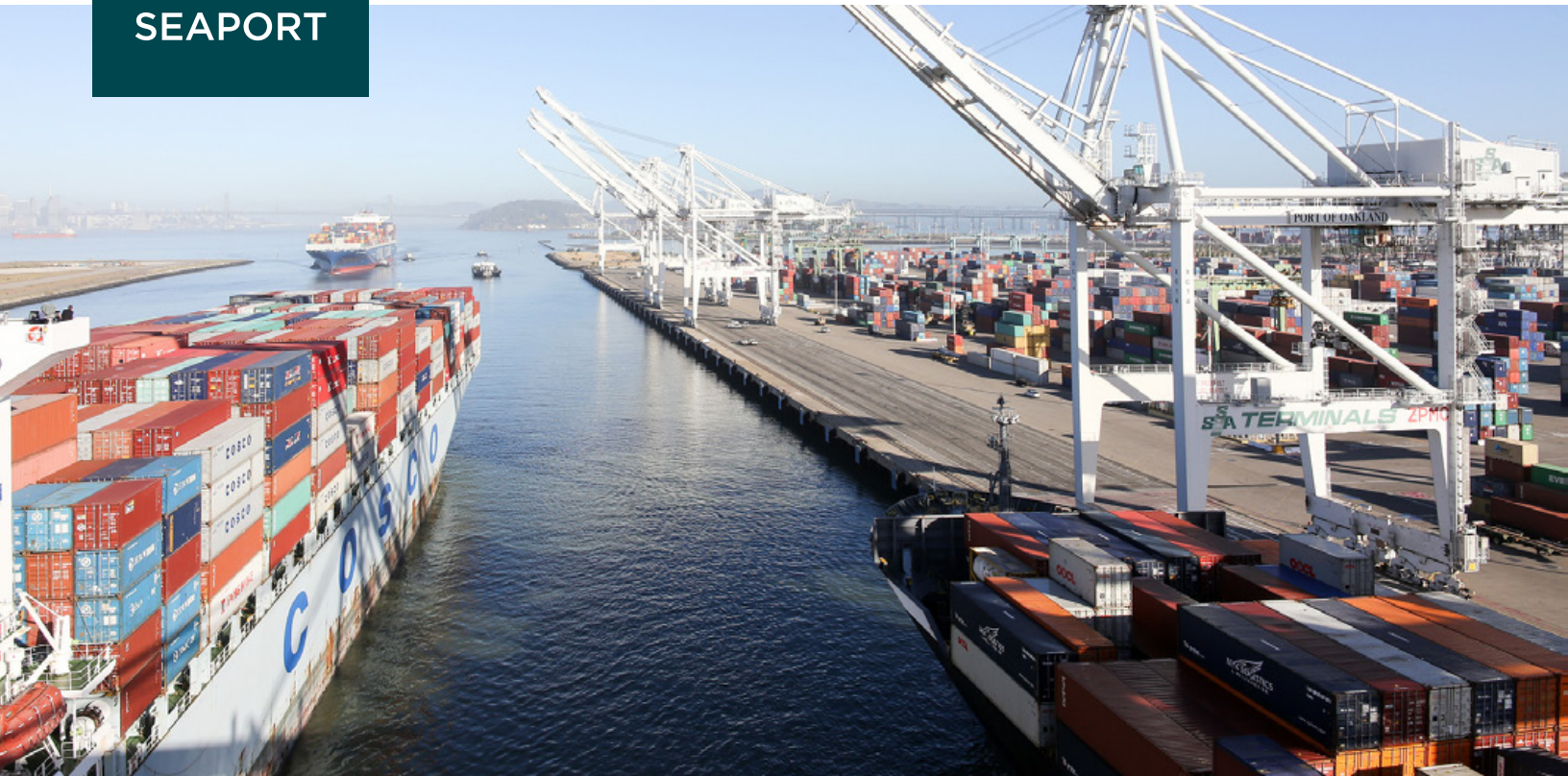




**PORT OF OAKLAND
SEAPORT**

JANUARY 2017

MARITIME e-NEWS



Record Cargo Volume Achieved in 2016

Loaded shipping container volume reached an all-time high at the Port of Oakland in 2016. The Port handled the equivalent of 1.83 million loaded 20-foot containers last year. That was up 7.6 percent from 2015, topping the previous record of 1.82 million 20-footers set in 2013.

The Port attributed the milestone to a year-long containerized export boom as well as growth in imports. It said the record is important on two fronts:

- Loaded container volume is a key measure used to calculate fees paid by Oakland's marine terminal tenants.
- Increased volume means the Port gained, instead of lost business in 2016 though it consolidated five terminals into four.

"This is a gratifying outcome," said Port of Oakland Maritime Director John Driscoll. "The job now is clear—build on the momentum we created in 2016."

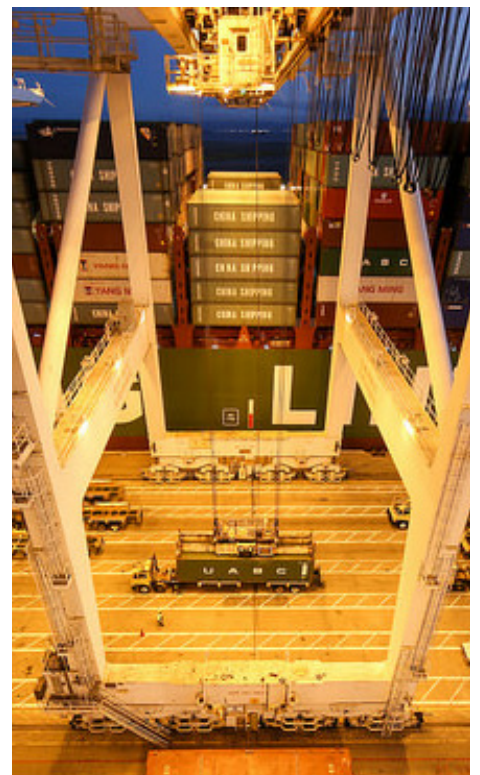
The Port said its total 2016 volume equaled 2.37 million 20-foot containers, up 4 percent from 2015. Total volume includes full and empty containers.

Containerized export volume jumped 10.5 percent in 2016, the Port said. In December, exports were up 13.5 percent. It was the fourth straight month of double-digit export growth.

Oakland import volume increased 4.7 percent last year, the Port said. December imports were up 6.1 percent.

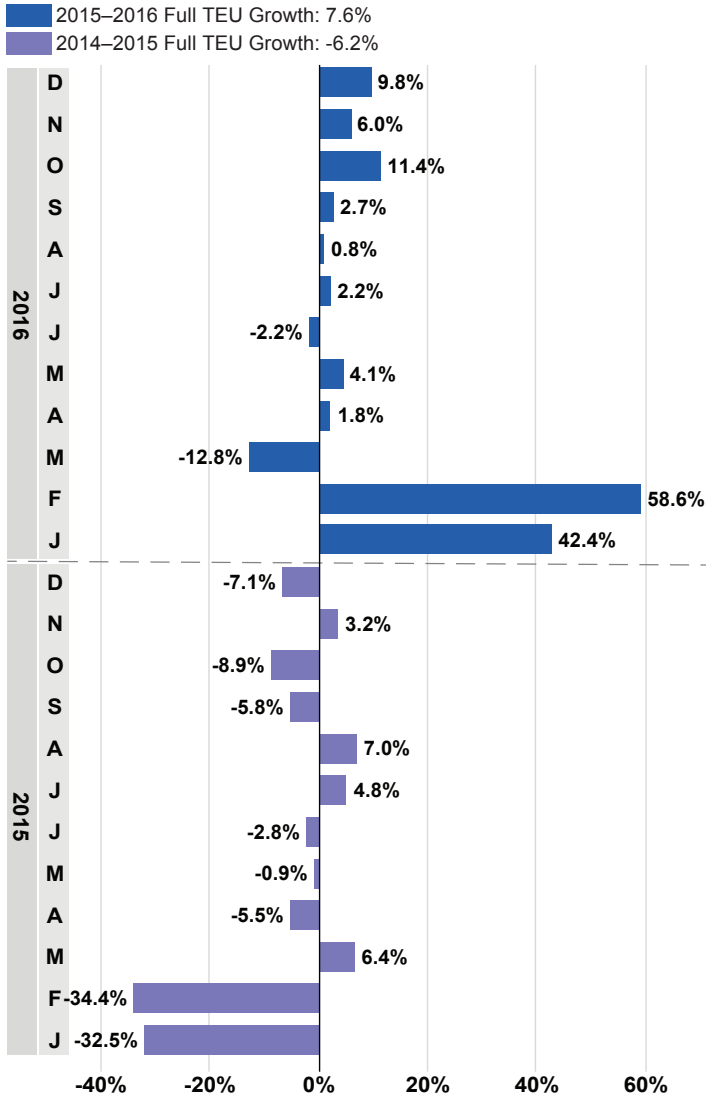
The Port said exports accounted for 52 percent of Oakland's loaded container volume in 2016. Imports accounted for the rest.

The Port said its 2016 goal was to protect cargo volume despite reducing the number of marine terminals. Terminals are where ships, trucks and trains converge to move the world's containerized trade. Oakland consolidated terminals to eliminate a capacity glut, then spread its subsequent volume increase among remaining terminals.

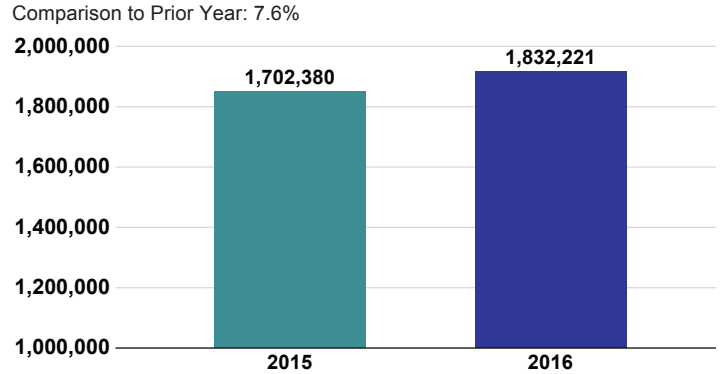


Port of Oakland Loaded Container Volume for 2016 Reaches All-time High 1.83 Million TEUs

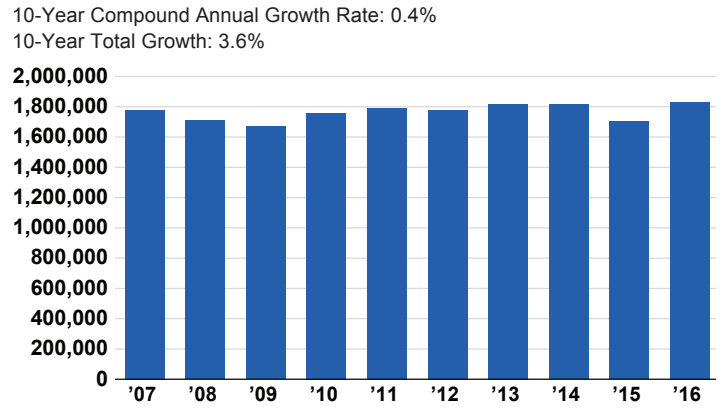
Monthly Full TEU Year over Year Growth



Full TEUs 2016 vs 2015



Historical Full TEU Activity



Container Statistics: Port of Oakland TEU's Activity 2016

Month	Full				Empty				Grand Total	Trend*
	Import	Trend*	Export	Trend*	Import	Trend*	Export	Trend*		
January	77,639	75.8%	67,272	16.8%	16,814	-9.6%	29,430	66.2%	191,155	38.5%
February	70,620	89.7%	73,455	37.0%	13,942	-0.6%	30,122	76.4%	188,139	54.2%
March	56,691	-32.5%	80,487	9.9%	18,406	-2.2%	23,361	-29.9%	178,945	-14.6%
April	72,296	-3.4%	78,613	7.1%	17,663	10.7%	19,730	-46.6%	188,302	-6.4%
May	81,293	3.0%	83,969	5.1%	22,845	25.2%	23,662	-34.7%	211,769	-0.7%
June	76,368	0.8%	73,676	-5.2%	16,839	-5.1%	27,393	-15.4%	194,276	-4.6%
July	80,508	1.0%	77,573	3.6%	17,017	21.5%	31,502	-14.6%	206,600	0.5%
August	78,429	-4.9%	83,063	7.0%	21,881	44.9%	37,231	-10.6%	220,610	1.7%
September	70,307	-4.2%	76,356	10.0%	16,745	15.4%	24,132	-39.9%	187,540	-5.0%
October	72,084	2.0%	89,473	20.4%	26,873	64.7%	17,739	-42.7%	206,169	7.2%
November	73,473	0.2%	85,915	11.5%	18,868	7.0%	18,724	-23.9%	196,980	2.3%
December	73,939	6.1%	78,722	13.5%	19,923	27.0%	26,578	-13.1%	199,162	7.5%
YTD	883,647	4.7%	948,574	10.5%	227,816	15.8%	309,604	-18.2%	2,369,641	4.0%

* Denotes change versus same time period from previous year

Executive Director Gives *State of the Port* to Oakland Audience



Executive Director Chris Lytle

What a difference a year makes. Last January the Port of Oakland faced the bankruptcy of its second-largest marine terminal tenant. Today it faces a new year fortified by record earnings and cargo volume over the last 12 months.

"I have to tell you, this feels a whole lot better," said Port of Oakland Executive Director Chris Lytle last week. "We're on a bit of a roll."

Mr. Lytle spoke to 250 people at his annual State of the Port address in Jack London Square. The audience included Oakland Mayor Libby Schaaf.

The Executive Director rattled off record-breaking performances at the Port in four areas during the past year:

- An all-time-high 62 nonstop destinations from Oakland International Airport;
- Loaded containerized cargo volume at the Oakland seaport;
- More than 3 million visitors to the Port's Jack London Square; and
- \$338 million in operating revenue for Fiscal Year 2016, also an all-time high.

Mr. Lytle said he was particularly pleased that nearby communities benefited from the Port's success. He said that the Port updated its Project Labor Agreement in 2016 to give local workers more construction jobs. He also said the Port reported a 98 percent drop in truck diesel emissions, improving air quality in nearby neighborhoods.

The Port's progress is gratifying, given where it began 2016, Mr. Lytle said. A year ago, its second-largest terminal operator declared bankruptcy and departed. The Port responded by consolidating container business into four remaining terminals. The outcome: the Port retained all of the bankrupt terminal's cargo and actually grew loaded container volume 7.6 percent.

"We're healthy, and we want to keep it that way," Mr. Lytle said.

The Executive Director said there's still work to do if Oakland wants to grow its influence as a global trade gateway. Operating performance improved in 2016, he said, but has to get better yet. He also said the Port needs to increase its containerized import volume to match strong export growth.

Mr. Lytle said expectations are for 3-to-4 percent cargo volume growth at West Coast ports in 2017. He added, however, that he expects the Port of Oakland to outperform. "Our marine terminals are investing, modernizing, improving," he said. "We've done a very good job in preparing for the future."

Mr. Lytle said continued growth would be the Port's theme in 2017. The Executive Director said groundbreaking is likely in February on a 300,000-square-foot Cool Port. The cold storage and transfer facility will process up to 30,000 containers of beef and pork annually, he said.

Mr. Lytle said Oakland International Airport would significantly expand its international route map this year. New destinations will include Barcelona, Copenhagen and Los Cabos and Puerto Vallarta in Mexico. British Airways will become the second airline flying Oakland-to-London.



The arrival of the 1,310-foot megaship CMA CGM Benjamin Franklin was a milestone event in 2016



PORT OF OAKLAND

Year In Review on Port of Oakland Website

The Port of Oakland gained momentum and reached new heights in its three business lines in 2016. That's the message delivered by the Port of Oakland in an online retrospective called "Year in Review 2016".

"Records are falling at the Port of Oakland and business volume is surging," said Port of Oakland Executive Director Chris Lytle. "As we enter 2017 you might say we're on a roll."

The new multi-media web page is a high level look at the Port story in 2016 using brief, but comprehensive overviews via video, audio, text, photos, graphs and timelines. Among the highlights:

- **Maritime**—All-time high loaded container volume;
- **Commercial Real Estate**—3 million visitors at Jack London Square;
- **Aviation**—62 destinations served by Oakland International Airport;
- **Finance**—Record operating revenue of \$338 million in Fiscal Year 2016

To see "Year In Review 2016" go to the Port of Oakland home page:

www.portofoakland.com



Marine Terminals Contribute

The Port of Oakland's two largest marine terminals are stepping up to help Oakland high school students achieve more. Oakland International Container Terminal is donating \$20,000 to Oakland Promise. TraPac is donating \$10,000.

The non-profit Oakland Promise career initiative intends to triple the number of college students from Oakland in the next decade. Oakland Promise works on two tracks by helping students complete high school and providing college scholarships.

Oakland International Container Terminal and TraPac handle about 90 percent of all containerized cargo at the Port of Oakland.