



**PORT OF OAKLAND
SEAPORT**

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MARITIME e-NEWS



Fewer ships but more cargo

New data indicates the Port of Oakland this year may receive its second-fewest container ship visits in a decade. A Port executive calls it a positive sign.

"This is a good trend," said Maritime Director John Driscoll. "Our cargo volume is up but with fewer ships, we reduce diesel emissions and ease berth crowding."

The Port said that through August, 1,091 container ships have visited Oakland in 2017. That's down 8.2 percent from 1,189 visits at the same time last year. If the trend persists, vessel calls for the full year would total about 1,650. That would be about 100 fewer ships than Oakland received last year.

The Port said 100 fewer ship calls should result in reduced diesel particulate emissions in Oakland. It should also ease demand for berthing space at the Port's marine terminals. With less vessel traffic, there's little need for ships to idle in San Francisco Bay waiting for berths.

Vessel calls in Oakland have declined 15 percent since 2007, the Port said. The low point was 2015 when 1,433 ships visited.

Despite fewer vessel calls, the Port said loaded container volume is up 1 percent in 2017. If that pace holds, Oakland could set a cargo record for the second straight year.

The Port said the phenomenon of more cargo but fewer ships reflects an industry-wide trend. Shipping lines are consolidating container volumes to cut costs, the Port explained. With fewer voyages, they reduce fuel and other operating expenses.

Ships calling Oakland in 2017 are newer and larger, the Port said. It added that modern vessels are more fuel efficient, making them environmentally friendly.

One byproduct of larger ships: they're loading and unloading 16.9 percent more containers per visit than they did a decade ago, the Port said. That challenges marine terminals and harbor truckers attempting to quickly deliver customers' cargo. It was pointed out, however, that terminals have overcome the challenge through longer hours of operation and trucker appointments.

August busiest month of year

The Port of Oakland reported that August was its busiest month in the past year. The Port said it handled the equivalent of 212,692 standard 20-foot cargo containers. That was the most since August 2016 when the Port handled 220,604 containers.

The Port said that total container volume, which includes imports, exports and empty containers, increased 1.7 percent through the first eight months of the year. Loaded import cargo volume in 2017 was up 3.2 percent, the Port said.

The number of vessels visiting Oakland in August compared to the prior year declined 12.7 percent. That's because 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](#).

Oakland consolidation: A West Coast model

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By Peter Tirschwell

Looking out from atop a crane over the SSA terminal at the Port of Oakland recently, the facility was a vision of tranquility. Trucks ambled here and there, Maersk Line and APL ships were worked methodically, and the crisp Bay Area sunshine completed the picture. Yet the terminal that day handled more than 4,000 truck gate moves during the day shift and often exceeds 6,000 moves over a 24-hour period, making it the highest-volume terminal for truck moves in North America outside of Garden City at Savannah.

The SSA-run Oakland International Container Terminal, which now handles 75 percent of the cargo at the port, showcases how Oakland has emerged after four years of painful transition. From 12 midsize terminals suited to smaller ships and multiple carriers serving the trans-Pacific, each desiring their own terminal, the port today has effectively three terminals serving a much-consolidated industry of carriers bringing in much larger ships.

Oakland effectively crossed the chasm between the old and new industries, putting it at the vanguard of a transition on the West Coast that will likely see terminal consolidation at Los Angeles-Long Beach, which has 13 terminals across the two ports, and perhaps further consolidation in the Pacific Northwest.

The transition wasn't easy for Oakland, and it won't be easy elsewhere. The formation of what would become OICT occurred in 2013-2014 when APL and Hanjin Shipping ended their terminal operations at the port, and those terminals were combined with the adjacent facility operated by SSA Marine to form a single, rectangular-shaped terminal of about 300 acres. The transition was difficult, especially at first, particularly for port truckers.

As the terminals consolidated into the new OICT, "it was a melt down," recalled Scott Taylor, president and CEO of GSC Logistics, one of the largest truckers operating at the port. "It wouldn't be uncommon for the Highway Patrol to show up and talk to the terminal because traffic was backing up onto the freeway, and from some of the terminals, that was two miles away."

He said truck turn times, the ultimate barometer of a terminal's performance from the perspective of cargo interests, ballooned. "The wait times were horrendous," Taylor said. "On average, they were 2½ to three hours, but the worst part was the outliers, the 10 to 20 percent of loads that might have taken five, six, seven, or eight hours. People talk in averages in this industry, but it doesn't work that way."

Into the fray walked Chris Lytle, the former Port of Long Beach executive director whose first day as the Oakland executive director was July 22, 2013. The APL facility had just moved, and the 2014-2015 West Coast longshore labor crisis and the 2016 bankruptcy of the Ports America terminal were still to come. When Lytle went out into the truck lines and told the drivers, "We're going to fix this," he gave the first indication of the hands-on approach he would take to resolve the port's problems.

The reforms came in a steady progression. Lytle formed a group called the Port Efficiency Task Force that brought together parties that had never sat face to face: beneficial cargo owners and longshore labor, but also truckers, terminals, railroads, and carriers. "Thanks to Chris Lytle, he brought all the stakeholders together. We had everybody in the room," Taylor said. "Those first few meetings, to say the least, were very contentious. It was almost a yelling match. But everybody got their differences out on the table."

Dialogue that originated at the task force led to painful but necessary reforms, including night gates at OICT, paid for by a \$30 fee per container that few if any BCOs have complained about, and mandatory appointment systems for imports that began at OICT and TraPac last year.

From the truckers' viewpoint, the situation has completely turned around. "I would say if the waits during the bad old days where four hours, we're now at an hour or an hour-and-a-half, and we can live with that," Taylor said. In 2015, OICT implemented a dray program to bring cleared import containers to an affiliated nearby truck yard for 24/7 pre-mounted pickup availability to improve congestion and truck velocity through the terminal.

Other opportunities presented themselves, including the port's ability to redevelop a 360-acre former Army base plot into an on-port import transload facility. With imports and exports roughly balanced and some major importers like Tesla using the port to supply its Fremont, California, plant, Oakland is trying hard to secure a first inbound port of call from Asia, all of which are currently at Los Angeles-Long Beach on Pacific Southwest services; is exploring short-haul rail into the nearby interior; and is looking to expand its catchment area for exports deep into the continental US.

With all this taken together, there is good reason for Lytle and his team, including maritime director John Driscoll, to feel good about the port and where it's headed. Indeed, the port communications director, Mike Zampa, has a four-point strategic plan for communication. What is his No. 1 message? "On a roll."



Oakland wants to plug in every ship

Port of Oakland Executive Director Chris Lytle met with international shipping lines this month to clear the air—literally. He said his Port would intensify efforts to curb diesel emissions by plugging more vessels into shore power.

“If there are ways to strengthen our Port electrical infrastructure to promote more use of electrical power from our grid, we will do it,” said the Port’s boss. “We will collaborate with shipping lines and the marine terminal operators here in Oakland to build on the progress we’ve already made.”

Mr. Lytle delivered his pledge to visiting members of the Washington, D.C.-based World Shipping Council. Technical experts from five of the council’s shipping lines were in Oakland to study shore power. Known as cold-ironing in industry vernacular, it’s the practice of plugging ships into landside power grids. By using shore power, vessels can switch off their diesel engines at berth.

“Our goal is to plug in every vessel,” the Executive Director said.

Mr. Lytle said shore power has helped Oakland reduce diesel emissions by 75 percent in the past decade. The Executive Director told his audience of shipping experts that he wants to up the ante.

“We’ve reduced truck diesel emissions by 98 percent,” Mr. Lytle said. “So the real opportunity now is on the vessel side.”



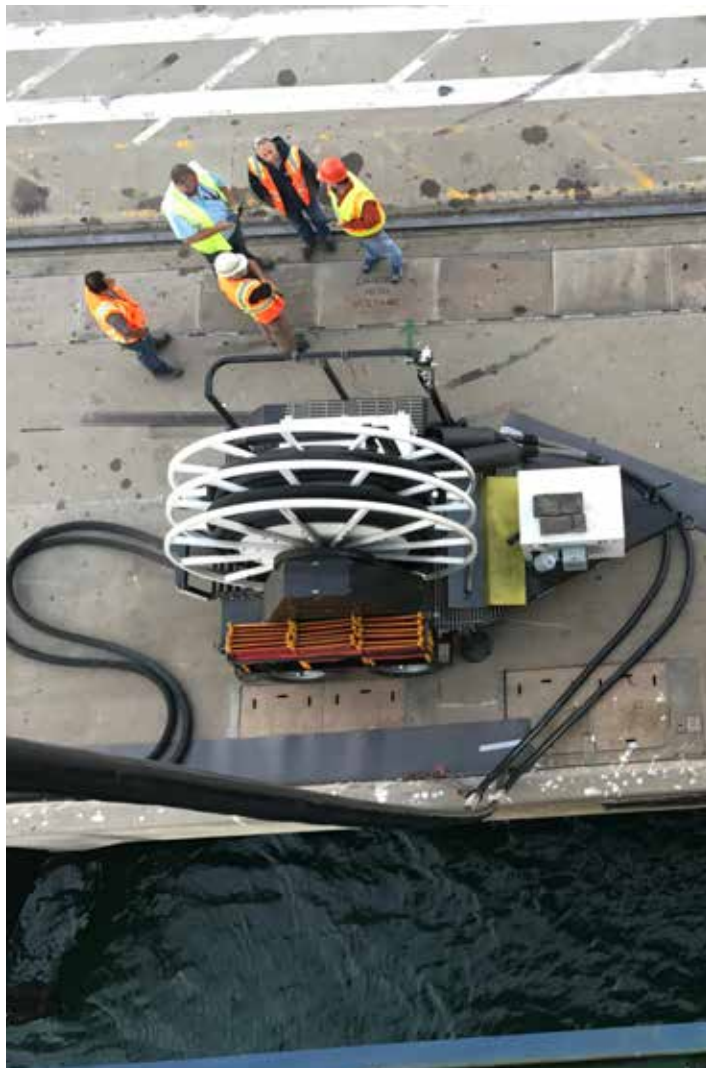
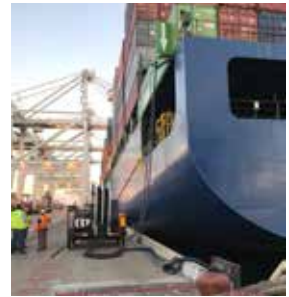
According to Port data, more than 70 percent of all ships visiting Oakland rely on shore power. That’s in line with existing rules governing California seaports. But state regulators indicate they may increase the requirement in the coming decade. To prepare, Mr. Lytle said Oakland is taking inventory of roadblocks to shore power use.

The challenges can range from ill-equipped ships to not enough electrical vaults at the dock. “We’re trying to identify why every single vessel that comes here can’t plug in,” Mr. Lytle said.

The Executive Director said Oakland is considering a number of enhancements to increase shore power use. Among them:

- Additional landside electrical vaults;
- More substations to increase the power supply; and
- Standardized procedures to ease the plug-in process for vessel crews.

Oakland’s shore power program began in 2012. The Port said it spent \$60 million building the infrastructure to plug in ships with financial assistance from federal, state and local partners. Ship owners spend about \$1 million per vessel for shipboard equipment that allows them to plug in at California ports.



Oakland A’s select ballpark site

It turns out that the Oakland A’s won’t be coming to the Port of Oakland, after all. The baseball team announced this month that it hopes to build a new downtown ballpark near Laney College. The decision means that the Port’s Howard Terminal is no longer under consideration as a stadium site.

A’s officials explored the marine terminal earlier this year. The facility is located on Oakland Estuary near the Port’s Jack London Square.

“We’re pleased that our hometown team will remain here for the long haul,” said Port of Oakland Executive Director Chris Lytle. “In the end, the club chose a different location, and we wish them all the best on their new venture. **Go A’s!**”

