



**PORT OF OAKLAND
SEAPORT**

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MARITIME e-NEWS



Executive Director Chris Lytle retiring

The Port of Oakland has announced that Executive Director Chris Lytle would retire July 19, after 53 years in trade and transportation. The Port said Mr. Lytle has agreed to remain as a consultant to the Port through year-end.

Mr. Lytle, 73, is concluding his sixth year at the helm in Oakland. His latest three-year contract expires July 21. The Port said Port Attorney Danny Wan would become Acting Executive Director pending a search for Mr. Lytle's successor.

A respected and highly visible executive in trade and transportation, Mr. Lytle previously ran the Port of Long Beach. In May 2019, the Containerization and Intermodal Institute announced it would give Mr. Lytle its Lifetime Achievement Award this fall.

"Chris Lytle is one of the best-known and most respected executives in the industry and it has been our good fortune to have him as our leader," said Board of Port Commissioners President Ces Butner. "Our priority now is finding an able successor."

President Butner said Mr. Lytle would assist the Port in its search for a new Executive Director. He would also be asked to facilitate meetings with customers and the Acting Executive Director, as well as meet overseas with key clients.

Mr. Lytle joined the Port of Oakland in July 2013. He's credited with guiding the Port through an era of unprecedented growth that includes:

- Five years of consecutive increases in passenger volume at Oakland International Airport;
- All-time high containerized cargo volume in each of the past two years at the seaport;
- Record operating revenue for three straight years;

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Oakland takes bigger ships in stride



Bigger ships are challenging the Port of Oakland with never-seen-before container volumes. The Port said this month that vessels on average load and unload the equivalent of 1,773 20-foot boxes each time they visit here. It's the highest container move count in Port history, up 9 percent from 2018 and 50 percent over 2009.

The Port said higher move counts result from shipping lines consolidating more cargo on bigger ships. It added that bigger loads test the Port's cargo-handling capacity but that cargo continues to move briskly.

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Hybrid yard cranes ‘better than we thought’

A major Port of Oakland tenant projects big air quality gains from a four-month-old emissions reduction program. SSA's Oakland International Container Terminal said its \$6 million conversion to hybrid yard cranes would cut greenhouse gas emissions 96 percent.

“This is way better than we thought it would be,” said Ken Larson, Crane Manager for the terminal's parent company, Seattle-based SSA Terminals. “So far, this is a very successful project.”

The marine terminal, which handles 61 percent of Oakland's cargo, is converting 13 massive cargo handlers, known as rubber-tired gantry cranes, from diesel to battery-powered hybrid engines. The 90-foot-tall cranes combine to lift about 1,000 containers a day.

Three yard cranes have been retrofitted and returned to service since March, the terminal reported. The remainder will be done by next June. The big revelation so far: a dramatic drop in fuel use.

“The old engines burned 10 to 12 gallons of diesel an hour; the new ones...about a half-gallon per hour,” explained Mr. Larson. “That's the nuts and bolts of air emission savings right there and we're astonished by the results.”

SSA said hybrid engines would cut about 1,200 metric tons of greenhouse gas emissions annually from each crane. It said there would also be a 95 percent reduction in diesel particulate matter emissions.

The hybrid conversion project is being watched closely by maritime officials. Rubber-tired gantry cranes are the workhorses of marine terminals where ships dock. They straddle mile-long rows of containers, lifting boxes on and off trucks and have 50-ton lift capacities. Reducing exhaust from the ubiquitous cranes could help the industry meet clean air commitments.

SSA is replacing 1,000-horsepower diesel engines on its cranes with 142-horsepower diesel hybrids. The new power plants include small diesel engines used only to charge a



crane's batteries. The Bay Area Air Quality Management District awarded SSA a \$5 million grant to help finance the conversion.

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- Transformation of former Oakland Army Base property to a Seaport Logistics Complex;
- Development of Cool Port Oakland, a 280,000-square-foot refrigerated cargo distribution center; and
- Two long-range planning initiatives that set the Port on a course to the future.

Mr. Lytle led development of a 5-year strategic plan for the Port called Growth with Care. It commits the Port to business expansion that benefits neighboring communities.

Under the Executive Director's guidance, the Port also adopted a long-term air quality plan. Called the Air Quality 2020 and Beyond Plan, its stated objective is seeking a path to zero-emission seaport operations.

“The person on top gets the notoriety, but credit for our achievements goes to our employees,” said Mr. Lytle. “They're the best in the business and it has been my privilege to serve with them.”

Mr. Lytle began his career in 1966. He's been an executive with P&O Ports, APM Terminals, Sea-Land Service and French shipping line CMA CGM.

Port of Oakland exports up 4.2 percent in June

Fourth straight month of export gains, import volume declines

The Port of Oakland reported that containerized export volume increased 4.2 percent in June 2019 compared to June 2018 totals. The Port said it handled the equivalent of 74,901 20-foot loaded export containers last month—compared to 71,894 in June 2018.

The Port has now reported year-over-year export volume gains in four consecutive months. The Port said import volume declined 7.2 percent in June after rising in the four previous months.

“We remain cautious about our trade outlook as we head towards peak shipping season,” said Port of Oakland Maritime Director John Driscoll. “But we're pleased to see the uptick in exports.”

Oakland's total cargo volume—imports, exports, and empty containers—is up 3.6 percent through six months of 2019 compared to the same period last year.



CMA CGM ship celebrates Fourth in Oakland

A 1,148-foot-long French emissary celebrated Independence Day at the Port of Oakland. The container ship CMA CGM Ivanhoe arrived July 3, making a big splash in San Francisco Bay.

Marseille-based CMA bedecked the ship's hull with enormous American flags which unfurled near the Golden Gate Bridge late in the afternoon on the eve of Independence Day. Horn

blasts and water cannons heralded the ship's arrival in the Bay. Families and friends gathered at Fort Point and Crissy Field to enjoy views of the ship.

French shipping line CMA CGM delivers more containerized cargo to Oakland than any other carrier. It operates two lines: CMA CGM and APL.

Ces Butner, Danny Wan get top Port posts

Cestra "Ces" Butner will serve a third term as President of the Port of Oakland Board of Port Commissioners. The Board re-elected President Butner at a meeting this month. It re-elected Commissioner Andreas Cluver as First Vice President and chose first-year Commissioner Barbara Leslie as Second Vice President.

At the same meeting, Commissioners formally selected Port Attorney Danny Wan as Acting Executive Director. The Port signaled Mr. Wan's new role earlier in announcing the July 19 retirement of Executive Director Chris Lytle. Commissioners named Assistant Port Attorney Michele Heffes as Acting Port Attorney in place of Mr. Wan.

The votes came in the same week that Oakland's City Council re-appointed President Butner and Commissioner Joan Story to the Port's Board. The seven-member Board governs the Port of Oakland. Commissioners are nominated by the Mayor of Oakland and appointed by the City Council.

President Butner joined the Board of Port Commissioners in 2012. He first served as President from July 2013 to July 2014. He was voted to a second term in July 2018. President Butner founded Horizon Beverage Company, the Oakland-based distributorship serving northern Alameda and western Contra Costa Counties. He sold the company in 2015.

Vice President Cluver joined the Board in 2016. He served his initial term as First Vice President from July 2018 to July 2019. He is the Secretary-Treasurer of the Alameda County Building and Construction Trades Council.

Vice President Leslie joined the Board in December 2018. She's President and CEO of the Oakland Metropolitan Chamber of Commerce.

Mr. Wan joined the Port as Port Attorney in 2012. He was Deputy Port Attorney from 2004 to 2008. He is a former member of the Oakland City Council.

Port of Oakland adopts \$513.6 million budget

A \$513.6 million operating budget for fiscal year 2020 has been approved at the Port of Oakland. The Port's governing Board OK'd the spending plan last month.

The new budget is up about 4 percent from the one adopted in fiscal year 2019. It went into effect July 1.

The budget projects revenue of \$398 million at the Port in the new fiscal year. That would be up about 1.2 percent from anticipated FY 2019 revenue.

Operating expenses are likely to increase 10.4 percent from the current budget, the Port said. Most of the change is expected to come from increases in personnel costs, maritime maintenance and dredging costs and aviation security costs.

The Port's new budget includes \$42.3 million in capital expenditures, mostly at the seaport, Oakland International Airport and Jack London Square. The Port said it expects to launch an additional \$81.4 million in capital projects during the year, pending Board approval.

Port boss issues tariff warning

Port of Oakland Executive Director Chris Lytle last month sounded an alarm over the trade war with China. The veteran maritime leader warned that tariffs imposed by both sides threaten the U.S. economy. He added that trade barriers could dry up his customers' access to a major export market.

"We remain concerned about the impact that tariffs will have on the health of our economy," the Executive Director wrote in a letter to U.S. Trade Representative Robert Lighthizer. "To the extent that other countries are stepping in to provide goods that are exported by U.S. businesses to China, the long-term potential for domestic companies to access one of the world's largest consumer markets will be severely hindered."

Mr. Lytle's comments came as the Trump Administration in June considered additional tariffs in its ongoing trade standoff with China. The remarks carried added weight from an executive whose career includes running two major ports: Oakland and Long Beach.

The Executive Director signed a second letter—along with 600 other U.S. business leaders—addressed to President Trump. It called for the Administration to resolve the dispute with China and eliminate tariffs imposed by both sides.

China accounts for more than a third of Oakland's total trade volume, Mr. Lytle said. The Port ships large quantities of U.S. farm exports, he said, which are particularly vulnerable to Chinese tariffs.

"The Port of Oakland continues to hear from our partners in the supply chain about specific impacts to their unique sectors," Mr. Lytle wrote in his letter. "It's clear that the overall negative long-term potential impacts of these tariffs on the international movement of agricultural products, manufactured goods, household items and retail products is real."

Oakland's boss called on the Trump Administration to avoid imposing tariffs on containerized cargo-handling equipment produced in China. The Port's largest marine terminal awaits 2020 delivery of three new ship-to-shore cranes from Shanghai-based ZPMC.

"There is not a comparable domestic producer of ship-to-shore cranes," Mr. Lytle explained. "Tariffs could severely impede and/or prevent our marine terminal partners from making the critical infrastructure investments needed to adapt to the changing international trade landscape."

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"Ships still depart within 24 hours of arrival and harbor truckers are usually getting in and out with their container loads in less than 80 minutes," said Port of Oakland Maritime Director John Driscoll. "It's a tribute to the marine terminal operators who've stepped up to meet our cargo demand."

The Port said Oakland terminals—where vessels load and unload—keep big ships on schedule thanks to high productivity. The best example: Oakland ship-to-shore cranes can move as many as 30-to-40 containers per hour. That's the highest productivity level on the U.S. West Coast, the Port added.

Higher vessel move counts are no surprise, the Port said. That's because Oakland set a record in 2018 by handling the equivalent of 2.55 million 20-foot cargo containers. Volume is up another 3.6 percent so far, this year. But the impact of all-time high volume is being magnified by greater ship size, the Port said.

The Port explained that as bigger ships discharge more containers than in previous years, cargo-handling intensifies. A greater number of exports must be loaded to vessels while simultaneously, more imports are taken off. Meanwhile, harbor truckers are arriving in greater number to haul containers to final destinations.

Big ships load and unload as many as 2,500 containers on Oakland visits, the Port said. That's less than some ports where move counts can surpass 10,000 boxes per vessel. It's nevertheless an unprecedented challenge.

Earlier in this decade, ships carrying 4,000 to 8,000 cargo containers were standard in Oakland. Today, ships able to handle 10,000-to-14,000 containers are commonplace.

"It's a matter of economics," explained Mr. Driscoll. "By loading more cargo on bigger ships, the shipping lines can actually reduce the number of vessels they deploy."

Oakland vessel calls have declined 10.5 percent this year, the Port said, despite record volume. That's good for two reasons, the Port explained: there's less crowding at vessel berths and ship emissions are down.



Port Oks final permit for Seaport Logistics Complex building

Port of Oakland Commissioners have approved the final permit associated with one of the most anticipated industrial developments in Port history. The Board this month approved a vertical permit—industrial vernacular for building construction permit – at a long-awaited Seaport Logistics Complex.

The developer, CenterPoint Properties, began preparation and ground stabilization work on its 27-acre site over the last nine months and is actively engaged in construction on the 460,000 square-foot facility, with completion expected mid-2020.

"We look forward to starting vertical construction and continuing to work closely with the Port to make sure this project is a point of pride for everyone involved," said CenterPoint Chief Development Officer Michael Murphy.

CenterPoint's \$52 million project would anchor a logistics campus planned for 180 acres at the decommissioned Oakland Army Base. CenterPoint will construct, then manage the first building at the campus. The Port inherited the property 15 years ago and has been planning for its use ever since. CenterPoint said it plans to lease the building to tenants engaged in cargo transportation or logistics.

"We've waited a long time to reach this point, but now our future is in view," said Port of Oakland Maritime Director John Driscoll. "CenterPoint's facility will give us logistics capability you can't find at other ports."

The Port envisions a campus where containerized cargo could be quickly transferred from ships to trucks or rail. It's expected to increase the volume of international shipments moving through Oakland.

The Seaport Logistics Complex is in the heart of the Port, just off Maritime Street, near Oakland's Outer Harbor. It's being developed right next to the Port's 3-year-old, \$100 million rail yard.

CenterPoint said the project would provide sustainable and economic benefits including:

- tenant priority for local and disadvantaged hiring;
- eliminating truck trips resulting in reduced waste and construction traffic;
- implementing measures to enhance future warehouse working life and safety such as enhanced indoor air quality;
- and using environmentally sustainable construction materials and methodologies.