



**PORT OF OAKLAND
SEAPORT**

DECEMBER 2020

MARITIME e-NEWS

Happy Holidays



Maritime Director's Message



*Bryan Brandes
Port of Oakland
Director of Maritime*

What a year - 2020 packed a wallop! It was not the year we expected it to be. We've all had to face personal and professional challenges that most of us never imagined. Difficult times inspired us to step up and adapt with courage and flexibility. Thank you for all that you did to keep vital goods moving for everyone's benefit here and around the world.

I joined the Port six months ago. It is with pride that I say, I've been fortunate to have a dedicated and knowledgeable staff who have helped me be effective in serving our tenants and customers in this unprecedented time.

Our business was initially dampened when the pandemic hit earlier this year. But with more people working from home, we've seen e-commerce take off in recent months. We anticipate that container volume

strength will continue into spring 2021 at the Port of Oakland.

On the near horizon, three, new, giant container cranes will be arriving at the Stevedoring Services of America Terminal (SSA) at Oakland to handle more cargo and bigger ships in 2021.

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Port import cargo volume up in November

November exports dip

Full import containers at the Port of Oakland were up just under 1% in November 2020 compared to November of last year. Loaded export boxes at the Oakland seaport dipped 2.6% in November 2020 compared to the same month in 2019.

Full import containers in November 2020 totaled 78,045 TEUs (one TEU is the equivalent of a 20-foot container). This figure was 0.9 percent higher than November 2019 loaded imports which totaled 77,367 TEUs.

Although strong import demand continues in the U.S., November import cargo volume was not as high as anticipated at Oakland. Port officials

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Director, from page 1

We're also close to seeing the completion of the first warehouse at the Port's Seaport Logistics Complex that will be ready for tenants in the new year.

The best news of all this month is the emergency-use approval of Pfizer's COVID-19 vaccine that is being distributed across the U.S. Vaccinating the American population will take several months, but it gives us all good reason for hope and a brighter future.

The holidays can seem draining with all that is going on. I urge you to continue following the community standards wherever you are for the safety of your loved ones.

May you find moments of peace and joy amid the challenges and make connections with family and friends even if they can't be in person.

Happy Holidays and a very warm welcome to 2021!



The spectacular, real, holiday tree in Jack London Square at the Oakland waterfront stands at the foot of Broadway. It is adorned with hundreds of ornaments and thousands of lights and will remain in place until early-January.

Maritime status update

Import cargo volume – December loaded import numbers expected to be higher than last year due to late arrival of November's cargo

November import cargo – Loaded imports rose, but not as much as expected, due to ship arrival delays; rough seas and the resulting loss of cargo from the vessel ONE (Ocean Network Express) APUS caused it to return to Asia, also delaying cargo destined for Oakland; surge in cargo volumes in Southern California continues to disrupt shipping schedules; at least ten vessels destined for Oakland in November arrived in December

Space and equipment – Shortage of space and containers for exports continues

Exports – U.S. wastepaper shift from China to S.E. Asia reducing U.S. export volumes; China continues to increase purchase of dried fruits and nuts (DFN), hay and protein; India buying U.S. cotton and DFN

Export vehicles – Volume of automobile exports to certain destinations have dropped due to longer transit times and extended container-use turn times

Port role – Port staff continues to closely communicate with its maritime partners to help facilitate coordination for solutions to space and equipment challenges

Executive Director highlights Port's vital role

Danny Wan calls for an "industrial sanctuary"



Danny Wan
Executive Director

Port of Oakland Executive Director Danny Wan was a featured speaker at the San Francisco Business Times Oakland Structures virtual event this month, that attracted about 240 business and leadership attendees.

Executive Director (E.D.) Wan emphasized that the Port's role is fundamental to the City of Oakland and the region, providing jobs and economic vitality. The Port and its partners support 84,000 jobs in Northern California and generate

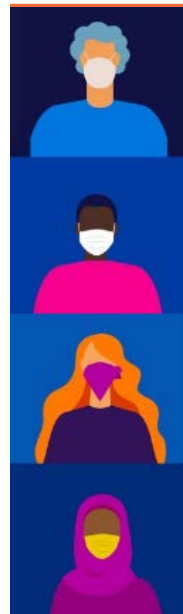
about \$698 million in taxes annually.

Besides overseeing the maritime area, the Port owns and operates Oakland International Airport (OAK). In addition to business recovery in this global pandemic, the Port has to look beyond. It must begin planning for a post-pandemic business environment. E.D. Danny Wan said the Port is exploring possibilities for handling future passenger traffic at OAK with an airport renewal and capacity assessment project. OAK has available runway capacity to allow consideration of additional capacity for commercial passenger services.

Port of Oakland E. D. Wan commented that the pandemic gave him and Port staff the opportunity to pause and re-examine how the Port does business. Mr. Wan remarked that the Port's three revenue divisions, aviation, commercial real estate, and maritime, along with Port tenants and customers, support social equity and justice by providing middle-class jobs that stay in the area.

The topic of the proposed A's stadium at Howard Terminal prompted a discussion around compatibility concerns with existing businesses and industries at the working waterfront. Mr. Wan talked about the need for an "industrial sanctuary" as the City of Oakland undertakes the General Plan.

Mr. Wan posed a key question, "Are we providing enough industrial space and room to grow for our maritime partners and related businesses?" Danny Wan pointed out, "Housing is important, but we also need smart land-use policies that balance land-use for housing and growing middle-class jobs."



COVID 19—Your actions save lives

Stay healthy: wear a mask, wash your hands, stay home if you're sick, 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>

Port refinances to save \$87 million in future debt payments

The Port of Oakland said it is refinancing \$544 million of debt with its new bond offerings. The public agency completed its bond pricing Nov. 19, 2020. Due to favorable market conditions, the Port expects to achieve net present value savings of approximately \$87 million. In quite simple terms, it's like refinancing a home at a lower interest rate, thereby lowering the cost of future debt payments.

The first of two planned bond sales closed Dec. 3. Closings are when bonds are delivered to investors in exchange for funds. The next closing is set for Feb. 2, 2021.

"We went to market at just the right time," said Port of Oakland Acting Chief Financial Officer Julie Lam. "The strength of our diverse business lines and S&P (Standard and Poors) removing a negative watch while maintaining our

ratings, helped us to stand out in the market." The Port of Oakland has three revenue divisions: maritime, aviation and commercial real estate.

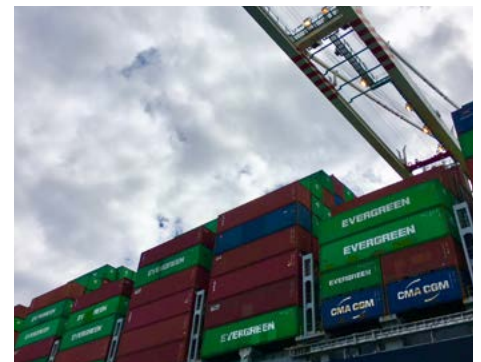
S&P affirmed the Port of Oakland long-term ratings at 'A+' for the Port's senior-lien bonds, 'A' for its intermediate-lien bonds, and removed a negative watch they placed on the Port's rating in August 2020.

As a key credit strength, S&P stated in its ratings report that the Port of Oakland has "very strong management and governance, as evidenced by an experienced, proactive, and effective management team with prudent financial, risk, and debt management practices."

Port of Oakland owns and operates Oakland International Airport (OAK). OAK is one of a small number of airports that S&P has not downgraded. S&P cited the Port's diverse revenue, strong liquidity

position, and vital role as a provider of transportation infrastructure assets within Northern California. The outlook is still negative, but as the S&P report said, this is to reflect the unpredictability for air travel demand, the effects of which will continue to put pressure on the Port's financial metrics.

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New cranes to mark New Year



Storms at sea have pushed back the arrival of the three, new, giant container cranes headed for the Port of Oakland. The cranes are expected at the end of this month or early January 2021. Either way it's a great way to start the New Year with new infrastructure at the Oakland seaport. These huge cranes will be the biggest ever at the Port of Oakland, California, on the U.S. West Coast. Ultra-large ships are calling Oakland. Adding these giant cranes will make handling

super-sized ships even more efficient. Stevedoring Services of America invested in the new cranes for its terminal at Oakland. Once they arrive, they will be assembled, tested, and put to work.

Industry resource links:

- [Oakland Portal](#)
- [Oakland Seaport Map](#)
- [Ocean Carrier Services](#)
- [Shipping Forms & Permits](#)
- [Shore Power & Vessel Commissioning](#)
- [Trucker Resources](#)
- [TWIC](#)
- [Maritime Service Directory](#)

Refinance, from page 3

Fitch affirmed the Port's senior lien rating at 'A+' and intermediate lien rating at 'A'. Fitch recognized the Port's diverse revenue and Maritime's long-term lease agreements as strengths. The Fitch analysis also recognized the Port of Oakland's conservative debt structure, modest capital plan, and strong financial position prior to impacts of the coronavirus. The outlook is negative, reflecting industry-wide adverse impacts of the coronavirus on Port operations and financial performance and the uncertainty around the timing and size of a recovery.

Moody's assigned a rating of 'A1' on the Port's Senior Lien refunding bonds and 'A2' on the Port's intermediate Lien refunding bonds with a stable outlook. Moody's cited good business diversity between the seaport and airport, strong liquidity, good debt service coverage, and a conservative financial plan that preserves flexibility, healthy liquidity, and debt coverage metrics. Moody's outlook for the Port of Oakland is stable due to an expectation that continued maritime stability, a strong regional economy, and manageable risk on the maritime side will support stability through this period of potential revenue volatility.



Results, from page 1

said mounting cargo, congestion at Southern California ports, and the resulting vessel delays contributed to fewer containers than expected coming through the Oakland seaport in November.

"The cargo is there, it's just delayed," said Port of Oakland Maritime Director Bryan Brandes. "We expect to see higher import cargo volume numbers this month compared to December 2019."

Maritime experts say that huge import volumes have disrupted normal

shipping schedules, resulting in cargo delivery delays through ports.

Full export containers in November 2020 totaled 79,667 TEUs. That accounts for the 2.6% drop compared to 81,780 TEUs that came through the Port of Oakland in November 2020.

Some California exporters say they are having a challenge finding enough containers to get their product to overseas markets. Import demand is prompting ocean carriers to rush empty containers back to Asia where they can

be loaded for more goods headed to America.

"The Port of Oakland is working closely with ocean carriers, importers, freight forwarders, agricultural exporters, and container providers to help facilitate communications and solutions for any equipment shortages," said Maritime Director Brandes.

Additionally, China in recent years implemented restrictions on U.S. wastepaper which has hindered U.S. export volumes.

