



**PORT OF OAKLAND
SEAPORT**

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MARITIME e-NEWS



Night Gates Here to Stay in Oakland

Night gates are here to stay at the Port of Oakland's busiest marine terminal. The Port said this month that Oakland International Container Terminal will make evening operations permanent following a successful three-month trial.

The decision makes Oakland one of the few U.S. ports open late for container pick-up or delivery. The Port said night gates will continue to take pressure off busier daytime operations.

"This is an important step," said Maritime Director John Driscoll. "We're making it easier for customers to do business with us by saving time and improving efficiency."

Oakland International Container Terminal launched night gates June 27. They're open Monday-through-Thursday, 6 p.m. to 3 a.m., for truck drivers to haul cargo. According to data compiled by the terminal and the Port, here's the difference they're making:

- About 1,300 container transactions nightly have migrated from day to evening.
- The average transaction time for truck drivers has dropped from 96 minutes in August to 79 minutes last week.
- Thirty percent of trucking companies at the port have reduced congestion surcharges assessed to customers for picking up containers.

The Port said it surveyed cargo owners and found that 74 percent of those queried use Oakland night gates. The reason: there's less terminal crowding at night. Sixty-five percent said transaction times have improved thanks to night gates. That's important because cargo owners have lobbied hard for faster container-handling, the Port said.

"The system is working and customers are paying less," said Scott Taylor, CEO of GSC Logistics, one of the largest trucking companies at the Port. "Things are better and we're saving time."

Oakland International Container Terminal said it will continue to charge customers a \$30 fee to finance night gates. The terminal assesses the levy on all loaded import and export containers. About 6,000 trucks pass through the terminal's gates daily,

making it one of the busiest in the U.S. It handles 70 percent of the containerized cargo in Oakland.

A neighboring Oakland marine terminal, TraPac, said it's experimenting with night gates. There's no word, yet on whether TraPac will institute regular night hours.



Reprint from *Journal of Commerce*

From the Editor, Executive Editor Mark Szakonyi

The largest Oakland marine terminal's decision to make its extended hours permanent puts further pressure on other US ports to follow suit. US importers will point to Oakland International Container Terminal's decision to permanently offer night gates from 6 p.m. to 3 a.m., Mondays through Thursdays, as why others should move closer to 24/7 operations. Even with potential extra fees—\$30 per box for OICT, day or night—marine terminals elsewhere are balancing the pressure to maintain profit margins with demand from shippers for wider access to pick up and drop off boxes. Nobody said it would be easy.

Export Rally Continues

A year-long rally in containerized export volume is gathering momentum at the Port of Oakland. The Port said its export volume last month jumped 7 percent over August 2015 totals. It was the biggest year-over-year increase since a 7.1 percent rise in April.

The Port said it has now increased export volumes seven times in eight months this year. Oakland's total 2016 export volume is 8.8 percent ahead of last year's pace. "We've had solid cargo production across the board," said Maritime Director John Driscoll. "But so far in 2016, exports are the star performers."

The Port attributed much of the export increase to a softening U.S. dollar. As the currency weakens, American exports become more affordable overseas.

The Port of Oakland watches export trends closely because exports make up more than half its total cargo volume. That's the highest ratio of any U.S. West Coast port. The Port is near California's Central Valley and most of its wine-producing areas. Oakland provides growers from those regions a gateway to markets in Asia.

The Port said it's hopeful that its run of export success will continue into the fall. Agricultural exporters are forecasting good harvests this year resulting from more plentiful rainfall last winter.

The Port reported that its total cargo volume—imports, exports and empty containers—increased 1.7 percent in August. Import volume decreased 4.9 percent. Oakland's total volume through the first eight months of 2016 is up 4.6 percent over 2015. Complete cargo [statistics are available here](#).



Hanjin Empties Received

A potential supply chain meltdown resulting from Hanjin Shipping's bankruptcy has been averted at the Port of Oakland.

The Port said it will receive empty containers owned by the ocean carrier, which filed for bankruptcy protection Aug. 31.

The announcement means cargo owners and truckers won't have to find storage space for the unwanted boxes after they're emptied. It also means empties can be removed from chassis, freeing up the scarce equipment to transport new loads. Storage space is needed worldwide because Hanjin Shipping has said it won't accept empty containers on its vessels.

"There's still a lot of uncertainty regarding Hanjin's bankruptcy filing," said Port of Oakland Maritime Director John Driscoll. "With this move, we can at least eliminate the worry about storage and prevent a potentially crippling chassis shortage."

The Port said empty Hanjin-owned containers can be returned to its Roundhouse property on Middle Harbor Road. The site is adjacent to Oakland International Container Terminal, where Hanjin ships are loaded and unloaded. The Port said containers identified by the prefix HJCU will be received. It advised

truckers to contact Hanjin to ensure that the empty containers are Hanjin-owned and not leased. The Roundhouse facility, operated by SSA, will only receive Hanjin-owned empty containers that were discharged from vessels at Oakland International Container Terminal.

The Port said the terminal will process empties and remove them from chassis. It added that truck drivers will then be required to return the chassis through the main gates at Oakland International Container Terminal.

The Port said harbor truck drivers can begin returning Hanjin-owned boxes immediately. They'll be accepted between 7 a.m. and 5 p.m. weekdays.

Hanjin's filing for bankruptcy protection has disrupted the global supply chain. Many of the carrier's ships are stranded at sea, forbidden to berth at ports. Two Hanjin ships have arrived in Oakland to discharge cargo since the filing was announced.

The Port said operations haven't been hampered by Hanjin's predicament. It added, however, that the empty container problem threatened to inhibit cargo flow in and out of Oakland. It expected the newly designated storage property to avert that outcome.

New Service Call for Oakland

A Transpacific shipping route linking Asia and the U.S. will add weekly Port of Oakland stops beginning in November. Oakland will become the sixth stop in the service operated by three Asian shipping lines.

The service, known as the CALCO-C, connects ports in Vietnam, China and California. It's expected to bring an additional 50 vessel arrivals to Oakland annually. That could increase Oakland cargo volume by as much as 30,000 20-foot-containers a year. The Port handled the equivalent of 2.28 million 20-foot containers last year. Volume growth could lead to more cargo-handling jobs in Oakland, the Port said.

"For the benefit of our customers and our community we're pleased to be joining this service," said Maritime Director John Driscoll. "It's testament to the vibrant market we serve, and



strengthens our role as a key gateway in the Transpacific container trade."

The Port said the service gives shippers more opportunity to import finished Asian goods such as wearing apparel and consumer electronics. It said exporters will gain new routes to Asia for commodities such as California agricultural products.

Other ports in the service include Xiamen, Yantian and Nansha in China; Cai Mep in Vietnam; and the Port of Long Beach. The service is operated by Tokyo-based K Line; Wan Hai of Taiwan; and Singapore's Pacific International Lines.

Seven ships from the three ocean carriers are deployed on the service. Each has the capacity to carry between 8,000 and 9,000 20-foot containers. The vessels will make weekly calls at the Port's Oakland International Container Terminal beginning Nov. 6.



Commissioner Butner Honored

Port of Oakland Commissioner Cestra “Ces” Butner has been honored with the Oakland Legacy Award. Commissioner Butner was one of four civic leaders to receive the annual award at a reception at the Oakland Museum in September. More than 1,000 people witnessed the award presentation.

The Legacy Awards are presented by Oakland’s Jobs and Housing Coalition. They recognize business and community representatives who stimulate economic growth and housing development.

“It’s gratifying to be honored when I think about the great number of people who devote themselves to Oakland’s future,” said Commissioner Butner. “And it’s my privilege to serve a city that has given so much to me.

Commissioner Butner is First Vice President and former President of the Board of Port Commissioners in Oakland. The Board governs the Port and sets Port policy.

The Commissioner is the former owner and CEO of Oakland-based Horizon Beverage Company. He’s the former Board Chair of the East Bay YMCA and Oakland Chamber of Commerce.

Other Oakland Legacy Award recipients included Fred Blackwell of the San Francisco Foundation and Marianne and Ronald Dreisbach of Dreisbach Enterprises.



Port of Oakland Board President Honored by LGBT Organization

Michael Colbruno, president of the Oakland Board of Port Commissioners was honored last night for his leadership within the LGBT business community. The Golden Gate Business Association recognized the commissioner for his election as the first LGBT person to become president of the Board. The event was held in Jack London Square, centerpiece of the Port’s commercial real estate portfolio.

President Colbruno helped create the nation’s first LGBT Port affinity group along with San Francisco Port Commissioner Leslie Katz and San Diego Port Commissioner Bob Nelson. The group’s mission is to help make California ports safe and welcoming for LGBT employees.

“I am honored to receive this award because it represents all the amazing LGBT employees who work within the maritime profession,” said President Colbruno. “My goal has been to help foster greater equality within the workplace where everyone can work productively while living authentically.”

President Colbruno is a partner in the Milo Group of California, a public affairs firm. His career in public service includes serving on Oakland’s Planning Commission. Prior to that, President Colbruno worked in local and state government as a legislative director and chief-of-staff in the San Francisco Mayor’s office, San Francisco Board of Supervisors, and California State Legislature.

The Golden Gate Business Association is the first business organization founded by LGBT entrepreneurs. The non-profit consists of more than 350 business entities, community organizations and individuals.



Nearly a Half-Billion Dollars for Capital Improvements

The Port of Oakland plans to spend \$498 million on capital improvements over the next five years. That means the Port will be selecting contractors to carry out major public works projects.

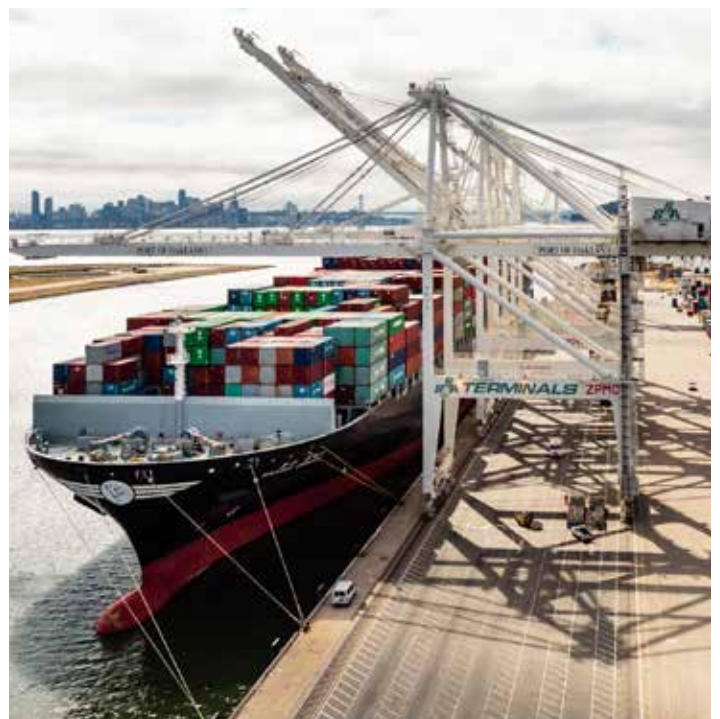
The Port offers a “Contracting 101” seminar to help small and local firms compete for upcoming business opportunities. Port contract experts provide guidance on how to apply for public works projects.

“We see plenty of contracting opportunity on the horizon for small and local businesses,” said Port of Oakland Director of Social Responsibility, Amy Tharpe. “That’s why we want to prepare firms now to take advantage of these business opportunities on the horizon.”

Oakland International Airport projects will include over \$196 million for terminal projects and \$120 million for airfield improvements. In the Maritime Division, more than \$28 million will be available for marine terminal improvements and upgrades. There are also \$3 million in capital projects within the Port’s Commercial Real Estate which includes Jack London Square.

Here’s the Port’s record over the last three years in public works contracting with local and small business:

- 85% of the spending has gone to firms in the Port’s Local Business Area—Alameda and Contra Costa counties;
- 65% has gone to firms in the Port’s Local Impact area: the cities of Oakland, Emeryville, San Leandro and Alameda;
- 27% was spent with small businesses; and
- 15% with very small businesses.



Coming Soon, Economists Hope: Big Spending on Roads, Bridges and Ports

By Conor Dougherty Sept. 18, 2016, Reprinted from *The New York Times*

OAKLAND, Calif.—The docks at the Port of Oakland are a tangle of cranes, shipping containers, railroad tracks and snaking lines of trucks waiting to load and unload cargo.

Streamlining this kind of traffic is one of the few ideas Donald J. Trump and Hillary Clinton agree on.

Mrs. Clinton has said that if she is elected president, her administration will seek to spend \$250 billion over five years on repairing and improving the nation's

standards, has led to a cautious optimism that some sort of big public works push is coming, regardless of who is elected.

"The next administration will be in prime position to deliver on a comprehensive infrastructure plan," said Tom Jensen, vice president for transportation policy at UPS.

Infrastructure spending, unlike many other forms of government outlays, holds the power to give the economy a sustained lift for decades down the line.

bridge over a choked intersection where trucks waste time waiting for trains to pass. A half-mile away sit 14 new rail lines that are part of a new operation where shippers can transfer products from one container to another without leaving the port.

Shipping companies often make these transfers at off-site warehouses—wasting more time and money. The Port of Oakland, which acts as a landlord, is hoping its investment will entice companies to move more cargo to its docks.

This would not just give the port more rent. The economy would also gain additional jobs as private sector shippers added their own money to erect buildings near the port's rail connection, and fill them with machines.

Weakness in those kinds of business investments is one reason the current economic recovery has been so sluggish. Companies' spending on new buildings and equipment, which depends in part on improvements in the nation's transportation network and energy and digital pipelines, has been a persistent weak point throughout the nation's recovery from the Great Recession.

The federal government, with its wide latitude to spend on ambitious projects, is in a singular position to make investments no one else will.

But the government's power to act has also set off a robust debate about how much more it should spend on infrastructure and how it should be funded. Spend too little, and the nation's backbone deteriorates and the cost of future repairs mounts. Spend too much too fast, and the government could crowd out private investment, possibly leading to higher inflation and pushing up interest rates.

Today, with maintenance lacking and interest rates low, a host of influential economists, including Lawrence H.

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The newly constructed rail car storage terminal at the port of Oakland will allow rail shippers to deliver goods to the port. *Credit Jim Wilson/The New York Times*

infrastructure—not just ports but roads, bridges, energy systems and high-speed broadband—and would put an additional \$25 billion toward a national infrastructure bank to spur related business investments. Mr. Trump said he wanted to go even bigger, saying his administration would spend at least twice as much as Mrs. Clinton.

Mr. Trump, taking a page from liberal economists, said he would fund his plan by borrowing several hundred billion dollars, but has offered no specifics. Mrs. Clinton's more detailed proposal, by contrast, would be paid for by a business tax overhaul aimed at collecting additional revenue from companies that have parked assets abroad.

These are only plans, of course. Either would have to get through Congress and the inevitable acrimony over any proposal to raise taxes or add to the national debt.

Still, the candidates' agreement, combined with growing accord among economists that increased spending on infrastructure could invigorate the American economy and raise overall living

First comes the addition of jobs—particularly the kinds of higher-wage blue-collar jobs that have been lost in recent years—and spending on products like concrete and steel to build new roads and repair worn-out bridges. After that initial jolt, the economy would continue to reap the important but harder-to-measure benefits of fewer delays, faster internet connections and more reliable power.

You can see much of that here at one of the nation's busiest ports, an export hub that sends tons of important California products like Napa Valley wine, Central Valley almonds and Silicon Valley Teslas to China's growing middle class.

Aiming to gain other ports' market share, Oakland has embarked on a number of projects—some big, some small—to add cargo and speed things up. There are new traffic-reducing measures, such as an appointment system for trucks picking up cargo and extended hours at its largest terminal.

It is also working on several infrastructure projects: This year, the port applied for a \$140 million federal grant to build a



Truckers in a long line waiting to offload their containers at the Port of Oakland. *Credit Jim Wilson/The New York Times*

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Summers, who served as Treasury secretary under President Bill Clinton, argue that America's need for better infrastructure is so great that it could increase its debt load and still come out ahead.

In a telephone interview, Mr. Summers laid out his case: The federal government can borrow at something like 1 percent interest a year, and through enhanced productivity it would reap something like 3 percent a year in higher tax receipts.

"I am as worried about the debt burden on my children's generation as anybody, but deferring maintenance on the foundation of our economy is a much greater risk to them," Mr. Summers said.

Others argue that any rise in infrastructure spending should be paid for through a tax increase or budget cuts elsewhere. That view was bolstered by a recent report by the Congressional Budget Office, which concluded that while federal investment increased productivity, that did not automatically mean the nation would be better off by borrowing to fund such investment.

Decades ago, the federal government spent big. The Interstate System of highways spawned new suburbs, and transportation grants helped build rail networks like the Bay Area Rapid Transit System, whose commuter trains hum past the Port of Oakland as they travel to and from San Francisco.

Now the United States has more people and a bigger economy. But relative to its gross domestic product, the nation spends only about half as much on infrastructure as it did during the 1950s and '60s.

The result is that, like the population itself, America's roads, bridges and power plants are aging. That's one reason the American Society of Civil Engineers, in its most recent report card on infrastructure, gave the United States a D-plus despite the extra infrastructure spending that flowed from the big 2009 economic recovery act.

The costs are substantial, if hard to see. Neglect the water system, and you may have leaky pipes and larger bills, or even lead contamination. Rough roads equal more flat tires. Substandard internet connections add to the isolation of rural communities.

Each day, UPS drivers in northern New Jersey and New York City lose an average of 16 minutes—often much longer—to heavy traffic. Six years ago the company started dispatching an additional 61 drivers to make sure everyone hit their stops, and it would need more drivers if traffic got worse.

Of course, even if tens of billions of dollars more were set aside for road improvements, that would not on its own guarantee that traffic congestion would ease. Infrastructure may be among the

most bipartisan of federal spending areas, but politics in general can be a problem. One of the persistent criticisms from economists is federal lawmakers' tendency to spread cash across the country instead of focusing on places where the economic payoff would be greatest.

And apart from the debate over how to pay for national upgrades, there is the question of how much can be gained from additional infrastructure spending versus how much can be gained by making better use of what is already in place. Clifford Winston, an economist at the Brookings Institution and a longtime critic of how the government builds and runs the nation's transportation infrastructure, laid out a long list.

An increase in infrastructure spending would still lift the economy, Mr. Winston said, "but my God, wouldn't it be so much better if we were more thoughtful about what we do with the money we have?"

This, at least, is where the nation's D-plus grade turns out to be good news. Economists say infrastructure's productivity lift is greatest when investment is being raised from low levels. Put another way: The more broken down the nation becomes, the harder it is to find something that does not need to be fixed.

"We're not talking about bridges to nowhere," Mr. Summers said. "We're talking about bridges that are on the verge of collapsing."



A pathway in a park that adjoins the Oakland International Container Terminal, where cargo containers were stacked high. Credit Jim Wilson/The New York Times