



**PORT OF OAKLAND
SEAPORT**

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MARITIME e-NEWS



Lineage Cool Port Oakland officially open Nov. 1, 2018

Lineage Cool Port Oakland now open

Lineage Logistics, LLC and Dreisbach Enterprises this month opened Lineage Cool Port Oakland, the world's latest next-generation cold storage and logistics facility. Set on 25 acres at the Port of Oakland's waterfront, Cool Port will serve as the newest hub for temperature-controlled cargo transitioning through Northern California.

Cool Port is a collaboration between warehousing and logistics industry leaders Lineage and Dreisbach, with additional funding and support from the Port of Oakland and the State of California. This combination brings together world-class cold-chain logistics expertise and steadfast commitment to innovation and community growth.

"We are excited to expand Lineage's dynamic, temperature-controlled facility network with the addition of Cool Port," said Greg Lehmkuhl, Lineage's President and Chief Executive Officer. "The facility showcases the unique and unmatched value that Lineage can deliver to customers' extended supply chains. Cool Port is now one of the fastest, most cost-effective and quality-controlled means of transporting perishable foods internationally."

"Cool Port is a game-changer for global trade and the local economy," said Jason Dreisbach, President of Dreisbach. "We'll more efficiently connect U.S. producers to Asian markets and in the process, create hundreds of jobs in our own backyard. The

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Port of Oakland sees its busiest peak shipping season ever for imports

October imports set record; total cargo volume up 3.9 percent for year

The Port of Oakland had its busiest peak season ever for imports during the past three months. The Port said that it handled the equivalent of 250,686 loaded 20-foot import containers from August through October, the traditional highwater mark for container shipping. That broke the old peak season import record of 233,825 containers set in the summer and fall of 2017.

The Port attributed the increase in cargo volume to strong U.S. consumer spending. It added that U.S. shippers accelerated cargo growth by rushing imports into the U.S. ahead of a new

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How Cool Port makes a difference

To raucous applause, Port of Oakland Commissioner Ces Butner called Lineage Cool Port Oakland “a game changer” this month. The President of the Board of Port Commissioners was speaking at Cool Port’s grand opening on Maritime Street. “I’m amazed by what I see,” said President Butner. “We’re now different from any other Port.”

Here are the differences:

- **Location:** The Port of Oakland is the last U.S. West Coast stop for container ships in the transpacific trade. That means it’s a straight shot—with no intervening port calls—from Oakland back to Asian markets. Perishable commodities, such as those handled at Cool Port, extend shelf life by loading in Oakland.
- **Efficiency:** Lineage Cool Port Oakland will be the fastest way for agricultural exporters to reach overseas markets. Meat shipments from as far away as the Midwest will go directly into Cool Port by rail. Cargo will whisk across Cool Port’s dock into 40-foot refrigerated containers. From there, shipments can be drayed across the street to the Port’s marine terminals for export.
- **Cost:** Exporters will save money at Lineage Cool Port Oakland. Cargo handling will occur within the Port, eliminating costly truck trips to remote transload locations. What’s more, exporters can ship heavier loads to Oakland at no extra cost because Cool Port has streamlined its equipment.

There’s a new fleet of 2018 tractors and chassis at Cool Port. The equipment was constructed with lightweight material and stripped of nonessential components. The trucks don’t even have right-hand passenger seats.

The result? Exporters can load up to 10,000 more pounds of cargo into a container while meeting the Port’s on-road weight limit. Lineage Cool Port Oakland estimates shippers can save up to 20 percent on shipping costs.

Cool Port from page 1

incredible impact of Cool Port on our organizations, the Port of Oakland and the Bay Area at large cannot be understated.”

Next Generation Full-Service Facility for Customers

Cool Port sets a new standard in efficiency, food safety and speed in the temperature-controlled and transportation industry.

The 280,000-square-foot depot with 90 truck dock doors can send up to 1 million tons of perishable product through the Port of Oakland annually. Cool Port’s strategic proximity to the Port’s marine terminal entrance will expedite the transition process between ship and warehouse, thereby reducing transportation costs and energy expenditure. Oakland is the last port of call for transpacific cargo—ensuring faster transit times for shipping perishable food products to Asian markets.

A secure, fully cold-chain compliant facility, Cool Port offers 20,000 pallet positions, has three blast cells and includes a 100,000-square-foot, high-cube, multi-temperature storage environment. The new facility also supports a full range of services including rail transload and truck cross-dock operations, frozen and refrigerated storage, import-export services, onsite U.S. Department of Agriculture inspection and labeling capabilities.

Cool Port will significantly reduce truck usage compared to standard temperature-controlled facilities, resulting in reduced diesel emissions. Up to 36 railcars per day can go straight to shipping containers to be loaded eliminating the burdensome need to load cargo onto trucks for transfer between ships and rail.



Oakland Mayor Libby Schaaf (left) and Port of Oakland Board President Ces Butner hold ceremonial ribbon at Lineage Cool Port Oakland opening.

Cargo-handling equipment for Lineage Cool Port is also 100 percent electric-powered, which is projected to prevent nearly 9,000 pounds of CO2 emissions in the first five years of operation. Cool Port will also use lightweight chassis and tractors to increase pounds per container, decreasing shipping costs and lowering transaction complexity.

Significant Economic Impact to Northern California

The Port of Oakland serves the Bay Area, one of the most vibrant and fast-growing regional economies in the world. The new operation will also drive job growth in the region, employing



One of two temperature-controlled docks at Cool Port facility where 36 rail cars a day will deliver product.

roughly 200 people from Oakland and other nearby locations. Oakland, already a hub for ocean transport of chilled and frozen meat products, will see eight new jobs created each time 1,000 new containers are moved through the facility.

The Port of Oakland has committed to a five-year strategic plan that ensures that the local Oakland community benefits as the Port progresses in its development. The Port of Oakland currently provides employment for 73,000 workers, and this number is expected to continue to grow.

“Partnering with these world-class organizations on Cool Port has significantly enhanced the breadth of services and capabilities the Port of Oakland is able to provide customers looking to import and export temperature-controlled goods through our terminal,” said Chris Lytle, Executive Director for The Port of Oakland. “The jobs created, the cargo added and the sustainable operation Lineage and Dreisbach support mean we all benefit from Cool Port.”

Cargo volume up, but can it last?

A U.S.-China tit-for-tat over tariffs hasn't dampened cargo volume growth at the Port of Oakland. In fact, the Port is on track for its third straight year of record container volume in 2018.

But will it last? That's the question supply chain experts pondered this month at the quarterly meeting of the Port's Efficiency Task Force. Forty trade and transportation executives ranging from longshore labor representatives to cargo owners gathered to discuss trade dynamics. Their consensus: cargo volume is spiking right now but could drop by January.

"We're peaking," said a major U.S. West Coast freight forwarder, "but it may not go on much longer."

Here were the trends noted by trade and transportation officials assembled in Oakland:

- Warehouses are filling up as U.S. retailers import merchandise from Asia.
- Shipping lines have added more than 30 extra voyages to regularly scheduled transpacific routes to transport larger container volumes.
- Ports up and down the West Coast have reported unprecedented cargo volume growth since mid-summer.

Reasons for the cargo spike are numerous, according to shipping experts. For one thing, U.S. consumer spending continues to be strong. For another, peak season has just concluded—the busiest time of the year in container shipping.

A third explanation for cargo growth loomed large for Oakland's Efficiency Task force—frontloading. Experts said that U.S. shippers have accelerated orders to beat the imposition of new tariffs on Chinese imports.

"Imports have been a good story," said Port of Oakland Maritime Director John Driscoll. "But frontloading has been part of the story and no one is sure what the effect of tariffs will be in coming months."

More than one official predicted declining January imports as new U.S.-imposed tariffs take effect. Others said import volume should keep climbing until then.

Oakland said its import volume is up 3.5 percent over 2017 which was a record year for containerized cargo at the Port. Imports from China have increased 5 percent, the port said, despite the tariff skirmish.

Oakland exports to China have declined 33 percent in 2018, the Port said. It attributed the decline to tough new Chinese restrictions on wastepaper shipments, an Oakland export staple.

As Oakland's China exports decline, other Asian nations are picking up the slack, the Port said. Export shipments to Vietnam soared 96 percent in September, the Port said. Exports to Taiwan increased 37 percent.

Busiest season from page 1

round of tariffs to be imposed on Chinese goods. The twin influences supercharged peak season, which is the time of year when U.S. retailers build inventories for holiday merchandising.

"We're pleased by our peak season figures," said Port of Oakland Maritime Director John Driscoll. "Now we'll see how tariffs affect future trade flows."

The Port handled 82,397 loaded 20-foot import containers last month, making it the busiest October in the Port's 91-year history. That figure was a 7.4 percent increase over October 2017 volume.

Total volume—imports, exports and empty containers—was up 3.9 percent through the first 10 months of 2018, the Port said. If the trend continues, Oakland would set a new cargo volume record for the third straight year.



Port's newest Commissioner



**Port of Oakland
Commissioner
Yui Hay Lee**

Longtime business and civic leader Yui Hay Lee has joined the Port of Oakland's Board of Port Commissioners. Mr. Lee was sworn in to a seat on the seven-member Board last month.

Mr. Lee, President and CEO of Oakland-based YHLA Architects, was nominated by Oakland Mayor Libby Schaaf and appointed by the City Council. He replaces eight-year Board veteran Alan Yee, whose latest term expired.

"We're delighted to welcome Yui Hay Lee to our Board," said President Ces Butner. "He brings a strong business background, exceptional planning and development experience and a commitment to the community."

Mr. Lee founded his architectural firm in 1980. He served as a Commissioner on the Oakland/Alameda County Coliseum Authority from 2007-2018. Mr. Lee was a member of the Oakland Landmarks Preservation Advisory Board under Mayor Jerry Brown. He also served on the Oakland Planning Commission from 1991-1994 under Mayor Elihu Harris and was elected Chairman in 1993.

"I'm honored to join the Port Commission during these exciting times," said Commissioner Lee. "Port business continues to grow and provide opportunities that benefit the entire region."

Mr. Lee was born in China and raised in Hong Kong. He graduated with a Bachelor's Degree in Architecture at Miami University in Oxford, Ohio. Mr. Lee was also awarded a scholarship to the Ecole Des Beaux Arts in Fontainebleau, France where he received a diploma in Architecture with honors. He received his Master of Architecture in Urban Design at Harvard University.

"Commissioner Lee is a man of integrity who will bring his experience from both the Planning and Coliseum Authority Board to the Port of Oakland," Mayor Schaaf said. "The Port of Oakland in an important agency that not only oversees our seaport but also the airport, real estate and other overinterests of the Port. Commissioner Lee's connection to the Asian and business communities will be beneficial to the Port's doing business with multinational corporations."

TraPac opens night gates

TraPac marine terminal has introduced full service night gates for Port of Oakland harbor truckers. The move to expand beyond traditional daylight hours is intended to ease daytime crowding and accelerate containerized cargo deliveries.

TraPac, Oakland's second-largest terminal, said it would operate night gates for freight haulers every Monday-through-Thursday. Drivers can pick up or drop off cargo from 6 p.m. to 3 a.m., TraPac said. Daytime hours—7 a.m. to 6 p.m.—remain unchanged, the terminal added.

The move replaces twice-a-week night gates at TraPac that offered only limited transactions for freight haulers. The terminal said truckers may now deliver export containers, collect imports and pick-up empty containers or container chassis.

"We are getting ahead of the demand," said TraPac Operations Vice President Brian Bauer. "Drivers, cargo owners and carriers associated with TraPac will see improved performance and know we are ready for growth."

TraPac becomes the second marine terminal in Oakland to open at night for harbor truckers. Oakland International Container Terminal introduced extended hours two years

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Night gates from page 3

ago. That terminal, Oakland's largest, has reported reduced congestion and improved transaction times since adding a second shift.

TraPac said freight haulers should be able to complete transactions quickly at night because traffic is lighter. The



terminal added that daytime truck queues should shrink as a portion of volume will shift to nights.

The terminal issued the following guidelines for its night gate program:

- Drivers can pick up or drop off import, export and empty containers.
- Appointments are required for imports, exports and the return of empty containers. Appointments aren't needed to pick up empty containers.
- TraPac will assess a \$30 fee on all loaded containers during day and night shifts to defray the cost of extended operating hours. Loaded containers leaving the terminal via rail won't be assessed a fee.

Night gates are the latest in a series of 2018 changes at TraPac in Oakland. Earlier this year, the terminal opened a new entrance gate complex for harbor truckers. Next month, TraPac will complete a two-year expansion to double the size of its Oakland footprint.



Port of Oakland sees second trucker turn to all-electric cargo rig

Impact Transportation acquires \$275,000 battery-powered tractor for yard operations

A second trucking firm at the Port of Oakland has turned to battery-powered big rigs. Impact Transportation said that it has purchased a \$275,000 all-electric truck for yard operations. It's the latest step in the Port's quest to phase out diesel-powered freight hauling.

Impact said the twin-axle tractor—known as a yard hostler—would shuttle cargo through its Port depot. The truck's performance will be closely watched by Port officials.

Oakland has said it's seeking a path to zero-emissions Port operations. A big part of that effort would include curbing exhaust from thousands of trucks that work at the Port. Battery-powered trucks are expected to provide an emissions-free alternative to diesel big rigs.

"We're grateful to Impact Transportation for exploring battery power," said Port of Oakland Associate Environmental Planner/Scientist Catherine Mukai. "The road to zero-emissions will be a long one and we need leaders to take the first step."

Impact Transportation said it purchased its yard tractor with the help of a \$175,000 state grant. "We love it, so far," said Impact Transportation President Ron Cancilla. "Considering the grant and the cost to buy and maintain a diesel truck, this seemed to be a no-brainer."

The yard hostler can run for 12 hours on its 80-kilowatt-hour battery. The battery charges during operations, then plugs in overnight.

Impact operates three hostlers that move freight ranging from wine to helicopters. The company said its electric truck may see double duty retrieving cargo containers from Port of Oakland marine terminals.

Another Oakland-based freight hauler, GSC Logistics, introduced the first all-electric truck at the Port last February. That rig transports cargo between Oakland marine terminals and GSC's container yard at the Port.

Thanks to government grants, more battery-powered vehicles are on the way to Oakland by 2020, the Port said.

- Shippers Transport Express, a Port tenant, should get 10 zero-emission, battery-powered trucks to haul containers.
- Another tenant, SSA, would acquire five zero-emission yard trucks to shuttle containers within Matson marine terminal, which SSA operates.



All-electric yard hostler can run for 12 hours on one battery charge.