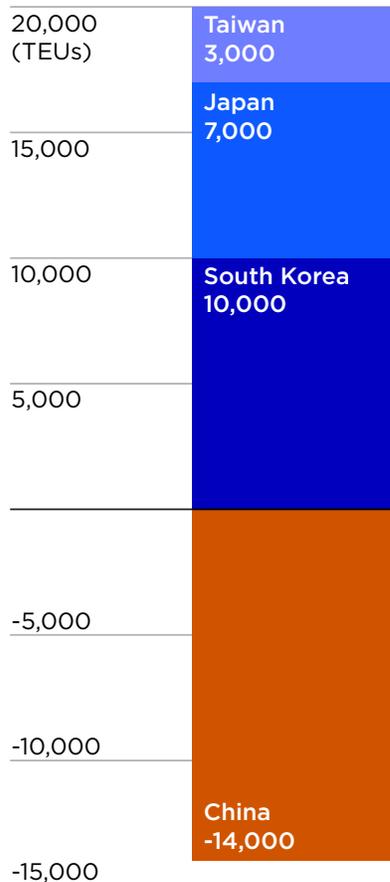
Containerized export volume at the Port of Oakland increased in the first half of 2019 thanks to China's neighbors. Port data released last month showed double-digit export volume percentage increases through June 30 to South Korea, Japan and Taiwan. Trade with those three nations alone offset a 17 percent drop in exports to China, the Port said.

Exports to China dropped by the equivalent of 14,000 20-foot cargo containers through June, the Port said. China is Oakland's largest trading partner. On the other hand, shipments to South Korea were up 10,000; Japan 7,000; and Taiwan, 3,000.

The trade numbers indicate that Oakland exporters are countering the effects of Chinese tariffs imposed on U.S. shipments. The result: Oakland exports have increased year-over-year in each of the past five months. For all of 2019, export shipments are up 3.5 percent.

"This is testament to the resilience and ingenuity of our customers," said Port of Oakland Maritime Director John Driscoll. "They're finding the means to overcome debilitating trade barriers."

Scrap paper exports to Asia have declined 34 percent in 2019, the Port said. That's due mainly to tighter Chinese restrictions on waste product shipments. The big 2019 gainers among Oakland export commodities: agricultural products including almonds, meat, oranges and hay.



Lease keeps cargo flow program going

A program that accelerates Port of Oakland cargo flow has a new lease on life...literally. Port Commissioners last month approved a firm's 13-year lease to continue moving loaded import containers off Oakland docks.

The agreement keeps Shippers Transport Express on 32 acres at the Port's Seaport Logistics Complex through 2032. The firm transports loaded containers from Oakland's largest marine terminal to a less-crowded pick-up point nearby. The Port said the service is essential in speeding import cargo to final destinations domestically.

"Shippers Transport Express hauls 400 loaded import containers off the terminal every night," pointed out Port of Oakland Maritime Director John Driscoll. "That frees up space at the terminal for additional cargo and makes it easy to collect those containers for delivery."

The firm transports import containers away from a terminal where 25 ships a week load and unload cargo. It parks the boxes on chassis one mile distant so truckers can pick them up quickly day or night. The benefits include:

- A 15-minute-or-less transaction time to collect cargo at Shippers

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Freight hauler to test electric big rigs on highway

A major Port of Oakland freight hauler is ready to take the next step with battery-powered trucks. GSC Logistics said this month it would acquire two more electric big rigs by October. The Port's largest trucker said it wants to discover if zero-emission tractors can haul cargo containers over highways.

"Our first tractor is fine moving containers around the Port... it does the job," said GSC Director of Transportation Brandon Taylor. "Now we want to test these new trucks on the road - the manufacturer says they can haul fully loaded containers 55 miles per hour up a steep grade."



GSC said it's acquiring two 13-ton electric trucks with assistance from state grants. The rigs would both have twin 241-horse power battery-driven motors. Each truck would be able to travel 125 miles on a battery charge, GSC said. The new electric trucks would be heavier than GSC's first model due to battery weight.

GSC, which hauls the equivalent of 120,000 20-foot-containers annually through Oakland, began electric truck testing 18 months ago. The company expects its second battery-powered rig this month. A third arrives in the fall.

Port of Oakland environmental scientists are following the trial closely. That's because battery-powered tractors are expected to factor in Oakland's stated quest for zero-emission cargo handling. GSC and three other companies, Impact Transportation, Oakland Maritime Support Services and ConGlobal currently operate electric tractors near the Port. The Port projected that there could be as many as 20 battery-powered trucks hauling containers by year-end.

"We're grateful to these firms for taking a chance on battery power," said Port of Oakland Environmental Programs and Planning Director Richard Sinkoff. "We can't get to zero emissions without pioneers to lead the charge."

It's hoped that emission-free electric trucks can someday replace the 6,000 diesel tractors hauling containers in Oakland. That won't happen, industry experts say, until costs come down and trucks can go further on a single charge. There's one other challenge: battery-charging infrastructure.

"The technology and capability of electric tractors is moving fast," said Mr. Taylor. "But the ability of a truck owner-operator to buy an electric truck and have the electrical infrastructure to support it may be years away."

Oakland's push for truck fluidity means quick turns for shippers

Michael Angell, July 30, 2019 (Reprinted from *Freightwaves*)

The Port of Oakland is far from the biggest market for container trucking. But it aims to be among the most efficient for drivers.

Oakland, the fourth-largest port on the North American West Coast, saw container volumes rise 5 percent last year to 2.5 million twenty-foot equivalent units (TEUs), its best growth since 2010. Overall, the ports from Vancouver to Los Angeles/Long Beach saw total container volume growth last year of just under 4 percent.

As ports to the south sometimes struggled with the import surge of 2018, Oakland took in some of the overflow, said Mike Zampa, communications director for the port.

While delays were inevitable due to last year's one-off event, Zampa said that Oakland is "a vastly improved place operationally" than it was previously.

Oakland is heavily dependent on drayage, with up to 90 percent of containers leaving the port on a truck. The catchment area for most of those truck moves is northern and central California and western Nevada. Between 6,000 and 7,000 trucks call on the port on a regular basis.



Zampa said that truck drivers would see turn times of two hours or more during previous peak periods. But thanks to improvements across Oakland terminals, drivers "are looking at turn times between 60 and 70 minutes," Zampa said.

Delays and driver detention costs hit many shippers last year due to port congestion. But Oakland aims to give shippers the latest information on potential delays through its new turn time portal, becoming the first U.S. port to display truck turn times publicly.

Andy Garcia, executive vice president of drayage carrier GSC Logistics, said the turn time portal is a step toward making more intelligent decisions about where to dispatch drivers.

"Oakland today is the most efficient port for truck drivers and is helping them to use the marine terminals as efficiently as possible," Garcia said.

Garcia credits the investments and expansions made at the port's two primary container terminals, Oakland International Container Terminal (OICT) and the TraPac Oakland terminal, for the efficiency gains. OICT completed a \$14 million project to extend the height of four ship-to-shore cranes last year, and plans for another 19-acre expansion of its 271-acre site.

In January 2019, TraPac completed a two-year project to double its size from 66 acres to 123 acres, along with adding a third wharf for large container ships and adding three new ship-to-shore cranes.

"The combination of technology and real estate is proving to be incredibly effective in alleviating wait times at the ports," said Mike Caplan, regional vice president of northern California operations at NEXT Trucking. "Oakland has done tremendous work in making it easier for drivers to gain access to loads."

Even with the expansions, the port of Oakland is also easy to navigate, Garcia said. The biggest share of international container volumes have consolidated down to OICT, TraPac and the Everport Terminal. Each of the three are only half mile apart from each other.

"Having to only deal with three terminals is an absolute dream," Garcia said.

Along with the physical plant, operational changes also make Oakland more fluid for drivers. The introduction of an appointment system for

drivers and the availability of off-peak gate hours at the terminals have made the port an easier place to drive, Garcia said.

"As we get into peak season, (truck supply) may get tight, but the fact that the terminals have gotten so efficient has helped create a more productive and fluid environment for drivers," Garcia said.

Truckers are also able to take advantage of off-dock container yards for picking up lower priority freight. Shippers Transport Express runs a container shuttle service that takes up to 400 containers per day off of the port to an adjacent 20-acre container yard where drivers can pick up a container the next day. The dray-off site aims for a truck turn time of 10 minutes.

The result of these efforts "is that truckers are able to make more turns in a day," Zampa added.

Garcia agrees that off-dock container yards allow for better driver efficiency and more frequent truck turns. GSC runs a 15-acre near-dock container yard for line drivers to quickly pick up a container for delivery or drop-off an empty without having to go to the terminal.

"Our goal is to do everything humanly possible to give drivers two turns a day," Garcia said.

Also unique among most West Coast ports, Oakland's loaded container mix is split about equally between imports and exports. What that means for drivers is that "there are lots of opportunities for dual transactions" to bring in an export load and take out an import load, Zampa said.

Oakland is the largest gateway for agricultural exports from California's Central Valley. As such, much of the logistics needs are centered around serving this market.

Oakland opened the French Camp inland container depot located 70 miles away in the Central Valley in 2017. The depot gives drivers the option of dropping off an empty container and returning to the port more quickly for a loaded container.

Closer to the port, Lineage Logistics, the largest owner of refrigerated warehousing space, and Dreisbach Enterprises opened Cool Port Oakland in November 2018. Cool Port, which is housed on 25 -acres of port property, has 90 truck doors and can send 1 million tons of temperature-controlled freight through the port annually.

"That's a growing market for us," Zampa said. "Refrigerated containers are a big segment of the volume coming through the Port of Oakland because there is huge demand for our farm goods."

Outside of managing freight, the port is looking at other steps to improve truck efficiency. The city approved a truck management plan that aims to give drivers better signage for overweight corridors and truck parking in Oakland. The port is also in negotiations for an eight-acre truck service center for fueling, repairs, and overnight parking.

One area where the port could improve would be in chassis supply, Garcia said. GSC has built up a fleet of 700 chassis to handle containers. But in periods of high demand or when an ocean contract specifies a certain chassis provider, Garcia said.

"Once peak hits, no one drayage provider has enough chassis," Garcia said.



You can reach the Port through LiveChat

Talk may be cheap but it's popular online, according to the Port of Oakland. The Port said this month that its web-based customer service feature LiveChat has passed 10,000 visitors since launching in December 2015.

The Port said its online representatives are responding to about 200 online queries each month. It's believed that Oakland may have the only online chat service among U.S. ports.

"We started LiveChat to make doing business with us easier," said Port of Oakland Social Responsibility Director Amy Tharpe. "But it has blossomed into a platform to discuss just about anything that's on the mind of our constituents."

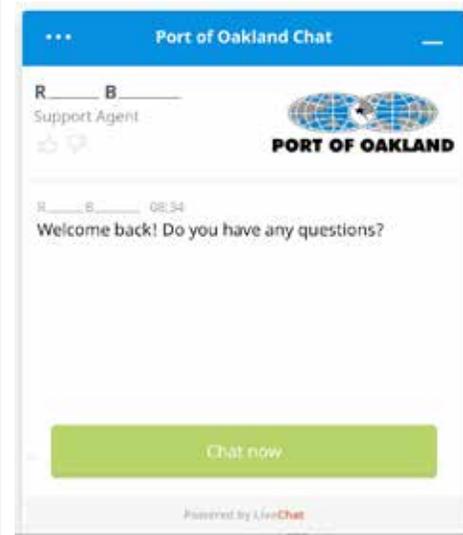
When visitors log onto the Port of Oakland web site, they're prompted to query Port staff. Port representatives respond in real time to questions Monday through Friday from 8:30 a.m. to 4 p.m.

The questions run the gamut. For instance:

- **Question:** Can I pick up my cargo container with a pick-up truck? **Answer:** No. It takes something a little bit bigger—like a semi...and it has to be registered with the Port of Oakland.
- **Question:** Can I get tickets for your free harbor tours? **Answer:** Sure. [Just click here for instructions.](#)
- **Question:** Can I get free parking at Oakland International Airport? **Answer:** Yep. [Register here](#) to qualify for a free parking day.
- **Question:** Are you a robot? **Answer:** No. Everyone at LiveChat is a real person.

The most commonly asked questions for Port staff concern employment opportunities and how to import containerized cargo from overseas.

Questions submitted overnight are logged and answered the next business day.



Outlook from page 1

West Coast peak season containerized import growth is likely to be 1-to-3 percent, trade analysts say. That's modest compared to big jumps last peak season when importers front-loaded against expected tariffs. The wildcard is a new round of tariffs proposed by the Trump Administration that could take effect next month.

Regardless of trade dynamics, Oakland says it's ready for peak season. Here's the operational update it provided:

- **Vessel operations:** Ships are routinely arriving on time this summer and completing cargo operations within 24 hours.
- **Import deliveries:** Import containers are generally delivered to cargo owners within 1-to-3 days of vessel discharge.
- **Turn times:** Average transaction times for drivers at Oakland's three international marine terminals range from 59-to-75 minutes. That's down from a range of 67-to-92 minutes in January.
- **Street queues:** Lines of trucks waiting to enter marine terminals aren't as prevalent as they used to be in Oakland. Night gates and appointment systems have helped shrink the queues. Lines still form in the morning before gates open and again during lunch hour. There are also lines Mondays and Tuesdays following weekend vessel arrivals. But terminals for the most part are working efficiently to ease back-ups.
- **Chassis to haul containers:** They're usually available without shortages though providers do have to relocate some units among terminals to avoid imbalance.
- **Containers:** Oakland's near 50-50 import/export balance eliminates most worries about container shortages. The Port ships large numbers of empties back to Asia but there are no supply problems in Oakland.
- **Night gates:** About 25-to-30 percent of truck transactions are occurring at night Monday-through-Thursday in Oakland. Marine terminal operators are urging drivers to haul more cargo at night to ease daytime crowding.

Lease from page 2

Transport Express instead of approximately 75 minutes at the terminal;

- Less crowding at the terminal to cut down its transaction times; and
- Faster delivery of import containers to waiting cargo owners.

Import relocations are part of Oakland's strategy to hasten cargo flow, the Port said. Other elements include night gates for truckers to ease daytime crowding and appointment systems for cargo pick-up. The strategy has cut significantly into truck driver transaction times that once extended beyond two hours, the Port said.

The Port said rent for the Shippers Transport Express property would average \$4 million annually. The Port would spend \$7 million paving the land for container parking.

