



**PORT OF OAKLAND
SEAPORT**

FEBRUARY 2021

MARITIME e-NEWS



Port of Oakland welcomes CMA CGM's first call Asia service

Port Executive Director Danny Wan's plan for growth and a healthy community



*Danny Wan
Executive Director*

Business recovery is the Port of Oakland's top priority in 2021, but that's not the whole story. This will be a year to plan for a prosperous future, according to Executive Director Danny Wan.

"It must be a year analyzing the changes that our industries and our communities have faced and will face, and plan accordingly," Mr. Wan told a Zoom audience last month during his annual State of the Port address. "We want those with a stake

in the Port to help shape its trajectory."

The Port weathered a pandemic-induced economic downturn last year thanks to financial discipline, Mr. Wan said. There are signs of a pick-up in business in 2021, he added.

The Port's long-term thrust is planning that involves business partners, neighboring communities and civic leaders. Mr. Wan

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January cargo volume off due to crowded ports

Containerized cargo volume declined at the Port of Oakland in January, but it should rebound soon. That's the word from Port officials who said imports dropped 11.9 percent last month while exports fell 11.3 percent. Total cargo volume was down only 5 percent, moderated by a 15 percent jump in empty container shipments. All totals were based on comparisons with January 2020.

The Port attributed cargo declines to factors that included:

- Late-arriving ships from Southern California where up to 60 vessels are at anchor awaiting berth space;
- Temporary loss of berth capacity at Oakland's largest marine terminal where new cranes are being assembled; and
- Dwindling vessel space for Oakland exports as ships carry more empty cargo containers back to Asia.

The Port labelled declining cargo an anomaly at a time when U.S. importers face increasing consumer demand. It expects container volume to increase in coming months as vessel logjams ease.

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Seaport outlook with Maritime Director Bryan Brandes

More cargo and more jobs: that’s what the Port of Oakland foresees as Maritime business grows. Maritime Director Bryan Brandes summarizes the Port’s outlook in a 3-minute video available this month.

Mr. Brandes, said the Port and business partners have invested hundreds of millions of dollars to stimulate growth. At the same time, the Port is working with the community to ensure Maritime operations remain sustainable.

Check out the Port’s new video for the latest peek at major Port improvements including:

- Three new ship-to-shore cranes, the tallest in the U.S., at Oakland International Container Terminal;
- The newly completed first distribution center at the Port’s Seaport Logistics Complex; and
- A preview of the Freight Intelligent Transportation System intended to ease truck traffic through the Port.

Port investments are intended to attract more containerized cargo volume and to deliver it efficiently to customers.

According to the Port, eight new supply chain jobs are created in for every 1,000 additional containers of freight.

[Click to watch the video.](#)

Director’s plan, from page 1

said they’ll concentrate their attention in three areas this year:

- **Aviation** – renewing Oakland International Airport’s aging facilities and assessing the need for a third passenger terminal;
- **Maritime** – cargo volume growth that meshes with the Port’s sustainability policies and job-creation mission; and
- **Commercial Real Estate** – assessing the status of the Port’s real estate portfolio in the aftermath of COVID-19.

“We’re Everyone’s Port,” said Mr. Wan. “When our business grows, all of us should prosper...and make no mistake, we will grow.”

The Executive Director said Port business has rebounded from its nadir during the early days of the pandemic. Passenger loads are increasing at the Airport and airlines are adding new routes to Oakland, he said. Seaport cargo volume has increased dramatically thanks to a U.S. consumer spending surge, he added. Meanwhile, Port finances have been shored up by austerity measures and a \$544 million debt refinancing.

Full recovery for Port businesses could take several years, Mr. Wan cautioned. He said the Port’s staff and Board are up to the task adding: “We don’t have shareholders. Our mission is to help our business partners and communities thrive.”

Port of Oakland welcomed CMA CGM’s first call Asia service

First-call vessel service returned to Oakland this month after a 10-year hiatus. French ocean carrier CMA CGM introduced its Golden Gate Bridge Service to the Port of Oakland Feb. 12.

The weekly loop links Oakland with Chinese ports in Shanghai, Yantian and Kaohsiung. It makes a secondary U.S. stop in Seattle before returning to Asia.

No container service from Asia has made Oakland its initial U.S. stop since early this century. First ports of call are important because that’s where most U.S. imports are discharged.

The Port said CMA’s new service would accelerate already robust cargo volume growth in Oakland. It added that first-call status reflects changing U.S. West Coast trade dynamics that include:

- Increasing cargo diversions to Oakland away from crippling congestion at Los Angeles and Long Beach ports;
- The growth of Northern California as a distribution hub for U.S. e-commerce retailers; and
- A desire to tap Oakland’s intermodal rail capacity and fast transit times to the U.S. interior.



“CMA’s service demonstrates that Oakland is a strategic gateway,” said Port of Oakland Maritime Director Bryan Brandes. “It opens up so many possibilities for our customers.”

U.S. importers have long clamored for an Oakland first-call service. Until now, all Oakland vessel services made initial U.S. stops in Southern California. That added a week or more to transit times.

The Golden Gate Bridge Service operates seven ships calling at Oakland International Container Terminal. The ships can carry 5,000 to 6,000 20-foot cargo containers. Transit times: Yantian-to-Oakland, 12 days; Shanghai-to-Oakland, 17 days; Oakland-to-Kaohsiung, 19 days.

[Click to watch the video.](#)



Stay healthy: wear a mask, wash your hands and keep your distance. Useful links:

- **CA Industry guidance**
<https://covid19.ca.gov/industry-guidance/#top>
- **CA Counties information**
<https://covid19.ca.gov/roadmap-counties/>
- **CA COVID-19 testing**
<https://covid19.ca.gov/testing-and-treatment/#top>

Trans-Pacific carriers adding PNW, Oakland capacity for LA-LB diversions

Bill Mongelluzzo, Senior Editor, Journal of Commerce; Feb.10, 2021

With the ports of Los Angeles and Long Beach expected to be grappling with terminal congestion and vessel backlogs for at least the next two to three months, trans-Pacific carriers are boosting capacity to Oakland and Seattle-Tacoma.

According to Wednesday's issue of *Alphaliner*, ZIM Integrated Shipping Services will launch a service beginning Feb. 21 that will call in Southeast Asia, Los Angeles, Tacoma, and Vladivostok, Russia, before returning to Laem Chabang, Thailand.

Alphaliner also reported that Wan Hai Lines in mid-March will double its current two trans-Pacific strings to four, which includes a new Pacific Northwest service from North Asia to Seattle and Oakland that will not call in Southern California.

While these developments demonstrate the continued importance of Los Angeles-Long Beach to trans-Pacific services, the new Wan Hai service also highlights a move by carriers to increase their direct calls to the Northwest Seaport Alliance of Seattle and Tacoma, and to Oakland, to bypass congested Southern California ports.

The executive directors of Oakland and the Northwest Seaport Alliance told JOC.com this week carriers are in advanced stages of planning additional services to their ports. Those services will be designed for intermodal shipments to the US interior that otherwise could have moved through Los Angeles-Long Beach, but more importantly, will serve distribution warehouses and e-commerce shipments in Northern California and the Pacific Northwest.

Danny Wan, executive director of the Port of Oakland, said his pitch to carriers is not so much that Oakland is an alternative to Los Angeles-Long Beach, but rather that it is the closest port to the large consuming market in the San Francisco Bay area, and to import distribution hubs in Northern California, Reno, Salt Lake City, and Denver.

"Yes, we may pick up some business diverted from Southern California, but once they come here they will stay here because Oakland is more convenient to these markets," Wan said.

Oakland and Seattle-Tacoma are assuring carriers that they have the terminal capacity to handle an influx of cargo, and that upon arrival their vessels will be able to proceed immediately to berth.

"We have no vessels at anchor here," said John Wolfe, executive director of the Northwest Seaport Alliance of Seattle and Tacoma. "Every terminal here has unused capacity."

Due to a sustained cargo surge that is now in its eighth month, and is projected to continue well into the spring, Los Angeles-Long Beach is experiencing vessel backlogs and congested marine terminals. Vessel delays in the port complex average about seven days, according to the Signal platform published daily by the Port of Los Angeles. Container dwell times at the terminals in December averaged five days, or twice what they were last spring, according to the Pacific Merchant Shipping Association.

Terminal operators in Los Angeles-Long Beach told JOC.com that container volumes will remain much stronger than in past years this spring, and they said the ports will contend with congestion well into the second quarter.

Carriers have already begun to circumvent Southern California with new services to Oakland and Seattle-Tacoma. In the past two months, carriers have announced two new trans-Pacific services to North America's Pacific Coast that do not call Los Angeles-Long Beach first. CMA CGM launched its Golden Gate Bridge service (a restructuring of the former SeaPriority Express service) with a rotation of Yantian, Oakland, Seattle, Shanghai, and Yantian.

Also, Mediterranean Shipping Co. in December started its Chinook service with a rotation of Yantian, Shanghai, Busan, Vancouver, and Yantian.

Oakland, Seattle-Tacoma advantages

The port directors in Seattle-Tacoma and Oakland told JOC.com other announcements of direct services to their gateways could follow this spring, although they did not specify which carriers they are speaking with. They said their discussions with carriers begin with the logistics advantages their ports offer.

Wolfe stressed the ability of vessels to proceed directly to berth in Seattle-Tacoma without having to wait at anchor. He said container discharges begin quickly upon berthing, and the first train with intermodal shipments destined for the Midwest leaves

Port names Julie Lam Chief Financial Officer



Julie Lam
Chief Financial Officer

Julie Lam has taken over as Chief Financial Officer at the Port of Oakland. Ms. Lam, an 8-year Port veteran, had been acting CFO since mid-2020. She ascended to the new role Feb. 8.

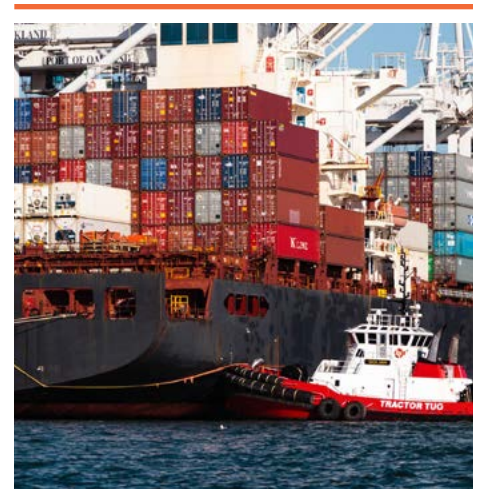
A key architect of the Port's COVID-19 response, Ms. Lam is responsible for financial management, budgeting and accounting. She's also in charge of human resources, risk management, purchasing and enterprise resource planning.

Ms. Lam shaped two 2020 initiatives helping the Port survive the coronavirus pandemic:

- A \$544 million bond refinancing expected to cut interest expense by \$87 million; and
- A Port-wide austerity program that helped offset revenue declines resulting from the pandemic.

"Julie has been central to our efforts at overcoming the economic effects of coronavirus," said Port of Oakland Executive Director Danny Wan. "She's a strategic thinker who'll play a critical role in helping us plan the post-pandemic future."

Ms. Lam joined the Port in December 2012, spending seven years as its Controller. She previously served as an Accounting and Treasury Manager for M. Arthur Gensler Jr. & Associates, Inc. Ms. Lam received her Bachelor of Science degree in Business Administration, with an emphasis in accounting and a minor in economics, from the University of San Francisco.



within 48 hours of container discharges from the vessel. Except for some sporadic equipment shortages, the railroads have provided the rail-car capacity the port complex requires, he said.

When a vessel berths in Oakland, it is usually turned in one, two, or three eight-hour shifts, depending upon the container exchange, said Bryan Brandes, the port's maritime director. Container moves to and from trains at the port's on-dock rail yard are likewise rapid, he said. Also, the port offers transloading operations within its boundaries at the former Oakland Army Base, which has been redeveloped as a logistics hub for import and export operations, Brandes noted.

Oakland, however, continues to grapple with lengthy truck turn times. In January, turn times averaged 96 minutes, higher than the 88-minute average in Los Angeles-Long Beach, according to the Harbor Trucking Association (HTA), which measures turn times in both gateways. Average truck turn times in Oakland the past year have been in the range of 82 to 98 minutes, while turn times in Los Angeles-Long Beach were in the 70 to 88-minute range, according to the HTA's truck mobility data.

Oakland International Container Terminal (OICT), which handles about 70 percent of the port's volume, pushed up the port's total average turn times last month as one of its four berths was out of commission for 16 days while OICT discharged three new ship-to-shore cranes, Brandes said. He expects turn times to improve now that the cranes have been installed at OICT.

Wolfe and Brandes commended the longshore labor force, which continues to work through the COVID-19 pandemic conditions without serious disruption. According to the Pacific Maritime Association, which manages the coastwide waterfront contract with the International Longshore & Warehouse Union, only about 100 longshore workers combined in the northern ports of Oakland, Portland, and Seattle-Tacoma tested positive for COVID-19 in December. Los Angeles-Long Beach recorded 360 positive cases, which contributed to labor shortages in Southern California.

Oakland and Seattle-Tacoma are not marketing themselves as temporary refuges for carriers to escape crowded conditions in Los Angeles-Long Beach, but rather as long-term investments in gateways that provide immediate access to rapidly growing distribution complexes, direct rail access to intermodal hubs in the US interior, and affluent consumers that generate a strong base of on-line shopping.

"It's because of that stickiness that Oakland warrants services of its own" Brandes said.

While Oakland seeks to attract new trans-Pacific services, Larry Burns, president of Lawrence Burns Consulting and former senior vice president of trade and sales at HMM, said simply changing the rotation of a Pacific Southwest service to call first in Oakland and then in Southern California would allow a carrier to quickly discharge local and intermodal cargo in the Northern California gateway while not having to bypass Southern California altogether, which would offer certain advantages to carriers and their customers.

Carriers could carry time-sensitive inbound loads for the regional market in Northern California without the schedule disruption that comes from calling first in Southern California. They would also take delivery of export loads in Oakland, which has consistently strong export volumes. The vessels would then call in Los Angeles-Long Beach to pick up empty containers for repositioning in Asia, where there are severe shortages of empty containers.

"The carrier keeps to its schedule and also picks up empties in LA. Suddenly the empties become more valuable," Burns said.

Business partner profile: GSC President Dave Arsenault

Family-owned GSC Logistics has chosen someone outside the family for the first time as president at the port trucking giant. The firm last month appointed veteran freight transportation executive David Arsenault to head day-to-day operations in a leadership restructuring. It said Mr. Arsenault reports to GSC Logistics CEO and founder Scott Taylor.

"We've brought in a prominent industry leader to build upon the solid foundation we've established," said Mr. Taylor, who had been president since starting Oakland-based GSC Logistics in 1988. "With David's leadership and supply chain experience we'll increase the scope of our services to customers and implement strategic growth plans that could include expansion into new markets."

Mr. Arsenault began in his new role Jan. 4, managing all aspects of GSC Logistics operations. The firm contracts with 275 truck drivers who transport containerized cargo on the U.S. West Coast. It's the largest freight hauler at the Port of Oakland, controlling more than 12 percent of the business there. GSC Logistics has a significant presence in the Pacific Northwest and operates facilities near seaports in Oakland, Seattle and Tacoma.

Mr. Arsenault has spent 34 years in transportation and served as first western president at container shipping line Hyundai Merchant Marine. Mr. Arsenault moves to GSC Logistics from DCLI, where he was chief strategy officer for the largest U.S. provider of chassis used for hauling cargo containers over the road. Previous career stops included marine terminals and third-party logistics companies.

"Joining the GSC Logistics team represents a tremendous opportunity for me," said Mr. Arsenault. "GSC Logistics has set the bar high in establishing the most forward-looking approach to drayage and logistics services in the business."

Mr. Arsenault's appointment has come at a crucial time for the industry. A global pandemic is disrupting supply chains and placing stress on West Coast harbor truckers. Freight haulers are confronting a surge in containerized imports driven by U.S. consumer spending and demands for personal protective equipment.

GSC Logistics said it maintained a 99 percent daily request fulfillment record, despite a 15 percent increase in volume last year. The company set an all-time volume record in 2020, and projects 25 percent growth this year.

GSC Logistics said restructuring helps address the loss of its late Chairman, Andres "Andy" Garcia, who died last June of a heart attack at age 72. According to GSC Logistics, Mr. Taylor has assumed the Chairmanship and remains as CEO.

The company announced additional leadership team appointments as part of its restructuring, including:

- Richard Norton, Chief Operating Officer;
- Justin Taylor, Executive Vice President;
- Brandon Taylor, Vice President, Northern California Division; and
- Paul McEntee, Vice President, Pacific Northwest Division.

Industry resource links:

[Oakland Portal](#)

[Oakland Seaport Map](#)

[Ocean Carrier Services](#)

[Shipping Forms & Permits](#)

[Shore Power & Vessel Commissioning](#)

[Trucker Resources](#)

[TWIC](#)

[Maritime Service Directory](#)

Business partner profile: Impact COO Jakob Havel

Oakland-based Impact Transportation has named Jakob Havel to the newly created position of Chief Operating Officer. Mr. Havel, a native of Denmark, now oversees the company's trucking, warehousing and special projects in Oakland and Los Angeles. Impact is one of the major freight haulers at the Port of Oakland.

"Jakob is an ideal fit for us because he's a proven leader with a track record of strategic planning and execution," said Impact Transportation President Ron Cancilla. "He's the right choice to become our first COO."

Mr. Havel joins Impact from Giorgio Gori, A DHL company, where he served as West Coast Regional Manager. Before that he was in various logistics management positions with JF Hillebrand, a leading logistics provider to the beer, wine and spirits industry.

"Getting an opportunity to join Impact Transportation is like a dream come true," said Mr. Havel. "I have done business with Ron and the team ever since they started their Oakland operation, and I have always respected and admired their professionalism and way of doing things."



Volume, from page 1

"There's a lot of cargo trapped on ships just waiting to get to here after departing Southern California," said Port of Oakland Maritime Director Bryan Brandes. "Our concern is getting shipments to our customers as quickly as we can."

U.S. containerized import volume from Asia is expected to remain strong at least through June. That puts pressure on ports in Los Angeles and Long Beach, where ships stop first before visiting Oakland. Congestion in Southern California is causing delays of up to a week for Oakland vessel arrivals. As a result, ships reach the Port off schedule and sometimes miss berthing appointments.

French shipping line CMA CGM remedied the problem this month by introducing a first-call service in Oakland. The ships in CMA's weekly service make Oakland their first U.S. call, bypassing Southern California. The Port said other ocean carriers are contemplating Oakland first-calls by mid-year.

February volume is likely to improve, the Port said as ships currently at anchor discharge loads. Easing the burden, Oakland International Container Terminal should have full berth capacity back in action. Space had been cordoned off for the assembly of three new ship-to-shore cranes from China.

February historically is a light month following Lunar New Year as factories in China close for holidays. Trade analysts said that may not happen this year as the Chinese rush to meet unprecedented U.S. consumer demand.