PORT OF OAKLAND
SEAPORT

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MARITIME e-NEWS

Port confident about alliance changes

Port of Oakland officials say they expect to take on recent changes to container shipping alliances with little disruption. The news should be welcomed by importers and exporters fearful of fallout after ocean carriers switched partners this month.

"We've spoken to the shipping lines, we've spoken to our marine terminal operators and we understand their schedules," said Port of Oakland Maritime Director John Driscoll. "We're confident that Oakland will be able to accommodate the newly formed alliances efficiently."

The Port said it expects cargo volume to hold steady under the new alliance structure which took effect April 1. It said fewer but larger ships will visit Oakland weekly, laden with more ocean containers. The change reflects industrywide consolidation as shipping lines cut excess vessel capacity to trim costs.

Eleven of the world's largest container shipping lines have come together in three new alliances. The carriers changed partners after bankruptcy, acquisitions and consolidation roiled container shipping in 2016. Alliances let participating carriers share ships and port calls to reduce expense while expanding service.

The new alliance structure is unnerving some industry experts. They foresee port disruption if arrival schedules change or shipping lines redirect to different marine terminals. The worry is that cargo flow could be inhibited leading to congestion at major ports.

Oakland officials said they don't foresee difficulties in working with the new alliances. The Port said most of its vessel calls are concentrated in just three marine terminals. That means cargo relocation should be minimal.

The Port said it anticipates three key outcomes in Oakland from alliance changes:

- No loss of cargo in Oakland;
- More direct vessel calls between Southeast Asia and Oakland, including a direct call to the Indian Subcontinent; and
- Continued strong Oakland-to-Japan and Oakland-to-Korea service for refrigerated exports.

The Port said Oakland will receive direct calls from 13 different Chinese ports. There'll be six weekly calls from Taiwan and four from Southeast Asia: Indonesia, Malaysia, Thailand and Vietnam. Seven weekly services from Oakland will go to ports in Japan.

The Port said it could take two-to-three months for all alliance changes to take hold. The process includes slotting vessels into new service rotations. In some cases, older ships will be replaced with newer, larger ones.

Complete schedule of services is shown on the following pages.

Transpacific Services in Oakland

THE Alliance	Hapag-Lloyd, K-Line, MOL, NYK, Yang Ming		
Ocean Carrier	**Service Name**	**Terminal**	**Rotation**
1 APL CMA-CGM Hapag-Lloyd K Line MOL **NYK**	JPX FUJI PS1	OICT	Kobe-Nagoya-Tokyo-Sendai-San Pedro Bay-**Oakland**-Tokyo-Nagoya-Kobe-Sendai
2 COSCO Shipping **K Line** MOL NYK Yang Ming	PSW3 PS2	TRAPAC	Kobe-Nagoya-Shimizu-Tokyo-San Pedro Bay-**Oakland**-Tokyo-Kobe-Nagoya-Shimizu
3 Hapag-Lloyd K Line **MOL** NYK Yang Ming	PS3	TRAPAC	Singapore-Laem Chabang-Cai Mep-Hong Kong-San Pedro Bay-**Oakland**-Tokyo-Hong Kong-Singapore-Laem Chabang-Cai Mep
4 Hapag-Lloyd K Line MOL NYK **Yang Ming**	PS4	OICT	Hong Kong-Yantian-Kaohsiung-Keelung-San Pedro Bay-**Oakland**-Keelung-Kaohsiung-Da Chan Bay/Shenzen-Hong Kong-Yantian
5 Hapag-Lloyd K Line MOL **NYK** Yang Ming	PS5	OICT	Shanghai-Ningbo-San Pedro Bay-**Oakland**
6 Hapag-Lloyd **K Line** MOL NYK Yang Ming	PS6	TRAPAC	Qingdao-Ningbo-Shanghai-Busan-San Pedro Bay-**Oakland**-Busan-Qingdao-Ningbo-Shanghai
7 K Line MOL NYK **Yang Ming**	PS8	TRAPAC	Dalian-Xingang-Qingdao-Busan-San Pedro Bay-**Oakland**-Busan-Kwangyang-Dalian-Xingang-Qingdao
8 Hapag-Lloyd K Line **MOL** NYK Yang Ming	EC1 WB	TRAPAC	Tokyo-Kobe-Ningbo-Shanghai-Busan-San Pedro Bay-**Oakland**

2M	Maersk, MSC		
Ocean Carrier	**Service Name**	**Terminal**	**Rotation**
1 **Maersk** MSC	TP8 ORIENT	OICT	Xingang-Qingdao-Ningbo-Busan-Yokohama-San Pedro Bay-**Oakland**-Vostochny-Xingang
2 **Maersk** MSC	TP2 JAGUAR	OICT	Tanjung Pelepas-Cai Mep-Yantian-Shanghai-San Pedro Bay-**Oakland**-Vostochny-Busan-Shanghai-Ningbo-Chiwan-Singapore

Bolded Carrier(s) operates the majority of vessel within the service route.

Transpacific Services in Oakland, continued

Ocean	CMA-CGM/APL, COSCO Shipping, Evergreen, OOCL		
	Ocean Carrier	**Service Name**	**Terminal**	**Rotation**
1	APL	NWX	OICT	Xingang–Qingdao–Shanghai–Prince Rupert–San Pedro Bay–**Oakland**
	CMA-CGM	BOHAI		
	COSCO Shipping	CEN		
	Evergreen	CEN		
	OOCL	PCN1		
2	APL	CC5	NUTTER	Qingdao–Shanghai–Ningbo–San Pedro Bay–**Oakland**–Tokyo–Nagoya–Qingdao–Shanghai–Ningbo
	CMA-CGM	HBB		
	COSCO Shipping	AAC2		
	Evergreen	CPS		
3	APL	SC8	NUTTER	Yantian–Hong Kong–Kaohsiung–Taipei–San Pedro Bay–**Oakland**–Tacoma–Kaohsiung–Yantian–Hong Kong–Taipei
	CMA-CGM	JDX		
	COSCO Shipping	AAS4		
	Evergreen	TPS		
4	CMA-CGM	GEX	NUTTER	Taipei–Xiamen–Shekou–Yantian–San Pedro Bay–**Oakland**
	COSCO Shipping	AAS3		
	Evergreen	HTW		
5	APL	PRX	OICT	Fuqing–Nansha–Hong Kong–Yantian–Xiamen–San Pedro Bay–**Oakland**
	CMA-CGM	PRX		
	COSCO Shipping	AAS2		
	Evergreen	PRX		
	OOCL	PCS1		
	Wan Hai	CP3		
6	APL	PE1	OICT	Port Klang–Singapore–Jakarta–Laem Chabang–Cai Mep–San Pedro Bay–**Oakland**–Hong Kong–Cai Mep–Singapore–Port Klang–Colombo
	CMA-CGM	JAX		
	COSCO Shipping	SEA2		
	Evergreen	PE1		
	OOCL	SEAP		

Non-alliance				
	Ocean Carrier	**Service Name**	**Terminal**	**Rotation**
1	COSCO Shipping	AAC3	OICT	Qingdao–Shanghai–Ningbo–San Pedro Bay–**Oakland**
	PIL	ACS		
	Wan Hai	CP2		
2	**APL**	EX1	OICT	Naha–Shanghai–Qingdao–Busan–San Pedro Bay–**Oakland**–Dutch Harbor–Yokohama–Busan–Naha
3	**Hyundai**	PS2	OICT	Laem Chabang–Cai Mep–Hong Kong–Yantian–Kaohsiung–Busan–San Pedro Bay–**Oakland**–Busan–Kaohsiung–Hong Kong–Laem Chabang–Cai Mep
	MSC	LOTUS		

North Europe & Mediterranean Services in Oakland

THE Alliance	Hapag-Lloyd, K-Line, MOL, NYK, Yang Ming		
Ocean Carrier	**Service Name**	**Terminal**	**Rotation**
1 CMA-CGM	California Bridge	OICT	Le Havre–Antwerp–Hamburg–Rotterdam–Southampton–San Pedro Bay–**Oakland**–Tacoma–Vancouver
Hapag–Lloyd K Line MOL **NYK** Yang Ming	AL5 WB		
2 APL	ECX	OICT	Tacoma–Vancouver–**Oakland**–San Pedro Bay–Balboa–Cartagena–Caucedo–Southampton–Rotterdam–Hamburg–Antwerp–Le Havre
CMA-CGM	California Bridge		
Hapag–Lloyd K Line MOL **NYK**	AL5 EB		

Non-alliance			
Ocean Carrier	**Service Name**	**Terminal**	**Rotation**
1 **MSC**	California Express	OICT	Gioia Tauro–Civitavecchia–La Spezia–Valencia–Sines–Cristobal–Balboa–Manzanillo MX–San Pedro Bay–**Oakland**–Vancouver–Seattle–Oakland–San Pedro Bay–Balboa–Cristobal–Gioia Tauro
2 CMA-CGM	AZTECA	OICT	Acajutla–Corinto–Buenaventura–San Lorenzo–Puerto Quetzal–Lázaro Cárdenas–San Pedro Bay–**Oakland**–Lázaro Cárdenas–Puerto Quetzal–Acajutla–Corinto–Buenaventura–San Lorenzo
Hamburg Sud	WAMS		
3 **Hapag-Lloyd**	MPS	OICT	Cagliari–Livorno–Genoa–Fos–Barcelona–Valencia–Cartagena–Manzanillo–San Pedro Bay–**Oakland**–Seattle/Tacoma–Vancouver–Manzanillo MX–Cartagena–Caucedo–Lisbon–Tangier–Valencia–Cagliari–Livorno–Genoa–Fos–Barcelona
Hamburg Sud	MCPS		
ZIM	MPS		

Latin America Services in Oakland

THE Alliance	Hapag-Lloyd, K-Line, MOL, NYK, Yang Ming		
Ocean Carrier	**Service Name**	**Terminal**	**Rotation**
1 Hapag-Lloyd K Line MOL **NYK** Yang Ming	AL5 WB	OICT	Balboa-Cartagena-Caucedo-Southampton/ London-Rotterdam-Hamburg-Antwerp-Le Havre-San Pedro Bay-**Oakland**-Vancouver-Seattle/ Tacoma
CMA-CGM	California Bridge		
2 Hapag-Lloyd K Line MOL **NYK** APL	AL5 EB	OICT	Southampton/London-Rotterdam-Hamburg-Antwerp-Le Havre-Cartagena-San Pedro Bay-**Oakland**-Seattle/Tacoma-Vancouver
CMA-CGM	California Bridge		
3 Hapag-Lloyd K Line MOL NYK APL	EC1 NB	TRAPAC	Manzanillo-Balboa-San Pedro Bay-**Oakland**

Non-alliance			
Ocean Carrier	**Service Name**	**Terminal**	**Rotation**
1 **MSC**	California Express	OICT	Gioia Tauro-Civitavecchia-La Spezia-Valencia-Sines-Cristobal-Balboa-Manzanillo MX-San Pedro Bay-**Oakland**-Vancouver-Seattle-Oakland-San Pedro Bay-Balboa-Cristobal-Gioia Tauro
2 CMA-CGM	AZTECA	OICT	Acajutla-Corinto-Buenaventura-San Lorenzo-Puerto Quetzal-Lázaro Cárdenas-San Pedro Bay-**Oakland**-Lázaro Cárdenas-Puerto Quetzal-Acajutla-Corinto-Buenaventura-San Lorenzo
Hamburg Sud	WAMS		
3 **Hapag-Lloyd**	MPS	OICT	Cagliari-Livorno-Genoa-Fos-Barcelona-Valencia-Cartagena-Manzanillo-San Pedro Bay-**Oakland**-Seattle/Tacoma-Vancouver-Manzanillo MX-Cartagena-Caucedo-Lisbon-Tangier-Valencia-Cagliari-Livorno-Genoa-Fos-Barcelona
Hamburg Sud	MCPS		
ZIM	MPS		

Oceania Services in Oakland

Non-alliance				
	Ocean Carrier	Service Name	Terminal	Rotation
1	**ANL**	PSW1	OICT	Auckland–Melbourne–Sydney–Tauranga–Papeete (fortnightly)–**Oakland**–San Pedro Bay
	Hamburg Sud	PANZ-PNW		
	Hapag-Lloyd	WAS		
	PIL	AOS		
	MSC	AUS LOOP 1		
2	ANL	PNW	OICT	Fortnightly service: Tauranga–Sydney–Melbourne–Adelaide–Auckland–Suva–Honolulu (every six weeks)–Vancouver–Seattle–**Oakland**
	Hamburg Sud	PANZ-PSW		
	Hapag-Lloyd	WAN		
3	**Hamburg Sud**	SSEA	OICT	Papeete–Nuku'alofa (monthly)–Apia–Pago Pago–San Pedro Bay– **Oakland**
	Polynesia Line	POLYNESIA		

Hawaii Services in Oakland

Non-alliance				
	Ocean Carrier	Service Name	Terminal	Rotation
1	**Matson**	Hawaii (1)	Matson	Honolulu–**Oakland**
2	**Matson**	Hawaii (2)	Matson	Honolulu–San Pedro Bay–**Oakland**
3	**Pasha**	CHX	OICT	Honolulu–**Oakland**–San Pedro Bay

Shipping expert's challenge to ports

An esteemed expert on container shipping posed a challenge to U.S. ports in an Oakland speech this month.

"Those ports and marine terminal operators that handle big ships most efficiently will grow market share," said Journal of Commerce Senior Editor Bill Mongelluzzo. "This involves staying ahead of the curve in infrastructure development and cargo-handling processes."

A Port of Oakland official responded after Mongelluzzo's address to the Propeller Club of Northern California. "We agree with Bill," said Maritime Director John Driscoll. "And we're moving aggressively to grow our business."

Mongelluzzo, a 45-year veteran of U.S container shipping coverage, said West Coast ports are in a dogfight. They've ceded market share to East Coast competitors for 15 years, he said. His Rx for the decline: ease congestion and improve reliability.

Here's the editor's bold-faced laundry list of must-dos for West Coast ports. It's accompanied by the Port's own view of how it's responding to the market share challenge:

Handle megaships efficiently: Oakland regularly receives vessels with capacity up to 14,000 TEUs. They're typically in-and-out of Port within 24 hours. Three times in 2016, the largest container ship ever to call the U.S. came to Oakland. In each case, the 18,000-TEU Benjamin Franklin left on schedule.

Develop infrastructure and cargo-handling processes: Oakland berths and channels are 50-feet deep, the required megaship depth. Its marine terminals have installed modern gate transaction equipment and reconfigured container yards for faster cargo flow. In 2016 the Port transformed cargo-handling by adding night gates and terminal appointments. It also opened an empty container yard and accelerated the use of dray-offs for loaded import containers.

Larger terminals for larger ships: Since 1999, the average size Oakland marine terminal has grown from 49 acres to 153 acres. The largest terminal in '99 was 81 acres. Today it's 282 acres.

Invest in terminal modernization, taller cranes: More than $600 million is being invested in Oakland. The money will go to expanding/upgrading terminals, creating new logistics capabilities and raising the height of cranes.

On-dock or near-dock rail: In 2016, Oakland completed construction of a $100 million rail yard adjacent to marine terminals.

Trucker appointments: Oakland's three international terminals all require appointments for import container pick-up.

Extended gate hours: Oakland International Container Terminal (OICT) introduced night gates to the Port a year ago. It now conducts between 1,100 and 1,500 gate transactions each night. TraPac marine terminal is introducing night gates right now.

Financing for night gates: OICT assesses a flat $30 fee on all loaded containers—day or night—to fund extended hours. It offers to share its accounting as evidence the fee is used only to pay for night operations.

Sixty-minute turn times: Turn times at OICT—the Port's biggest marine terminal—aren't averaging 60 minutes yet. They're closer to 80 minutes. But that's a 40 percent improvement in the past year.

Faster time to market: Oakland's intermodal transit times to inland destinations meet or exceed West Coast competitors. Night gates, appointments and dray-offs have significantly speeded up import availability.

Improve reliability: The West Coast's reputation for instability is fading—and Oakland is part of that trend. With rare exception, ships calling Oakland head straight to berth. Vessel productivity remains the highest on the Coast. Labor-management relations have improved since a new longshore contract was signed in 2015.

Ease congestion: Major motor carriers serving Oakland report better access, faster turn times and fewer driver complaints. They attribute the improvement to the Port's operational transformation.

Address costs: Certain costs, for example labor and pilotage, are fixed and won't come down. But others are falling in Oakland. Motor carriers have reduced or eliminated wait-time fees because they're getting in-and-out faster. Oakland is developing significant new transload facilities within the Port. As they open, logistics and transportation costs will decrease for shippers.

Import volume jumps 19 percent

Port of Oakland import cargo volume increased 19 percent in March over 2016 totals, according to figures released this month. The results contrast sharply with a 9.2 percent decline in February shipments to Oakland. Total loaded container volume—imports and exports—was up 9.3 percent last month.

Increased volume indicates a return to normal trade patterns following February Lunar New Year celebrations in Asia. Many factories shut down for the holidays, curtailing shipments to the U.S.

"This is a nice rebound," said Maritime Director John Driscoll. "We're watching now to find out if it signals stronger trade growth for the rest of the year."

According to Port figures, 402 ships called in Oakland during the first three months of 2017. That was down 5.6 percent from a year ago. At the same time, the Port said those ships carried an average of 8.4 percent more containers in and out of Oakland.

The numbers reflect a shipping industry effort to consolidate greater cargo volume on fewer ships. According to the Port, the trend promises three benefits:

- Reduced vessel operating expense for shipping lines;
- Less demand for berthing space at marine terminals; and
- A reduction in diesel emissions at port thanks to fewer vessel calls.

Hundreds of new jobs coming

Industrial development will soon create hundreds of new jobs at the Port of Oakland. The challenge: finding enough skilled workers to fill them. That was the message Port officials delivered to a visiting delegation from the philanthropic Kellogg Foundation.

The Port said it wants to fill the skills gap with training for job candidates. It added that its aim is to put more local people to work.

"Our economic impact is inextricably tied to the jobs we create," Port Social Responsibility Director Amy Tharpe told visitors from the 87-year-old foundation. "The question we must ask ourselves is how does the Port's business activity

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translate into maximum community benefit?"

Officials from Battle Creek, Mich.-based Kellogg Foundation, along with some foundation grant recipients, traveled to Oakland to learn how the Port creates jobs for underserved populations. The Port listed the ways:

- A project labor agreement that establishes aggressive local-hiring goals and workforce development funding for capital construction projects;
- Using project dollars to pay for job training to create a local workforce pipeline; and
- Partnerships with developers and contractors interested in putting local residents to work.

"We find good tenants for Port property who drive good jobs," said Port Maritime Director John Driscoll. "These are skilled entry-level jobs with upward mobility."

The Port said major developments are underway that provide jobs ranging from construction to warehouse operations.

Among them: expansion of Oakland International Airport's International Arrivals Building and a 280,000-square-foot refrigerated seaport warehouse. A just-completed rail yard provided 542 construction jobs, said Ms. Tharpe. She said that 60 percent of those jobs went to local workers.

Mr. Driscoll said employers are searching for workers with skills such as truck driving or forklift operation. "We don't have a good base of fundamental skills," he said.

Ms. Tharpe said the Port assists local agencies that train workers for skilled blue-collar jobs. She said developers pay into a job-development fund 30 cents for every employee-hour worked on a Port project.

About 73,000 jobs depend on the Port of Oakland, Ms. Tharpe said. She added that workers in the San Francisco East Bay where the Port is located fill two-thirds of those jobs.

Port purchasing solar power

Port of Oakland Commissioners have approved an $8.9 million deal to purchase solar power for 20 years. The Port's municipal utility will resell the electricity to tenants including those at Oakland International Airport and the seaport.

Under the agreement, the Port will buy approximately 11,000-megawatt hours of electricity annually from a planned expansion of a solar farm located in Lancaster, CA. That's about 35 percent of the renewable energy it needs by 2030 to meet California renewable portfolio standards requirements under Senate Bill 350.

The Port of Oakland operates its own electrical utility. The utility purchases electricity and resells it to Airport and seaport tenants.

The Port will pay $39 per megawatt hour for the solar-generated electricity. The solar farm expansion should go online in December 2020.

Energy Star awarded

Port of Oakland headquarters located at 530 Water St. just received its 11th consecutive Energy Star certification. Every year the U.S. EPA recognizes buildings nationwide for energy efficiency. Port headquarters is one of only 70 buildings in California to receive an Energy Star.

Port headquarters ranked in the top 19 percent of EPA benchmarked facilities nationwide. To achieve an Energy Star award, a building must rank among the top 25 percent most energy efficient buildings in the market. Factors that affect scoring include building systems, operational hours, climate controls, equipment scheduling, and equipment monitoring. According to the EPA, on average, Energy Star certified buildings use 35 percent less energy and cause 35 percent fewer greenhouse gas emissions than similar buildings.

"Environmental advocacy is an integral part of our Port of Oakland workforce culture," said Port of Oakland Director of Environmental Programs and Planning Richard Sinkoff. "The Energy Star Award recognizes energy efficiency in Port buildings as a key element of the Port's sustainability program."

During the past year, the Port of Oakland has implemented energy-saving measures that use less power for heating, air conditioning, and office equipment.

Oakland repurposes port properties to curb congestion

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Bill Mongelluzzo, Senior Editor

Thanks to container terminal consolidation, the Port of Oakland aims to reduce congestion by using freed up parcels for container storage, truck fueling, container dray-off and other ancillary services.

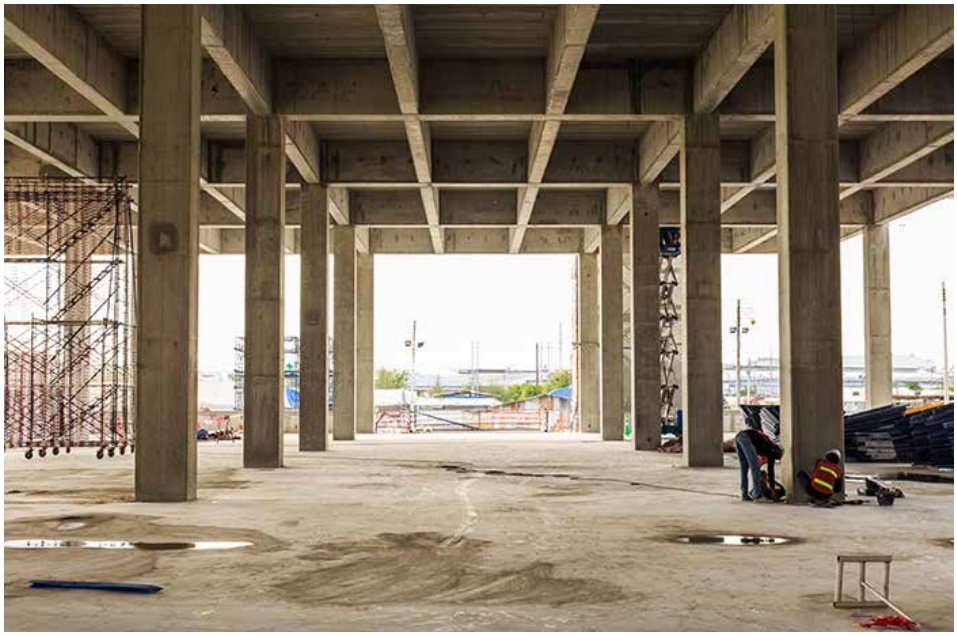
When one marine terminal operation ceases because of commercial developments, the opportunity to address another need arises, and the end result of this "moving of chess pieces around" is improved supply-chain velocity for the entire port complex, said John Driscoll, director of maritime.

Oakland in the coming decade will set the bar for supply-chain velocity even higher as the port and city redevelop the former Oakland Army Base into a 360-acre hub for import warehouses and transloading facilities. Few ports have the available real estate to house distribution and transloading activities inside their gates. Oakland does, thanks to the closure of the former military base at the turn of the century. Since then, the port and the city have methodically completed most of the infrastructure work for development of about 2 million square feet of distribution space.

Of more immediacy, though, is the repurposing of smaller parcels that are no longer functional for their original purposes. Earlier in the decade Oakland had 12 modest-sized container terminals that had been designed for the smaller vessels and cargo volumes of the 1980s and 1990s. With the consolidation of adjacent terminals into fewer, larger, modern facilities, and the closing last year of Outer Harbor Terminal, the port is down to four working container terminals, three of which are international.

Consolidation of marine terminals and devoting unused parcels of property for equipment storage and repairs, dray-offs and other purposes is becoming more common, especially at West Coast ports which were the first to handle the bigger ships. When port property is repurposed, almost any site, no matter how small, can serve some function that results in improved traffic flow in today's high-volume, high-velocity supply chains.

For example, Oakland is preparing a request for proposals to develop a 4 to 6 acre site into a station where trucks will be fueled and weighed and drivers will have access to food and other services. Moving these activities inside the port gates is not only more convenient for truckers, but enhances the port authority's objective of being a good corporate citizen by removing these activities from nearby communities, Driscoll said.



Moving certain key supply chain operations into the Port of Oakland itself should provide a number of benefits for port productivity.

Oakland last year handled 2.3 million 20-foot-equivalent unit containers. In the first quarter of 2017, loaded imports were up 3.5 percent and exports increased 3.2 percent from last year. Oakland, like other large gateways, contends with terminal congestion caused by cargo surges from today's mega-ships. Storage of empty containers on marine terminals contributes to congestion. When a former rail site known as the Roundhouse was freed up, the port contracted with SSA Marine, operator of Oakland International Container Terminal, to use the site to receive, store and deliver empties to truckers.

Ed DeNike, SSA's chief operating officer, said OICT processes about 6,000 gate moves a day, 4,500 during the day shift and 1,500 at night. The Roundhouse is adjacent to OICT. Each day it handles about 500 to 600 empty containers. If the transactions involving empty containers were all processed at OICT, drivers could expect each visit to last an hour or longer. Turn times for empties at the Roundhouse average 25 minutes or less.

SSA's business plan in Northern and Southern California also includes draying inbound containers from its terminals as soon as they are discharged from the vessel. Dray-offs speed the flow of containers to off-dock sites where truckers can access the freight round the clock without having to wait in truck queues at the marine terminals. Also, dray-offs free up container yard space, thereby reducing congestion. DeNike said dray-offs from OICT are now moving to a temporary site, but SSA is working with the port to establish a permanent operation at a 35-acre site.

Chassis dislocations and equipment repair have become issues at some ports since the shipping lines more than three years ago began to sell their assets to intermodal equipment providers. Chassis availability at individual terminals ebbs and flows during the week. When a vessel arrives, hundreds of chassis are required to move loaded inbound containers to receivers in the region. Shortages often occur. However, a neighboring terminal may have a chassis surplus that developed from trucks delivering loaded export containers and empties.

Some truckers say the shortage/surplus cycle could be mitigated if ports would establish near-dock sites for the storage of chassis. The equipment would be inspected and pre-tripped so the chassis would be immediately available to truckers when they arrive at the facility. Driscoll said the port would be open to such a plan if port stakeholders agreed that it would help.

Chassis repair operations can take up valuable space at a container terminal.

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Oakland has initiated a dialogue with stakeholders about setting up a central repair site for chassis to be manned by the International Longshore and Warehouse Union, Driscoll said.

Facilitating dialogue among port stakeholders and soliciting views on how to improve port productivity is already paying off for Oakland. As smaller facilities were consolidated into larger terminals with much bigger container exchanges, the port experienced increasing congestion. The final straw came when Outer Harbor Terminals declared bankruptcy in early 2016 and left Oakland. "The consolidation of marine terminals was a huge challenge," said Dick Coyle, president of Devine Intermodal.

About 90 percent of Outer Harbor's container volume shifted to OICT. It became apparent immediately that OICT would have to add a second shift to handle the new business. In order to jumpstart the extended gate program, the port reimbursed OICT for labor and equipment costs for the first few months, but informed stakeholders it could not pick up the tab indefinitely. After a series of meetings with BCOs, truckers, terminal operators, equipment providers and other port users, all of the parties agreed last summer that BCOs would pay a fee of $30 per loaded container to fund the extended gates.

Coyle said the extended gates, along with a trucker appointment system that is working well, has kept congestion to a minimum. He said truckers received little if any pushback from their customers about the $30 fee. When the port experienced months of congestion in late 2014 to mid-2015 during the West Coast labor disruptions, many truckers were charging congestion fees that far exceeded $30. If the extended gates and appointments help to avoid congestion, Coyle said he does not anticipate complaints from the BCO community.

Oakland's goal of bringing distribution and transloading activities into the harbor will be realized over the coming decade as the former Army Base is redeveloped. The 360-acre site is divided roughly in half, with the port and the city each in charge of developing about 180 acres. Much of the rail, roadway and utility infrastructure is now in place, so construction of warehouses, a cold-storage facility and transloading facilities will begin. A total of 2 million square feet of warehouse and distribution facilities will be developed in phases.

Bringing distribution and transloading activities onto some of the most costly waterfront land in the nation is not only unusual, but it should also generate more import and export cargo. At most ports, distribution activities involve trucking imported containers to warehouses located 10 to 50 miles inland at a cost of $100 or more per trip. The merchandise is discharged and distributed locally, or is transloaded into 53-foot containers or trailers for shipment to distant locations. The distribution activities at the port will eliminate those costly drays.

The first major development in the port's section of the former Army Base, though, will be a cold storage facility that will be heavily export oriented. Construction is expected to begin within the next couple of weeks on a 370,000 square-foot cold storage warehouse for Dreisbach Enterprises. Jason Dreisbach, president, said the facility should open in June 2018.

The key to the project was the port's agreement to bring rail access to the 23-acre site, Dreisbach said. The cold storage warehouse will handle mostly frozen beef, pork and poultry from the Midwest, Southeast and California's Central Valley. Some chilled product will be handled as well. Trains with up to 36 reefer cars will access the facility, and the meat will be transferred from the rail cars into marine containers. The integrity of the product will be maintained because the transfer will take place in the cold-storage facility.

Dreisbach anticipates a quick ramping up of activity. Some product that today moves through a smaller facility will be shifted to the new warehouse, using about 30 percent of the new facility from day one. Also, importers of refrigerated products are expressing interest, and Dreisbach anticipates a growing import trade, such as seafood from Asia. He sees the facility eventually handling 140 40-foot reefer containers a day.