



**PORT OF OAKLAND
SEAPORT**

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Imports break all-time record in Oakland

The Port of Oakland last month set an all-time record for import cargo, handling the equivalent of 84,835 loaded 20-foot import containers in July. That was the most for a single month in the Port's 90-year history, breaking the previous record of 84,023 containers set in March 2015.

The Port said that July import volume increased 5.4 percent over the same period a year ago. The surge comes at the start of peak season when shippers transport additional cargo ahead of holiday and back-to-school sales. "Retailers have been forecasting strong import numbers this year and so far, they're right," said Maritime Director John Driscoll. "We're glad to support them and we are ready for more."

The Port attributed the cargo increase to the economic health of its core market in Northern California and Western Nevada and to the continued strength of U.S. consumer spending.

The Port reported that import volume through the first seven months of 2017 increased 3.7 percent. It added that the number of vessels visiting Oakland during that period declined 7.6 percent. The Port said shipping lines are transporting more cargo to Oakland on fewer but larger ships.

For more details about the Port of Oakland's monthly container statistics, please [click here](#).



Peak season outlook

Possible record peak-season import volume should flow smoothly through the Port of Oakland, according to Maritime Director John Driscoll. In his forecast before an expected holiday cargo rush, the Port executive said Oakland is braced for more business.

"We're hearing that the next two-to-three months could set new containerized import records in the U.S.," Mr. Driscoll said. "If that's the case, we're ready; we've got plenty of equipment to move cargo and our terminals are operating with high efficiency."

The Maritime Director's remarks followed a bullish forecast from the National Retail Federation. The trade association said last month that containerized import volume could reach all-time highs in August. That's the traditional start of peak season when retailers stock up for back-to-school and holiday sales.

Underscoring the prediction, Oakland reported record import cargo volume for the month of July. The Port said it expects cargo increases to continue for the next few months.

Here's the Port summary of peak-season preparedness:

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A strategic roadmap for the Port

Port of Oakland maritime officials anticipate a five-year run of record cargo volume beginning next year. By 2022, the Port expects to handle the equivalent of 2.6 million 20-foot containers annually. It would be 8 percent more volume than the Port has ever processed in a single year.

The figures appear in a Strategic Maritime Roadmap released by the Port this month. The blueprint for the future foresees increased cargo volume arriving at Oakland on larger ships. Northern California's booming freight market will drive the growth, the Port said. New logistics capabilities, such as distribution centers and freight transfer facilities, should provide a further boost, it added.

"We're serving a thriving area and developing new services for our customers," pointed out Oakland's Maritime Director, John Driscoll. "The combination should be positive for everyone who relies on the Port for their business or their job."

The Port's Roadmap forecasts record volume of more than 2.4 million cargo containers in 2018. The current record is 2.39 million set three years ago. The Port said it anticipates steady growth - and new volume records - for the next five years.

The Port predicted that ships arriving here would be 35 percent larger within 15 years. They'll carry up to 18,000 containers, reducing the number of vessels needed in Oakland. That should help mitigate the impact of cargo growth. Fewer ships means fewer diesel exhaust emissions.

The Port said its new logistics developments will rise near rail lines to reduce the reliance on trucks. That's expected to further curb diesel emissions.

Oakland's Roadmap includes a commercial strategy calling for:

- Growing business from local and regional markets;
- Remaining the top export gateway for California Central Valley growers;
- Increasing U.S. Midwest meat and grain exports;
- Attracting containerized cargo to a new refrigerated distribution center and to the 440,000-square-foot first phase of its Seaport Logistics Complex;
- Increasing to 15 percent the amount of import cargo that arrives in Oakland and is loaded to the rails for inland distribution;
- Attracting more automotive imports; and
- Making Oakland the first U.S. port of call for at least one vessel service originating in Asia.

A summary of the [Strategic Maritime Roadmap](#) is available here.

Outlook, continued from page 1

- Marine terminals are loading and unloading ships with a 24-hour average turnaround.
- They're requiring appointments for truck drivers to pick up import containers, easing crowding at terminal gates.
- Night gates are also improving cargo flow. Oakland International Container Terminal (OICT) is processing about 1,200 transactions a night, roughly 20 percent of its daily volume.
- An exclusive, off-terminal empty container yard is helping to smooth out traffic, too. OICT reports about 400 empty pick-ups/deliveries every day.
- Truck drivers require only 30-to-90 minutes in most cases to pick up or deliver cargo.
- Occasional truck queues at TraPac marine terminal should thin out by September when a new gate complex opens.
- There's no shortage of containers to ship exports out of Oakland.
- Leasing companies report an adequate supply of chassis, which are essential for hauling containers over the road. Some marine terminals say they're experiencing periodic strain on supplies. The providers are working daily with marine terminals to reposition chassis when peak-period supplies are tight.

Port of Oakland applauds contract extension

Port of Oakland officials are applauding a decision by West Coast longshore workers and waterfront employers to extend their contract by three years. The International Longshore and Warehouse Union and the Pacific Maritime Association announced this month that their agreement will remain in effect through July 1, 2022.

"This shows that the West Coast means business when it comes to moving cargo for our customers," said Port of Oakland Executive Director Chris Lytle. "We're the most efficient, timely and cost-effective gateway for international trade and with a contract extension, we're also the most dependable."

The Port said a contract extension would ease concerns about labor-



management disputes that can arise when waterfront contracts are negotiated. Since the last West Coast contract was signed in 2015, labor relations have been good and productivity high, the Port said. "We feel that a decision to extend the contract reflects improving relations and performance up and down the West Coast," Mr. Lytle said.

Longshore workers load and unload ships at West Coast container ports. They also handle cargo in marine terminals and process imports and exports moving through terminal gates. Both the PMA and ILWU expressed willingness to seek an extension of their current contract shortly after it was signed.

First battery-powered truck in Oakland

A major Port of Oakland-based trucking operator plans to test battery-powered big rig technology here in September. GSC Logistics said it will launch a three-year trial with a heavy-duty, all-electric truck. The test is part of a statewide effort to determine the feasibility of zero-emission freight hauling.

GSC, the Port's largest motor carrier, becomes the first Northern California drayage company to test battery-powered trucks. CEO Scott Taylor said his firm would consider purchasing additional rigs if the trial is successful.

"The purpose of the demo is to prove that battery-operated trucks can work in real world applications and port operations," said Mr. Taylor. "Depending on the efficiency, reliability, productivity and economics of battery-powered trucks, GSC would certainly entertain the possibility of integrating them into our fleet in the future."

California's Air Resources Board initiated the zero-emission truck trial last year. It's sponsoring a test with five battery-powered rigs in Southern California concurrent with the Oakland study. Shenzhen, China-based BYD Co. is manufacturing the trucks.

"We're out to prove that zero-emission, battery-powered trucks can be used in heavy-duty applications," said Andy Swanton of subsidiary BYD California. He said the benefits of electric vs. diesel-powered trucks include:

- Lower operating costs;
- No diesel exhaust; and
- Quieter rides for drivers and neighborhoods near truck routes.

GSC Logistics said its truck will shuttle import containers from Port of Oakland marine terminals to a nearby yard. The rig has a 100-mile battery range. The company said it would install a charging station to plug in the vehicle.

GSC hauls the equivalent of 100,000 20-foot containers of cargo annually in Northern California and Nevada. It manages a fleet of 200 trucks.

The Port of Oakland said the state-sponsored trial by GSC Logistics fits well with its emission-reduction efforts. The Port said it has reduced diesel particulate emissions from harbor trucks by 98 percent in the past decade.

"We've done everything from subsidizing clean-truck purchases to shrinking the queues at our gates," said Port of Oakland Environmental Programs and Planning Director Richard Sinkoff. "Battery-powered trucks are a logical next-step for exploration."



Port of Oakland OKs new high-power line to plug in more ships

A 200-foot cable-on-reel extends reach of program that cuts diesel emissions

Port of Oakland officials said they've commissioned new equipment bolstering efforts to curb diesel emissions from ships. The Port OK'd a high-voltage cable system that will connect more vessels to Oakland's landside power grid. The Port said the breakthrough will accelerate a program that has helped cut emissions 76 percent in Oakland since 2009.

"We're continually working to reduce emissions," said Chris Chan, the Port's Director of Engineering. "This is a way to build on our success and extend our reach."

The Port said the 200-foot cable-on-reel system will be deployed by Oakland International Container Terminal. It will connect to ships that can't closely align with landside electrical vaults at berth. When the ships plug into the vaults, they'll switch off onboard diesel engines and rely on grid power. The result: no diesel emissions during Oakland calls.

The Port said nearly 400 vessels are equipped to plug into Oakland's landside electrical system. The problem: ships sometimes berth beyond the reach of their onboard power cables.

That's where the terminal's new \$230,000 cable system comes in. Its 10-foot-tall reel is affixed to a trailer. The mobile platform can be deployed alongside any vessel. The cable will connect ships to one of the marine terminal's 18 shorepower electrical vaults.

The Port said its engineers have overseen two successful trials of the mobile cable system. It said it expects the technology to be deployed full-time by autumn.

Shorepower is one of a series of steps employed to reduce diesel emissions in Oakland. The others include:

- Converting ships to cleaner-burning low-sulfur fuel when they near the California coast;
- Moving ships quickly in-and-out of Port so they're not sent to anchor in San Francisco Bay with engines running while awaiting berths.
- Consolidating cargo on fewer but larger ships to reduce the number of vessel calls.



Port refinances debt

The Port of Oakland has completed the sale of bonds to lower debt costs. The Port said its \$324 million refinancing will save \$44 million in debt service payments over 13 years.

Proceeds from the sale will be used to refund 2007 bonds issued to finance capital improvements at the Port. The Port said savings come from the current favorable interest rate environment.

The Port issued four series of bonds. Three of the four series are tax-exempt.

The Port selected Bank of America Merrill Lynch as senior manager of the bond transaction. Co-senior manager is Siebert Cisneros Shank & Co., LLC. Co-managers include J.P. Morgan Securities, LLC; Backstrom McCarley Berry & Co., LLC; and Blaylock Van, LLC.

Oakland's new normal

Reprinted from World Maritime News, Aug. 7, 2017

The trend of larger ships calling at the Port of Oakland recorded during the first half of 2017 is expected to become the new normal at the port, especially in the light of the latest infrastructural investments allowing for the handling of bigger ships.

"Ship size is increasing in Oakland. Average size vessel here was 8,000 TEU. Moving now toward 14,000 TEU. In a few years, it'll be 18,000 TEU. Oakland is handling larger ships without difficulty. Carriers don't hesitate to call with bigger ships. After the obvious infrastructure requirements: 50-foot depth, heightened ship-to-shore cranes; the key is cargo-handling performance. Transformation in our marine terminals allows Oakland to work big ships efficiently and deliver cargo promptly," Michael Zampa, Port of Oakland's Communications Director, said while speaking to World Maritime News.

Just two years ago, the port was battling congestion issues arising from waterfront contract talks between the Pacific Maritime Association (PMA) and the International Longshore and Warehouse Union (ILWU).

Today, Port of Oakland's Maritime Director John Driscoll boasts of top port productivity among West Coast rivals with 35-to-40 container moves per hour during vessel operations, and ships spending 24 hours, or less, at berth.

Furthermore, dockworker issues seem to be a thing of the past with influx of workers keeping pace with growing container business and a contract extension approved by the ILWU and PMA.

So what happened in the past two years that resulted in the port posting record results this June, and total cargo volume increase of 2.7 percent through the first half of 2017?

The answer is capacity building.

As explained by Driscoll while commenting on the port's half-year results, there will be fewer ports in the next decade, and winners will be those with the ability to work megaships; and those providing maritime-related services that help shippers cut costs or improve efficiency.

For the Port of Oakland, he added, 2017 would be remembered as the year the port took major steps forward on both fronts.

Touching upon the port's activities on strengthening its competitiveness when compared to West Coast neighbors, Zampa noted that Oakland has significantly improved terminal performance by transforming operations.

"Recent changes include night gates, appointment systems, express lanes for cargo pick-up, a dedicated empty container yard, inland depot, additional equipment and more labor."

"Oakland's position in the Transpacific Trade is a competitive advantage. Oakland is the last stop before vessels return to Asia. That makes it especially attractive to exporters. The shortest distance to Asian markets is Oakland-to-Asia. Geography also benefits Oakland. Proximity to Central Valley growers and Napa/Sonoma vintners helps make Oakland one of the major U.S. export gateways," Zampa continued.

"Oakland is one of the only U.S. ports with a trade balance: 51 percent exports, 49 percent imports."

In June, Driscoll said that the port envisions to see over USD 600 million in investment in infrastructural projects aimed at bolstering Oakland's status of a major trade hub.

These have included so far a terminal upgrade, a new operating system at Everport marine terminal, along with USD 100-million rail yard completed in 2016.

In addition, USD 14 million crane-raising for six cranes began in the second quarter of 2016, with the first crane currently being outfitted with 26-foot extensions. Furthermore, TraPac marine terminal began construction aimed at increasing its

Oakland footprint by 86 percent, and a new gate complex is expected to be completed by the year-end.

The Port of Oakland set an all-time record in June import volume having handled the equivalent of 80,253 full 20-foot import containers. That broke the previous all-time record for the month of 78,326 containers set in June 2006.

"Oakland import volume has increased in four consecutive months and five of the first six in 2016. It's a reflection of Transpacific trade growth generally and continued strong U.S. consumer demand. Analysts forecast continued low-to-mid single-digit growth through the peak season," Zampa told WMN while speaking on the reasons behind the cargo influx rise, and the business operation forecast for the rest of the year.

Namely, following the bullish forecast from the US National Retail Federation on possible all-time highs for July and August containerized import volume, the port said it was ready for the record peak-season import volume, which should flow smoothly through the Port of Oakland.

The cargo rise comes on the heels of the ongoing consolidation in the container shipping market, spearheaded by alliances of major liner companies, and their respective network reshuffling and cascading of ships.

Following the realignment last spring, there are now 31 vessel services calling Oakland, according to the port. The big change in the wake of realignment was an increase in direct Oakland service to-and-from Southeast Asia, with vessel calls from that region up 50 percent since January.

"Oakland has managed realignment and consolidation without any disruption. Cargo volume is up and containers are moving through terminals without disruption. With three international marine terminals, there was little room for cargo dislocation during alliance reshuffling," Zampa added.

When asked about the potential effect of the fact that the ports on the East Coast have started welcoming their biggest containerships yet now that the Bayonne Bridge has been raised, Zampa replied that it was too soon to say what the impact of East Coast port improvements will be on the West Coast.

"Oakland expects to maintain/grow market share because it serves a discreet market—Northern California and Western Nevada—that can only be served efficiently and cost-effectively through the Port of Oakland. This is a vibrant, growing market. The port has improved operating performance and is expanding its high-value logistics capabilities to attract more business," he went on to say.

