



**PORT OF OAKLAND  
SEAPORT**

JUNE 2019

# MARITIME e-NEWS



## Port adopts new clean air plan

Port of Oakland Commissioners have approved an air quality plan intended to drastically cut diesel and greenhouse gas emissions resulting from the Port's maritime operations. The plan, called the Seaport Air Quality 2020 and Beyond Plan, envisions a zero-emissions operation in the future. The Oakland Board of Port Commissioners voted this month to approve the 259-page plan.

The Port said that the plan would provide a framework for maritime development for the next 30 years. The plan calls for changes in equipment, operations, fuels and infrastructure at the seaport.

"The Port's Seaport Air Quality 2020 and Beyond Plan sends a powerful message that the Port will lead the way towards a post-carbon future," said Port of Oakland Executive Director Chris Lytle. "We're always looking at pollution reduction measures that reflect new technologies, financial resources and stakeholder input."

Examples of projects outlined in the plan:

- Converting Port fleet vehicles and equipment to zero-emission;
- Installing electric infrastructure at container terminals;
- Tracking yard equipment for fuel consumption, operability and performance; and
- Identifying cleaner fuels and alternative, renewable power sources

As a corollary to the plan, Commissioners asked for a report in six months on the feasibility of converting trucks and cargo-handling equipment to battery power. They also requested an update on the infrastructure needed to charge electric vehicles.

The Seaport Air Quality 2020 and Beyond plan is the successor to Oakland's

[Click here to see video](#)

*continues on page 3*

## Oakland cuts truck turn times

Truckers hauling Port of Oakland freight are getting in and out of town faster than ever. The Port reported average truck transaction times of 62-to-72 minutes last month at Oakland marine terminals. That was down from a high of 92 minutes in January.

The Port said reduced transaction times mean containerized cargo is reaching customers quicker. Faster times are also giving freight haulers the opportunity to make more trips—and more money—every day.

"It's an encouraging sign for all of us," said Port of Oakland Maritime Director John Driscoll. "It indicates that we're operating more efficiently for the benefit of the global supply chain."

Truck transaction times—known as turn times—measure how long it takes freight haulers to drop off or pick up cargo containers. Turn times averaged

*continues on page 3*

## Ag exports rebound in Oakland

Containerized agricultural exports are rebounding despite an ongoing trade war, the Port of Oakland reported this month. The Port said farm good shipments in the first four months of 2019 increased 12 percent over last year.

The Port added that ag exports to China rose 5 percent, despite that nation's tariff standoff with the U.S. The trends are welcome after Oakland's worldwide ag exports declined 10 percent in 2018.

"It's too soon to declare victory in this segment given the trade outlook," said Port of Oakland Maritime Director John Driscoll. "But our performance so far this year shows two things: there's continued demand for U.S. farm goods and growers are resourceful when it comes to finding markets for their products."

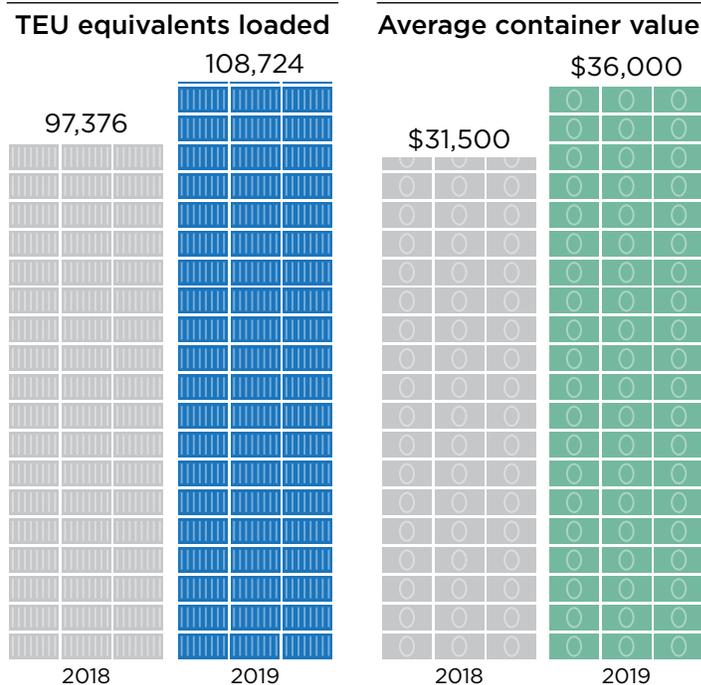
Through April, the Port said it had exported the equivalent of 108,724 20-foot-containers loaded with farm products. That was up from 97,376 containers in the same timeframe last year. According to Port data, most of those shipments went to Asia. The Port said the average value per container of its ag export commodities was \$36,000. A year ago, the figure was only \$31,500, the Port said.

The Port said increased export volume reflected the growth of Asia's middle class. As populations gain purchasing power, they turn to U.S. farm goods renowned for high quality, the Port said.

The Port said Asian markets outside China accounted for most of the growth in Oakland agricultural exports. Among the leading destinations: Taiwan, Vietnam, South Korea and Japan. The Port said U.S. producers have turned to those destinations since China imposed tariffs on American farm goods, making them more expensive for overseas buyers.

Agricultural commodities account for about 37 percent of all international exports shipped from Oakland, the Port said. The farm goods range from containerized rice to dried fruits, nuts and refrigerated beef. Roughly 11 percent of Oakland's ag shipments have gone to China so far, this year.

### Ag Export Data for January–April



## Cargo volume defies tariff logic

Containerized export volume at the Port of Oakland spiked last month, again turning trade war logic on its head. The Port said that exports, primarily to Asia, were up 8.4 percent compared to May 2018 totals. Imports were up, too, climbing 4.2 percent over last year.

The Port said it handled the equivalent of 85,964 20-foot import containers in May. Exports totaled 78,070 containers.

Oakland has now reported improved import and export performance for three straight months. The trend contradicts analyst warnings of trade declines in the face of an ongoing U.S.-China tariff skirmish.

"Logic tells us that at some point, tariffs should drive down cargo volumes because they're making international trade more expensive," explained Port of Oakland Maritime Director John Driscoll. "But our customers have so far defied conventional wisdom by finding new markets for their products."

## Tariffs the big 'if'

Cargo volume is up again at the Port of Oakland in 2019, but for how long? That's the question Maritime Director John Driscoll posed this month to 50 trade executives assembled here.

Mr. Driscoll warned the Port's Efficiency Task Force that tariffs are squeezing customers who ship through his port. Fallout from an ongoing U.S.-China trade war could include reductions in containerized cargo volume, he indicated.

"Our customers are impacted by tariffs," Mr. Driscoll told leaders from shipping, trucking, retailing and labor who convene quarterly to advise the Port on operational policy. "We're hoping we can get through this period because we believe the future can be bright."

The Port said its export growth centered on China's neighbors including Vietnam, Taiwan, South Korea and Japan. Importers, too, are turning to those markets to purchase products previously sourced in China, the Port added.

Oakland's total cargo volume last month—imports, exports and empty container returns—increased 9 percent, the Port said. The volume of empty containers shipped back to Asian markets for reuse climbed 17.5 percent.

Oakland set a record by handling 2.55 million cargo containers in 2018. Through the first five months of 2019, its volume is up 5.5 percent compared to last year. The Port cautioned against projecting future volumes, however, due to the uncertain global trade outlook.

The U.S. this month began imposing even higher tariffs on goods imported from China. The Port said it would pay close attention to June cargo volume to learn if heightened tariffs dampen trade.

Mr. Driscoll said 2019 Oakland cargo volume is up 5.5 percent from record volume in 2018. He pointed out, however, that China accounts for roughly 38 percent of Oakland's business. The inference: tariff increases on U.S.-China trade could stymie further growth.

The Port handled the equivalent of 2.37 million 20-foot cargo containers in 2016, Mr. Driscoll said. The number edged up to 2.42 million containers in 2017 and 2.55 million last year. The Maritime Director characterized the increases as steady, manageable growth. The increase in volume this year is a pleasant surprise, he admitted.

"We thought our numbers would go down because of the trade war," Mr. Driscoll explained. "It could still happen, but it hasn't so far."

## Funding for Port traffic improvements

The Alameda County Transportation Commission has received \$12.45 million from the California Transportation Commission for the implementation of the Freight Intelligent Transportation System (FITS) program at the Port of Oakland. FITS includes 15 freight technology demonstration projects designed to address traffic management, security systems and roadway improvements at the Oakland seaport. The funding comes from California Senate Bill 1 funds.

The Port said FITS will reduce congestion and improve traffic flow for truckers who haul cargo containers in and out of Oakland. It will also update security systems and provide a common communication platform for first responders, the Port added.

“This funding will help improve the Port’s maritime operations,” said Port of Oakland Director of Maritime John Driscoll. “FITS will help reduce truck wait times and provide a safer and more secure maritime area.”

Some examples of FITS demonstration projects:

- Interagency emergency operations and traffic management center;
- WiFi for truckers to access traffic and terminal gate updates;
- Changeable message signs to show traffic delays for truckers;
- Vehicle queue detection for accurate measurement of truck turn times;
- Mobile phone app for truckers.

The Alameda County Transportation Commission will administer construction of 13 FITS improvement projects. The Port will administer construction of two projects that are security related. FITS is also a component of the Transportation Commission’s GoPort Program designed to improve freight movement in the Oakland Seaport area. The GoPort Program also provides air quality benefits through reductions in truck idling and street congestion resulting from freight movement efficiency.

The total cost of the FITS program is \$30.6 million and all projects are scheduled to be completed by late 2021, followed by 12 months of systems testing. The project is expected to go live in late 2022.



### *Trucks from page 2*

62 minutes in May at Everport marine terminal, the Port said. The average at Oakland International Container Terminal was 69 minutes, with 72 minutes at TraPac terminal. The three terminals are where container ships load and unload international cargo. Thousands of truckers enter Oakland terminals daily to haul the cargo.

The Port attributed turn time improvements to a series of measures implemented in Oakland over the past three years. The steps have included:

- The addition of night shifts to ease daytime terminal crowding;
- A requirement for appointments before truckers can pick up cargo; and
- Completion of a 2-year, \$67 million expansion at TraPac.

The Port said turn times were often two hours or more before operational changes took hold. It said that TraPac turn times have improved more than 20 percent from an average of 92 minutes in January.

Turn time averages include night shifts when transaction volume drops dramatically, the Port said. According to the Port, more than 70 percent of truck transactions take place during daylight hours. That’s when harbor drivers are most likely to experience greater than average turn times.

The Port said about 80 percent of freight haulers conduct dual transactions when visiting Oakland marine terminals. That means they’re delivering containers to the Port—empties or export loads—before driving out with import boxes. The two steps are counted as one transaction for turn time purposes.

The Port compiles turn time data from electronic feeds provided by marine terminal operators. It posts the data on the [Oakland Portal](#), the Port’s online gateway for supply chain operators.

### *Clean air plan from page 2*

Maritime Air Quality Plan adopted a decade ago. That plan helped the Port reduce diesel particulate matter by 81 percent. Truck diesel emissions were down 98 percent and ship emissions dropped 78 percent.

The Port said it collaborated with community leaders, business representatives and academics over the last 18 months to create its new plan. The plan provides for community outreach enabling neighbors to have a say in how the Port’s growth would affect air quality. It added that the plan calls for ongoing stakeholder meetings, work sessions and Town Hall updates.

Download a copy of the [Seaport Air Quality 2020 and Beyond](#).