



**PORT OF OAKLAND
SEAPORT**

JUNE 2018

MARITIME e-NEWS



SSA, Port agree on new lease

A major global marine terminal operator has OK'd a new Port of Oakland lease that runs through 2027. The agreement includes options that could keep SSA Terminals (Oakland) here to 2042. The Port today characterized the deal as validation for the city's maritime future.

"SSA is an influential player on the waterfront worldwide, and a significant presence in Oakland," said Port Maritime Director John Driscoll. "This lease commitment demonstrates its belief in the Port's long-term prospects."

Oakland's Board of Port Commissioners approved the new lease this month. Key elements of the deal include:

- a 19-acre expansion at SSA's Oakland International Container Terminal (OICT);

- purchase of three new ship-to-shore cranes by the terminal operator for cargo handling; and
- options that would extend the new lease an additional 15 years if certain conditions were met.

SSA is the largest marine terminal operator in Oakland. OICT, the nation's second-busiest marine terminal, handles about 60 percent of the Port's total containerized cargo volume. SSA also operates Oakland's Matson Terminal, which is included in the new lease.

"We see steady cargo growth for Oakland into the next decade," said Ed DeNike, President of SSA Containers. "This new lease helps us plan for the future."

Three operating companies, including SSA, lease terminal facilities from the Port

"We are pretty excited about the Port of Oakland. That terminal, we feel, is the finest in the country."

"Oakland is the most productive port on the coast. Ships get in and leave quickly."

"The port authority is tuned in as much as any port authority in trying to build the port up and get additional volume."

—Ed DeNike
President, SSA Containers,
operator of Oakland International
Container Terminal
From *American Shipper*, June 5 2018

of Oakland. Terminals are the focal point of seaport operations. They're where ships, trucks and trains converge to move containerized cargo. SSA has operations at 250 locations on five continents.

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Peak season outlook

Port of Oakland import volume should grow at a steady pace in the coming peak season. There's a wild card, however: global trade tension.

That was the cautionary outlook delivered this month at a meeting of the Port's Efficiency Task Force. Members of the advisory panel of customers, labor and transportation leaders forecast 2 percent growth in containerized imports from August through October. They added, however, that a looming U.S.-China trade war could dampen Oakland cargo volume.

"We've seen a peak season pattern of steady volume growth over the last three years," said Port of Oakland Maritime Director John Driscoll. "We expect that to continue in 2018 but we can't be sure yet what will happen with international trade policy."

Recently imposed tariffs threaten to weaken demand for commodities shipped in ocean containers. The Port has said it's too soon to know what effect restrictive trade policies might have in Oakland. Nevertheless, some in the 35-member Task Force predicted that Oakland would avoid major impact.

"There's been no tariff impact yet," said one international shipper.

Trade and transportation officials will watch closely for the effect of tariffs on peak season cargo volume. Late summer and autumn is when ocean carriers transport back-to-school or holiday merchandise to U.S. retailers. It's traditionally the shipping industry's busiest time of year.

SSA continued

SSA earned recognition over the last three years for leading an operational transformation in Oakland. It was the first operator to open gates at night for cargo pick-up or delivery. It's currently raising the height of four cranes to better handle a new class of megaships in Oakland.

The new lease binds SSA to a list of environmental commitments in Oakland. Among them: compliance with state and federal laws and the Port's Maritime Air Quality Improvement Program. Under the agreement, the terminal operator will apply for government grants to reduce emissions from cargo handling equipment.

New Chief Wharfinger at port

The Port of Oakland has named maritime veteran Eric Napralla as its Chief Wharfinger. Mr. Napralla, a 6-year Port employee, will manage seaport operations that range from tenant relationships to facilities leasing. He replaces Chris Peterson who retired this month after 25 years at the Port, 12 as Chief Wharfinger.

"Eric brings a wealth of experience to the job," said Port of Oakland Maritime Director John Driscoll. "He has successfully managed important projects in operations and Port security and we're pleased that he's taking on this new assignment."

Mr. Napralla will manage a staff of four Wharfingers responsible for seaport operations along with a Senior Maritime Project Manager. The group works daily with more than 60 tenants operating on Port property. The list includes everything from marine terminal and warehouse operators to trucking companies.

Landlord ports, such as Oakland, don't directly engage in container shipping or cargo-handling operations. Instead, they lease facilities—including marine terminals—to private operators that conduct the work. Wharfingers oversee Port facilities, tenant relations and lease agreements.

Before becoming Chief Wharfinger, Mr. Napralla was a Senior Project Administrator at the Port of Oakland. He previously worked in Facilities Security.



Chris Lytle speaks to grads

Port of Oakland Executive Director Chris Lytle this month urged college graduates to reject "extreme protectionism," calling it damaging and futile. Speaking at Central Washington University's Kent, Wash., commencement, Mr. Lytle urged his audience to embrace globalization.

"Don't disengage from the world—don't be part of the illogical rush to draw the drapes and turn out the lights," the longtime international maritime leader told an audience of 5,000. "We see too much of it today in Britain, Italy, France...and right here in the U.S."

As a Central Washington graduate, Class of '79, who has run two of the nation's largest ports: Oakland and Long Beach, Mr. Lytle had practical advice for graduates: "Don't shy away from hard work and show up on time," he said. But he saved his most forceful comments for a looming U.S.-China trade war. Both nations have introduced tariffs that threaten to disrupt international commerce.

Mr. Lytle warned that the moves could undermine free trade. "And free trade has been the backbone of worldwide economic growth," he said.

Oakland's Port boss called tariffs the latest example of misguided nationalism. He said they run contrary to the advance of globalization and trade liberalization.

"Globalization is the story of the 21st century," Mr. Lytle said. "It has produced an era of unprecedented, worldwide economic growth."

Mr. Lytle said a Chinese trade war would economically damage Washington as well as his home state of California. Both states produce farms goods targeted by Beijing's retaliatory tariff regime, he pointed out. Those products, ranging from fruit to nuts, are exported through the ports of Oakland, Seattle and Tacoma.

"What's going to happen to those commodities with higher tariffs?" Mr. Lytle asked. "Prices will go up. Demand will go down. And China's booming market for American exports will wither."

Mr. Lytle predicted that a trade war with China would result in lost jobs and lost income. He also warned of lost opportunities for graduates.

Mr. Lytle urged graduates to explore opportunities worldwide as they embark on careers. He asked them to help combat the spread of protectionist measures that could jeopardize their future.

"Free trade and the world economy are what you grew up with," Mr. Lytle said. "They're what you know. And they're what's right for a world struggling to come together...not pull apart."

May cargo volume

Port of Oakland import cargo volume in May was unchanged from a year ago. The Port said that it handled 82,465 TEUs of import cargo last month, nearly identical to container statistics from May 2017. Export volume last month declined 8.3 percent. For all of 2018, Port of Oakland total cargo volume is up 1.7 percent.