



**PORT OF OAKLAND  
SEAPORT**

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# MARITIME e-NEWS



## Crane raising begins

**Work has begun at the Port of Oakland to heighten four massive ship-to-shore cranes. The Port said that the 366-foot giants will be raised 27-feet in a 9-month project. It said taller cranes will be better able to reach containers stacked high above decks on modern-day megaships.**

“This is a commitment to the future of shipping in Oakland,” said John Driscoll, the Port’s Maritime Director. “Vessels are getting bigger and bigger and we’re providing the infrastructure to keep them coming our way.”

The Port said it’s raising the cranes at Oakland International Container Terminal (OICT) in partnership with SSA Marine, the terminal operator. Cost of the project is estimated at about \$14 million.

The Port said that crane-raising is part of an overall effort to strengthen Oakland’s competitiveness among West Coast ports.

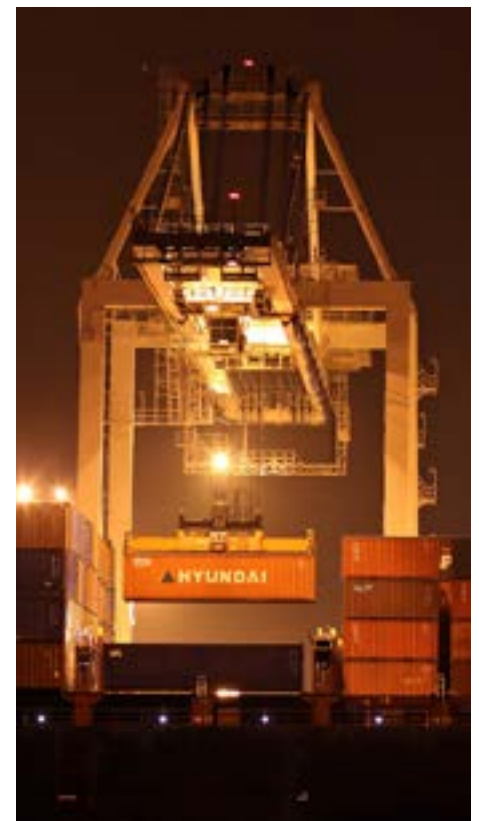
Other projects underway or expected to begin soon include:

- Doubling the size of nearby TraPac marine terminal;
- Constructing a 287,000-square foot Cool Port for refrigerated cargo transport; and
- Developing the first 27-acres of a Seaport Logistics Complex to attract additional imports and exports.

Technicians began the exacting work of crane-raising May 10, pulling the first 3 million-pound unit off its guide rails. In a delicate, 90-minute procedure, it was shuttled to the eastern edge of OICT’s Oakland Estuary dock. That’s where the work will take place beginning next month.

Over a 9-week period, engineers will brace the crane on supports, cut away its lower legs and affix extensions. They’ll return the heightened crane to duty before withdrawing the next one for raising, probably in August.

Far right crane is pulled from the line at the Port of Oakland and repositioned in preparation for heightening.



# Shipping alliance changes a good thing

A Port of Oakland executive is eager for changes in the way container shipping lines operate. Maritime Director John Driscoll said that newly formed ocean carrier alliances will benefit his Port.

"We'll see larger vessels coming to the Port, which is a good thing," he told employees in a [podcast on the Port's website](#). "We'll get more container moves-per-vessel which increases the efficiency of operations."

Mr. Driscoll also said the Port will receive a new weekly vessel service as a result of carrier realignment. Taiwan-based Wan Hai Lines plans to launch a new route connecting Oakland and Asia, he said. That will bring the number of regularly scheduled vessel services calling Oakland to 29. "It's a good sign when new players come to Oakland," the Maritime Director said.

The changes result from an April 1 realignment in which 11 of the world's largest shipping lines formed three new alliances. Alliances let carriers pool ships on ocean routes to cut costs while expanding market reach. The carriers plan to deploy larger vessels in their alliances, carrying more containers to the U.S. West Coast. That should enable them to reduce

the number of voyages while maintaining cargo volume levels.

"What's good for our customers is good for the Port of Oakland," said Mr. Driscoll. "When shipping lines can be more efficient – and healthier financially – we all benefit."

Mr. Driscoll said new alliance configurations should have little impact

on Oakland operations. Some vessels will change which of Oakland's three international marine terminals they call, but the terminals are prepared, he said.

Oakland has regular service to ports in Asia, Northern Europe and the Mediterranean, Latin America, Oceania and Hawaii.

## Little impact from alliance changes

The Port of Oakland is reporting little operational impact six weeks after major shipping lines rejiggered alliances. Ships are moving straight to berth without delay, the Port said. It added that turn-times for harbor truckers remain stable.

Eleven carriers came together in three new alliances April 1 to share services and cut costs. Concerns spread globally that the new structure would throw vessel schedules out of kilter. There was greater worry about port congestion.

According to reports, those worries are being realized at some ports worldwide. Delays were reported last month for vessels departing some Asian ports.

Oakland, however, continues to expect normal operations. That's because its international cargo operations are concentrated in just three terminals, minimizing changes wrought by the alliances. The Port added, however, that continued delays in Asia could impact arrival schedules here.

## April cargo statistics

### Fewer ships but more cargo in Oakland

A shipping industry trend toward bigger, more efficient container vessels is paying off at the Port of Oakland. The Port said that 2017 container volume through April was up 2.8 percent over last year. At the same time, the Port said that the number of vessels arriving here was down 5.6 percent.

The upshot: fewer but larger ships are carrying more cargo to Oakland, easing dock crowding while reducing vessel emissions. "Shipping lines have moved to larger vessels to consolidate cargo and cut costs," explained Port of Oakland Maritime Director John Driscoll. "We're the beneficiaries because we can handle volume growth efficiently and sustainably."

The Port said 539 ships visited Oakland in the first four months of 2017. That compared to 571 calls during the same period a year ago. The reduction meant fewer ships emitting diesel emissions as they headed in or out of Port. It also meant less clamoring for berthing space, which is in high demand at Oakland.

The Port said the average-size vessel visiting Oakland has the capacity to carry more than 8,000 20-foot containers. The average was closer to 5,000 just three years ago. Ships with capacity for 14,000 containers – the largest in North America – call Oakland weekly, the Port said.

The Port said 2017 containerized import volume in Oakland increased 3.5 percent through April. Export volume was up 3 percent.



## Economist pins hope on exports

**A noted trade expert is calling for an export resurgence to stimulate the U.S. economy. Dr. Walter Kemmsies said here last month that the Port of Oakland can help make it happen.**

Dr. Kemmsies, Chief Strategist for commercial real estate giant Jones, Lang, Lasalle, said export growth can help the U.S. manage its debt burden. First, however, it must make infrastructure investments to become more efficient at serving overseas markets, he said. Dr. Kemmsies said the U.S. has underperformed as an exporter for the last 30 years.

The economist chose an appropriate setting for his remarks. The Port of Oakland is considered one of the nation's leading export gateways. Containerized export volume shipped through Oakland increased more than 10 percent in 2016. So far in 2017, exports have accounted for 52 percent of its total cargo volume. That's rare in the U.S. where most ports are heavily skewed towards imports.

"The heroes are those who have an import-export balance," said Dr. Kemmsies. "And Oakland is an important part of that."

Dr. Kemmsies said consumer growth globally is accelerating fastest outside the U.S. That's the result of explosive middle class expansion in developing countries – primarily in Asia. American producers need to tap overseas markets, the economist said, to remain competitive.

Dr. Kemmsies said the U.S. should concentrate on high-value exports including agricultural commodities – an Oakland mainstay. "A less U.S.-centric world requires more U.S. exports," he concluded.

**"Oakland supports exports," the economist told an audience of 100 supply chain leaders gathered in the Port's Jack London Square. "And people who support exports give us hope."**



## New Security Officer for Port

The Port of Oakland has named U.S. Coast Guard veteran Troy Hosmer as its new Port Facilities Security Officer. Mr. Hosmer replaces another Coast Guard veteran, Mike O'Brien, who retired after 11 years at the Port.

Mr. Hosmer is responsible for managing security programs and policies in the Port's Maritime Division.

A graduate of the U.S. Coast Guard Academy, Mr. Hosmer has a Master's Degree in National Security and Strategic Studies from the U.S. Naval War College. During his 23-year Coast Guard career, he commanded three vessels.



## Hanjin exit, export gains reshape Top 25 North American ports

Reprinted from the Journal of Commerce.

The Port of Long Beach retained its No. 2 ranking among US ports in 2017.

Many of the ports making up the JOC Top 25 North American container ports rankings in 2015 made the cut again in 2016, but many of the rankings have changed, reflecting the impact of Hanjin Shipping's bankruptcy and the return of US export growth.

There was no surprise at the top of the rankings, where Los Angeles, Long Beach, and New York-New Jersey are able to capitalize on their huge surrounding population centers, and in the case of Los Angeles and Long Beach, their access to the US heartland. In Canada, Vancouver held onto its position as the country's top port, while Manzanillo did the same in Mexico.

In terms of total trade, the aforementioned US ports and Vancouver remained in their same positions this year, but Houston leapfrogged Manzanillo into eighth place, thanks to a 7.3 percent year-over-year increase in imports that coincided with a 2.9 percent increase in exports.

The fastest-growing port in terms of total trade was Los Angeles, which grew 11.4 percent last year, followed by New Orleans with 10.7 percent growth, and Oakland, with 9.5 percent, according to data drawn from PIERS, a sister product of The Journal of Commerce, as well as transportation agencies and individual ports in Canada and Mexico.

Oakland's strong growth was tied to a 14.5 percent surge in exports, as overall US exports grew 3.3 percent. That export growth combined with a 5.1 percent increase in imports to help Oakland leapfrog Charleston into 10th place overall on this year's rankings.

Export growth of 16.6 percent at Mobile put the port at No. 25 on the exports ranking and put it in the same place in overall trade, bumping Boston from the ranking in terms of total trade.

On the imports side, the fastest-growing ports on the list were: Halifax at 16.8 percent; Altamira, Mexico's second-largest Gulf port, at 11.7 percent; Los Angeles at 12.4 percent; and Virginia at 10.2 percent.

*Continued on page 4*

Continued from page 3

Illustrating the impact that Hanjin's August 2016 demise had on some ports, imports at Wilmington, North Carolina, fell 17.8 percent year-over-year as the port slid to 25th on the imports ranking from 23rd a year earlier. Long Beach, where Hanjin operated the Pier T container terminal, also recorded a decline in imports — 6.3 percent — year-over-year. The port did maintain its No. 2 import ranking, however.

Other ports that suffered import declines were New Orleans, New York-New Jersey, and Vancouver.

On the export side, the fastest-growing ports were: Lazaro Cardenas, up 19.1 percent year-over-year; Oakland, up 14.5 percent; Seattle-Tacoma, up 13 percent; and Baltimore, up 11 percent. The Seattle-Tacoma surge pushed the port into the seventh slot on the exports rankings, while Veracruz took the 17th spot from New Orleans on the back of a 7.6 percent increase.

Eight of the Top 25 North American container ports recorded declines in exports, with Palm Beach suffering the steepest year-over-year fall at 4 percent. Other ports experiencing a decline in exports were Wilmington, North Carolina; Miami; Jacksonville; Montreal; Houston; and New York-New Jersey.

The ratio of imports to exports was 62.5-to-37.5 compared with 2015, when the inbound-outbound cargo split was 62-to-38.

## THE JOC TOP 25 NORTH AMERICA CONTAINER PORTS

### OUTBOUND

Ranked by 2016 laden TEUs

Leading the North America outbound container trade in 2016 were the Southern California ports of Los Angeles and Long Beach with a combined volume of 2.9 million TEU, an increase of 4.4 percent year-over-year, representing 17.9 percent of the overall North America outbound container trade.

The JOC Top 25 container outbound ports in North America in 2016 represented 96 percent or 15.5 million TEU of the 16.2 million TEU in the total North America outbound laden container trade. The total volume of these top 25 outbound ports in 2016 rose 3.4 percent year-over-year, lagging behind the total North America outbound trade's growth of 4 percent. Among these top 25 outbound ports in

2016, 17 were US ports; 4 were Canada ports; and 4 were Mexico ports. By market share, among these top 25 outbound ports, US ports led with 72.2 percent of the total North America trade, Canada held a 12.8 percent share, and Mexico held a 9.3 percent share.

2016 Rank	North American Port	Location	Coast	Website	2016 North America Market Share	2015	2016	YOY % change
1	Los Angeles	Calif.	West	<a href="http://www.portoflosangeles.org">www.portoflosangeles.org</a>	10.0%	1,493,035	1,625,151	8.8%
2	New York-New Jersey	N.Y.-N.J.	East	<a href="http://www.panynj.gov">www.panynj.gov</a>	8.0%	1,329,704	1,300,295	-2.2%
3	Long Beach	Calif	West	<a href="http://www.polb.com">www.polb.com</a>	7.9%	1,286,252	1,277,474	-0.7%
4	Georgia ports	Ga	East	<a href="http://www.gaports.com">www.gaports.com</a>	7.6%	1,213,013	1,225,855	1.1%
5	Vancouver, British Columbi	Canada	West	<a href="http://www.portmetrovancover.com">www.portmetrovancover.com</a>	6.8%	1,066,034	1,100,686	3.3%
6	Virginia ports	Va	East	<a href="http://www.portofvirginia.com">www.portofvirginia.com</a>	5.8%	925,114	933,675	0.9%
7	Seattle-Tacoma*	Wash	West	<a href="http://www.nwseaportalliance.com">www.nwseaportalliance.com</a>	5.9%	841,797	951,605	13.0%
8	Houston	Texas	Gulf	<a href="http://www.portofhouston.com">www.portofhouston.com</a>	5.7%	918,112	916,492	-0.2%
9	Oakland	Calif	West	<a href="http://www.portofoakland.com">www.portofoakland.com</a>	5.0%	707,928	810,661	14.5%
10	South Carolina ports	S.C.	East	<a href="http://www.scsipa.com">www.scsipa.com</a>	4.5%	721,828	727,994	0.9%
11	Manzanillo	Mexico	West	<a href="http://www.puertomanzanillo.com.mx">www.puertomanzanillo.com.mx</a>	4.4%	693,609	713,486	2.9%
12	Montreal, Quebec	Canada	East	<a href="http://www.port-montreal.com">www.port-montreal.com</a>	3.7%	605,213	603,523	-0.3%
13	Jacksonville	Fla	East	<a href="http://www.porteverglades.net">www.porteverglades.net</a>	2.6%	415,881	417,871	0.5%

2016 Rank	North American Port	Location	Coast	Website	2016 North America Market Share	2015	2016	YOY % change
14	Port Everglades	Fla	East	<a href="http://www.miamidade.gov/portofmiami">www.miamidade.gov/portofmiami</a>	2.2%	363,235	361,042	-0.6%
15	Miami	Fla	East	<a href="http://www.miamidade.gov/portofmiami">www.miamidade.gov/portofmiami</a>	2.2%	363,235	361,042	-0.6%
16	Altamira	Mexico	Gulf	<a href="http://www.puertoaltamira.com.mx">www.puertoaltamira.com.mx</a>	1.9%	286,619	303,934	6.0%
17	Veracruz	Mexico	Gulf	<a href="http://www.puertodeveracruz.com.mx">www.puertodeveracruz.com.mx</a>	1.7%	251,724	270,754	7.6%
18	New Orleans	La	Gulf	<a href="http://www.portno.com">www.portno.com</a>	1.6%	252,106	261,260	3.6%
19	Baltimore	Md	East	<a href="http://www.mpa.maryland.gov">www.mpa.maryland.gov</a>	1.4%	203,439	225,776	11.0%
20	Lazaro Cardena	Mexico	West	<a href="http://www.puertolazarocardenas.com">www.puertolazarocardenas.com</a>	1.4%	185,481	220,863	19.1%
21	Halifax, Nova Scotia**	Canada	East	<a href="http://www.portofhalifax.ca">www.portofhalifax.ca</a>	1.2%	189,855	200,434	5.6%
22	Delaware River ports***	Del.-N.J.-Pa	East	<a href="http://www.philaport.com">www.philaport.com</a> <a href="http://www.portofwilmington.com">www.portofwilmington.com</a>	1.2%	186,366	186,754	0.2%
23	Prince Rupert, British Columbia	Canada	West	<a href="http://www.rupertport.com">www.rupertport.com</a>	1.0%	153,615	166,291	8.3%
24	Palm Beach	Fla	East	<a href="http://www.portofpalmbeach.com">www.portofpalmbeach.com</a>	0.8%	134,164	128,860	-4.0%
25	Mobile	Al	Gulf	<a href="http://www.asdd.com">www.asdd.com</a>	0.7%	100,811	117,520	16.6%
TOTAL TOP 25 PORTS IN NORTH AMERICA, OUTBOUND TRADE					96.0%	15,011,257	15,524,512	3.4%
Total US ports in Top 25, Outbound Trade					72.2%	11,585,716	11,683,280	0.8%
Total Canada ports in Top 25, Outbound Trade					12.8%	2,014,717	2,070,934	2.8%
Total Mexico ports in Top 25, Outbound Trade					9.3%	1,417,433	1,509,037	6.5%
TOTAL ALL NORTH AMERICAN PORTS, OUTBOUND TRADE					100.0%	15,562,790	16,178,651	4.0%
Total all US ports, Outbound Trade					76.5%	11,986,987	2,378,979	3.3%
Total all Canada ports, Outbound Trade					13.5%	2,063,440	2,186,042	5.9%
Total all Mexico ports, Outbound Trade					9.3%	1,417,433	1,509,037	6.5%

