



PORT OF OAKLAND

MARITIME e-NEWS

May 2016



Extended Hours

A \$1.5 million subsidy program to stimulate night and weekend business at the Port of Oakland has been extended. The Port's largest marine terminal operator responded this month saying it will use the program to further expand weeknight operations. The announcement comes as the Port abandons its traditional 8 a.m. to 5 p.m. operating model.

"The old way doesn't work any longer," said Port Executive Director Chris Lytle. "There's too much business; we have to stay open longer to get cargo in and out of Oakland."

Port Commissioners voted last month to continue through June 30 the fund that partially subsidizes extended gate hours. It had been scheduled to expire in May.

Oakland International Container Terminal (OICT), which handles 67 percent of Oakland's cargo, said it will tap the fund immediately. The terminal has operated nights and Saturdays for two months to ease pressure on busy weekday cargo operations. Now it intends to conduct additional nighttime transactions Tuesdays-through-Thursdays, 6 p.m. to 3 a.m., during a four-week trial.

The new transactions include accepting containerized export loads and receiving and releasing empty containers. The expanded-transaction trial begins May 10. Other nighttime transactions already in place include:

- Refrigerated container handling;
- Containerized import pick-up by customers using an express service known as the one-stop, free-flow program; and
- Import pick-up for containers loaded on chassis for immediate drayage.

"We're counting on harbor drivers to take advantage of these added nighttime features," said Port of Oakland Maritime Director John Driscoll. "This is what cargo owners have been asking for and the terminal operator and Port have been listening."



Monday-through-Friday. The upshot, the Port said, is faster cargo delivery to customers.

Oakland International Container Terminal said it's conducting up to 600 transactions every night and 1,200 on Saturdays. The Port said those numbers should grow as more business migrates from weekday operations.

Extra gate hours are intended to give harbor truckers more time to pick-up and deliver containerized cargo. Until recently, they had only been allowed through terminal gates on weekdays. By working nights or Saturdays, drivers can avoid lines that sometime build up on the dayside

Exports On the Rise

An export rebound continues to build steam at the Port of Oakland. The Port said this month that containerized export volume increased 7 percent in April from a year ago. It was the fourth consecutive month of increases in Oakland.

The Port said that 2016 export volume is up 16.3 percent through April. That's welcome news following a 2015 decline that saw Oakland exports drop 11.5 percent. The Port attributed export gains to a weaker dollar that makes U.S. goods more affordable overseas.

"We're pleased to see export volume growing," said Port Maritime Director John Driscoll. "It's a sign that business is picking up for our customers."

The Port said it has shipped the equivalent of 300,000 20-foot export containers so far this year. By comparison, it reported receiving the equivalent of 277,000 20-foot import boxes. The contrast reflects Oakland's status as a leading U.S. export gateway. Most American ports handle more imports than exports.

Overall cargo volume in Oakland – imports, exports and empty containers – declined 6.3 percent in April, the Port said. That was due primarily to a near 30 percent drop in empty container shipments. For the year, Oakland's total cargo volume is up 11.3 percent.

[Click here](#) to see Port of Oakland 2016 cargo volume statistics.



Consolidation Complete

Marine terminal consolidation at the Port of Oakland has been completed. The Port reported this month that Outer Harbor Terminal closed April 28. It said vessels and cargo formerly handled at Outer Harbor Terminal have been relocated to adjacent terminals. The Port said that no business was lost in the transition.

Outer Harbor Terminal filed for bankruptcy in the first quarter of 2016. The terminal operator subsequently signed a lease-termination agreement with the Port of Oakland. The Port said it's in discussion with potential tenants interested in occupying large portions of Outer Harbor Terminal. Uses could include parking for harbor trucks.

With consolidation, the Port now has four active marine terminals: Ben E. Nutter Terminal, Matson, Oakland International Container Terminal (OICT) and TraPac. About 67 percent of the cargo volume is being handled at OICT.

Consolidation has increased activity at terminals, the Port said. As a result, gate traffic and turn-times spike periodically. But the Port said it has worked with terminal operators to ease the transition. Among the steps taken:

- A \$1.5 million fund to partially subsidize extended hours;
- Leases of additional acreage to expand cargo operations;
- Newly created parking areas for harbor drivers, and
- A new mobile phone app providing turn-time metrics for truckers.

The Port said terminal performance has improved in recent weeks as the transition winds down. It added that more efficiency gains are expected in coming weeks.

DrayQ

A new mobile phone app providing terminal performance metrics at the Port of Oakland should be available this week. Called DrayQ, the technology is expected to be available for download on Android and iPhone mobile devices from Google and Apple app stores within days. There's no charge for the new feature.



DrayQ provides current wait times for drivers at marine terminal gates in Oakland. It also displays turn-times inside terminals and calculates total transaction times for drivers. The app uses Bluetooth and WiFi technology and displays wait times much like those seen on illuminated freeway signs.

DrayQ was developed by Reston, VA-based Leidos in partnership with the Port of Oakland. The Port said DrayQ meets one of the most pressing needs of shippers; objective, reliable Port performance metrics. It added that cargo owners, their drivers and dispatchers can use DrayQ to avoid peak periods of terminal activity.

Leidos representatives will distribute DrayQ promotional material to truckers this month at Oakland terminal gates. Representatives will demonstrate the mobile app and help drivers who want to download it. The Port said it will soon post DrayQ metrics on its website.

The app has been tested in a user-trial for the past month with 150 harbor drivers at the Port. Leidos said it hopes to have 3,000 truckers using the app in Oakland.

New App Helps Truckers With Street Turns

Another mobile phone app has been developed to get truckers out of line at the Port of Oakland. The difference this time: it's the brainchild of a harbor driver.

Flex Fok, a licensed motor carrier at the Port, introduced the new app late last month. Called Jupigo, his technology helps harbor truckers exchange empty cargo containers without ever entering the Port. The objective: keep truckers on the road, not waiting at busy terminal gates.

The app is the third introduced at the Port of Oakland since April to shorten lines at terminal gates. The others, called DrayQ and DrayLink, gives drivers real time metrics on gate queues and terminal transaction times. They were developed for the Port by Reston, VA-based tech firm Leidos.



Jupigo functions like a dating app for truck drivers who have equipment needs. Drivers with empty containers to return post their equipment availability on Jupigo. Truckers searching for empties post their requirements as well. The app automatically alerts both drivers, who can then initiate a container exchange.

"Imagine the benefits when there is a match on this platform," said Mr. Fok; "two trucks off the waiting line and on the road making productive trips."

Mr. Fok said the benefits of his app include:

- Reduced diesel emissions and fuel consumption because truckers won't wait in line to return empty containers;
- Less crowding at marine terminal gates; and
- Bigger paydays for drivers who can haul more cargo by making fewer Port visits.

"Everyone gains from this development," said Port of Oakland Maritime Director John Driscoll. "But what I like is that this was created by truckers for truckers."

Container swaps executed outside marine terminals are known in the industry as street-turns. They're desirable because they spare drivers the need to pick-up or return empties in the Port. Oakland truckers have used email or online chats to arrange street-turns.

Mr. Fok said Jupigo will be more efficient because of its automatic matching feature, SmartMatch. But he added that his app can't finalize street-turns. Truckers must still contact the shipping lines that own the empty containers. That's usually done through an online form.

Jupigo estimates there are 2,000 to 3,000 street turns conducted by Port of Oakland drivers weekly. The company hopes to more than double the number with its new app. For every street-turn it enables, two more trucks are kept out of line at Oakland terminals.

Jupigo should be available in app stores next month, Mr. Fok said. He said there'll be no charge for the feature. "The payoff is increased efficiency for all of us who drive at the Port of Oakland," said Mr. Fok.

Refrigerated Products in Oakland

Reprinted from the Journal of Commerce, April 27, 2016

When the [Port of Oakland](#) and [SSA Marine](#) teamed up this year to improve the logistics of moving refrigerated products to and from the [Dreisbach](#) cold-storage facility in the harbor, President Jason Dreisbach felt so confident in the future of the family-run, 63-year-old enterprise that he announced an expansion was in the works.

This is a lesson for port authorities that are looking to attract cold-storage capacity to their docks. Providing rail access to the cold-storage warehouse allows the operator to maintain the integrity of the cold or chilled products as they are transferred from rail cars to marine containers. Improving turn times for truckers that handle these high-value products further helps to attract refrigerated cargoes.

Dreisbach Enterprises handles mostly protein products such as beef, pork and poultry at its cold-storage facility at the Port of Oakland. Most of the product is frozen, although some chilled meats are shipped to Japan, Dreisbach said.

Over the past 15 years, the port did not implement any changes that would drive growth in the export of refrigerated products, but in 2016, the port expanded rail access and storage capacity at the site of the [former Oakland Army base](#) on port property, and the future of refrigerated exports suddenly looked brighter, Dreisbach said.

Product arrives at the Dreisbach facility on trains of up to 36 refrigerated box cars. The transfer of refrigerated meat from the rail cars to the facility and into marine containers takes place in a closed environment so the product has no chance to thaw during the move.

Having cold-storage capacity helps Dreisbach maximize its export potential. If the volume of meat products arriving by rail exceeds the shipment size booked for a vessel, excess product is safely stored in the cold-storage warehouse until the next vessel arrival, Dreisbach said.

[Long truck queues](#) have become common at ports, but they can be especially costly when high-value meat products are delayed. Terminal operator SSA Marine recently established night gates for refrigerated products and that is cutting down on wait times, allowing drivers to get more turns per day, Dreisbach said.

Dreisbach will build upon these advantages later this summer when the company breaks ground for a new facility on a 23-acre site

continues on page 4



Port launches new website

The Port of Oakland this month launched a completely redesigned website at www.portofoakland.com. The site's home page provides portals into the Port's three business lines: an international seaport, Oakland International Airport, and commercial real estate properties.

The Port said the new website provides a cleaner design, better functionality, intuitive navigation, and enhanced content. The Port will curate the site regularly with latest news, business activity, special events and partner information.

"The Port of Oakland's website upgrade provides visitors with an entirely new user experience," said Port of Oakland Acting Director of Information Technology Kyle Mobley. "The new site allows the Port to keep its digital footprint current while providing direct access into our three business lines."

The home page features a social media quilt that provides an at-a-glance view of all the Port's activities. The new website allows language translation to better serve its global customers. Other features include:

- Better viewing on various devices (desktop, mobile phone, tablet)
- Easier and more intuitive navigation
- Cleaner and simplified graphical interface for the end user
- Live-stream and still images of marine terminal gate activity at the Port of Oakland.

Harbor Tours Return



Free harbor tours are scheduled to return at the Port of Oakland this month. Monthly 90-minute cruises are planned from May through October. Visitors can get a close-up view of Port activity from the three decks of the Hornblower vessel Empress.

Narrated harbor tours trace the Port of Oakland's active marine terminals in Oakland Estuary and Outer Harbor. They begin from the ferry boat dock at the foot of Clay Street in the Port's Jack London Square.

More than 1,500 visitors took Port of Oakland harbor tours in 2015. With a larger vessel, the Port expects that number to grow in 2016.

The first tour is scheduled May 27 at 6:40 p.m. Watch for registration instructions on the Port of Oakland website at www.portofoakland.com.

in the harbor that will accommodate longer trains. Full build-out will take about one year. Dreisbach said he sees strong growth ahead, even though the current environment is challenging because of the strong U.S. dollar.

According to the [U.S. Meat Export Federation](#), pork exports in 2015 declined 2 percent in volume and 16 percent in value from 2014. Beef exports were down 11 percent in volume and 12 percent in value from 2014.

"There is no question that 2015 was a challenging year for red meat exports, with several economic headwinds taking a toll," said Philip Seng, president and CEO of the export federation. However, production will increase in 2016, and exporters must "find innovative ways to differentiate U.S. products, win back market share and regain momentum for exports in 2016," he said.

Oakland Port to Be All It Can Be via Army Base Project

Reprinted from the [Journal of Commerce](#), April 21, 2016

The visionary Global Trade and Logistics Complex that will revolutionize the transfer of cargo between vessels and truck and rail transportation on the West Coast is taking shape in the middle of the Port of Oakland.

The nuts-and-bolts infrastructure development under way or planned to begin soon as part of the project—a new railyard and rail access line, underground power and water conduits and a grade-separation project to prevent truck traffic from interfering with rail access—is the necessary preparation work that must be accomplished before cargo-handling and transload facilities are built.

The revolutionary aspect of the logistics complex will begin to develop in the next few years when transload, cross-dock and cold storage facilities will be built, not 20 to 50 miles outside of the port boundaries as occurs in most gateways, but right in the heart of the Northern California port. The warehouse and rail development will complement the marine terminal expansion and modernization that is already making Oakland an attractive destination for mega-ships.

Word has reached beneficial cargo owners in the U.S. and overseas that before long they will be able to reduce their transportation costs by \$100 or more per container when the transload facilities are built. BCOs will no longer have to truck their shipments distances of 20 miles or greater to distribution facilities if they locate their logistics operations right on port property. "A lot of customers have expressed interest," said John Driscoll, Oakland's director of maritime, on a recent port tour.

Development of the logistics complex on a 330-acre site that once housed the Oakland Army Base is the end game of a multi-year, \$1 billion program to enhance intermodal transportation efficiency and bring logistics operations right to the doorstep of marine terminals. The base, which closed in 1999, has been taken over by the city and the port authority. They each control about 50 percent of the site. The city is working with ProLogis to develop its half, and the port is working with CenterPoint Properties.

Oakland, which last year handled 2.28 million 20-foot-equivalent units, generally ranks among the top seven or eight U.S. ports. Its container traffic declined 4.9 percent last year due to cargo diversion that afflicted all West Coast ports during the contentious coastwide longshore contract negotiations.

Completion of the port railyard as part of the Oakland Army Base redevelopment project sets the stage for warehouse and logistics facilities that are projected to eventually total 2 million square feet. The rail project allows bulk and intermodal unit trains with up to 200 cars to pull right into the logistics complex. A new intermodal railyard is also planned as part of the Army Base redevelopment project. Both western railroads, BNSF Railway and Union Pacific Railroad, have operations at the port and will serve the logistics complex.

Oakland, like other rail-dependent West Coast ports, generates a large volume of rail and truck traffic, and the two modes can interfere with each other in a busy port complex. Oakland's 7th Street grade-separation project, which will begin construction next year, will

continues on page 5

Exporters Aim to Capitalize on Oakland Port's Stronger Rail Link

Reprinted from the [Journal of Commerce](#) April 21, 2016

Agriculture exporter Capital Feed is increasingly capitalizing on intermodal rail access connecting its facility to the Port of Oakland, transportation advantage that the port plans to press even further via a planned logistics center.

Todd Lush, president of Capital Feed, appreciates the advantages that the Port of Oakland brings to his business, and the feature he finds most attractive is the rail track that runs right up to his export-import facility in the harbor.

"I don't know of any other port that has this," Lush said during a recent tour of his transload operation at the Northern California port. Food byproducts and agricultural commodities are unloaded from rail cars, and a conveyor system transfers the dry products directly into 20 or 40-foot marine containers for export.

Lush also likes the fact that since Oakland is a last-call outbound port. That means his ocean freight rates are favorable and help to keep his products competitive in global markets. The normal rotation for carriers' Pacific Southwest services to and from Asia is Los Angeles-Long Beach inbound and Oakland outbound. The rotation delivers speed to markets in Asia as well as competitive ocean rates.

Exports in the first quarter of 2016 increased 19.9 percent compared to the first three months of 2015, according to statistics published on the port's website. As is normally the case, Oakland's exports were higher than imports.

Oakland is proceeding with its multi-year plans to redevelop the former Oakland Army Base in the middle of the port into a logistics center for exports, imports and transload facilities, and is further expanding rail access to the site. Capital Feed therefore plans to expand its existing export operations, and will also add to the types of imported commodities it ships through Oakland.

Capital Feed ships more than two dozen products through its transload facility. Its main line of business is processing nutritional value from food and agricultural byproducts into feed for cattle, poultry and

continues on page 5

help to correct that problem for the benefit of the entire harbor, said Chris Chan, the port's director of engineering. Projects such as the 7th Street grade separation bring benefits to the Oakland community and the freight transportation industry, so they are funded in a public-private partnership arrangement, he said.

Working closely with nearby communities to mitigate the impact of freight transportation is more important than ever now that mega-ships with capacities of as much as 18,000 TEUs have become frequent callers at the Port of Oakland, according to the Alameda County Goods Movement Plan released in February by the Alameda County Transportation Commission. Grade separation projects therefore serve the dual purpose of improving freight fluidity at the port while allowing greater access to unit trains that eliminate hundreds of truck trips throughout the region.

Redevelopment of the Oakland Army Base will take a decade or longer. Meanwhile, the port authority is moving aggressively to modernize its cargo-handling facilities so they are big-ship friendly. Chan noted that the port's mega-ship efforts have been underway for at least 15 years with the deepening of the harbor to 50 feet and the merging of small, adjacent container terminals into fewer, but larger terminals better suited for the 8,000 TEU to 18,000 TEU vessels that call in Oakland.

Oakland executives believe the Global Trade and Logistics Complex will distinguish their port from others that are also moving aggressively to be mega-ship ready because it will attract imports and logistics operations to the port.

The port is attempting to attract potential importers to the logistics complex to help balance its cargo flows. Importers will be able to use the new complex to transfer merchandise from marine containers into 53-foot domestic containers that can be loaded onto BNSF and UP intermodal trains for shipment to the eastern half of the country. Import containers unloaded at the logistics facilities will be available for transloading of dry commodities at export facilities in the logistics complex.

Oakland is already a major export port due to its location serving California's Central Valley and the logistics complex will enhance its attractiveness for transloading grains from rail cars to marine containers, as well as cold-storage operations for meat and poultry exports.

Also, as these facilities are developed, Oakland will be in a better position to attract the coveted first-call inbound liner services that are now calling exclusively in Los Angeles-Long Beach on carriers' Pacific Southwest services.



pigs. As the main gateway for agricultural exports from California's Central Valley, the Port of Oakland is a natural conduit for the types of products that Capital Feed ships.

The export market has its ups and downs depending upon the strength of the dollar and trade policies in other countries. For example, China's policy the past few years has been to protect domestic producers of DDGs (distillers dried grain), which is a byproduct of ethanol production. Therefore, what was once a hot market has cooled considerably, and Capital Feed's DDG exports have dropped.

However, new opportunities may open up, including the potential for shipping rice to China, Lush said. Also, canola farmers in Canada are looking beyond Vancouver and Prince Rupert and may begin to rail some product to Oakland for export to Asia.

The possibilities are almost endless. Capital Feed transloads and ships pistachio, almond and walnut shells, beet pulp, coffee grounds, grape and tomato pomace, soybean meal and prune and peach pits. If a product has nutritional value, it most likely can be processed into animal feed, Lush said.

While such products are normally associated with the export market, Capital Feed also does a good deal of transloading and shipment of import byproducts for domestic animal feed consumption. Capital Feed imports organic feed grains that are fed to livestock and poultry in California, which allows the ranchers to sell the meat and dairy products as organic.

The world's middle class now exceeds 2.5 billion people, and the U.S. is the largest producer of agricultural commodities and byproducts. However, getting those shipments to and through U.S. ports is hampered by a lack of transportation infrastructure including transload operations, Walter Kemmsies, who at the time was chief economist of port design at Moffatt & Nichol, told the JOC's 2015 Trans-Pacific Maritime Conference in Long Beach. "The booming markets are emerging markets, but we need better infrastructure," he said.

Developing infrastructure for the import and export of agricultural products, including transload facilities, cold-storage warehouses, as well as scrap metals, and providing rail access to serve those facilities on port property, is a major objective of the Army Base redevelopment project at the Port of Oakland.