



PORT OF OAKLAND

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Cargo volume rebounds at Port of Oakland

Containerized trade is rebounding at the Port of Oakland after two months of decline. The Port said that cargo volume in March increased 6.4 percent from a year ago. That's a turnaround from a 31 percent decrease in January and February.

"We're moving in the right direction again," said Port Maritime Director John Driscoll. "But we've still got plenty of work to do to make up for a slow start to the year."

Increased volume signals the likely end to trade slowdowns resulting from recent cargo backlogs at West Coast marine terminals. In February, only 35,923 import containers moved through Oakland. In March the figure jumped to 84,023.

Oakland's March imports increased 39 percent over 2014 totals. Exports declined 16 percent.

The Port said exports decreased because of the strong U.S. dollar, which made American goods less attractive overseas. Exports were also constrained by vessels bypassing Oakland to recover time lost at congested Southern California ports. Those ships are now returning to Oakland, providing additional capacity for overseas cargo.

Click [here](#) for complete Port of Oakland cargo statistics.

Ships that bypassed Oakland now return to Port

Ships bypassing the Port of Oakland to overcome schedule delays elsewhere are now resuming weekly calls. Ocean carriers plan to restore nearly all Oakland services by May. It's a signal from the maritime sector that recent West Coast cargo delays are fading.

"Some vessels that were omitting Oakland have already started to return, and a look at schedules indicates that the rest will be back soon," said Port of Oakland Maritime Director John Driscoll. "This tells us that shipping lines are confident we're recovering from the recent logjam."



More than two dozen vessels bypassed Oakland in January and February to make up for lost time. Their return is welcome on several fronts: Importers can again expect reliable import delivery; exporters will have ships to take their cargo overseas.

Vessel bypasses contributed to a 31.6% decline in container volume at the Port in January and February. Volume is expected to improve as carriers restore full service.

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Oakland taking steps to speed up cargo

The Port of Oakland is developing proposals to accelerate containerized trade flow through its five marine terminals. The goal: faster delivery of cargo and less waiting for harbor truckers who haul it.

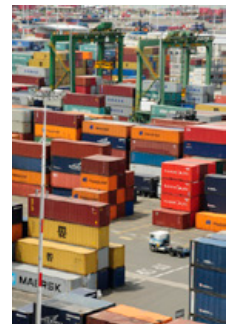
The Port said it's developing plans on four fronts that include:

- Saturday operations every week to alleviate weekday crowding inside terminals;
- Locations outside terminals where cargo could be dropped off or picked up after hours;
- Electronic monitoring to measure wait-times at terminal gates;
- A "gray" chassis fleet which permits harbor truckers to use any chassis at any terminal to haul cargo over the road.

All four plans could be implemented, or at least pilot-tested, within two months, the Port said. If successful, they could address a major desire of importer importers and exporters: faster cargo movement.

"Our customers don't want to wait for their cargo when it comes off the ship," said Port of Oakland Executive Director Chris Lytle. "We hear them and we understand their urgency, so we're acting on it."

The Port said a cargo glut in recent weeks has slowed deliveries to some importers. That's the result of vessels reaching Oakland off-schedule and in bunches after delays at congested Southern California ports. Harbor truckers report that in some instances, they've waited two hours or more to pick up containers.



The Port's cargo acceleration program is intended to address slowdowns and long waits. Regular Saturday gates would spread cargo pickup and delivery over an extra day each week, relieving stress on terminal operations. Offsite locations would enable truckers to transact business without entering terminals. Monitoring would provide drivers with up-to-the-minute wait times so they could avoid peak periods of activity. The gray chassis pool should minimize periodic shortages of chassis that delay cargo delivery.

The Port said cargo acceleration is the latest in a series of steps taken to improve customer service. Already this month, the Port reported that it has cleared out a backlog of ships awaiting berths. It also announced that vessel schedules are normalizing after two months of disruptions caused by a waterfront labor dispute. Faster cargo movement is viewed as the last big hurdle in correcting marine terminal delays.

The temporary service suspensions resulted from a labor-management dispute that slowed all West Coast shipping. Vessels stranded for weeks at Southern California ports skipped Oakland to reach home ports—mostly in Asia—on time.

The labor impasse ended with tentative agreement Feb. 20 on a new longshore worker contract. Since then, ports have been digging out from a heavy cargo backlog.

The two largest container carriers, Denmark's Maersk and Geneva-based MSC have already resumed Oakland calls. The G6, an alliance of Asian and European shipping lines, has restored two services and plans to restore two remaining services later in April. By early May, published schedules show Asian alliance CKYHE vessels back on normal rotations that include Oakland.

Logjam of vessels breaks

A vessel backlog constricting containerized trade since January has disappeared at the Port of Oakland. As of early April, there are no longer vessels in San Francisco Bay or outside the Golden Gate awaiting berths.

It's the first time since January that all ships calling Oakland have berthed without delay. As recently as February, up to 20 vessels a day were lined up waiting to dock.

"When a ship comes to Oakland, it goes straight to berth and we go straight to work loading and unloading," said Port Maritime Director John Driscoll.

Ports from Seattle to San Diego have coped with a backlog of ships and cargo since late 2014. That was the consequence of a nine-month impasse in negotiating a new waterfront labor contract. Oakland has been recovering from the cargo buildup since a tentative contract settlement was reached Feb. 20.

Most ships are in-and-out of Oakland within two days. That's a significant improvement from recent months when vessel calls could last 4-to-5 days.

Though the Port has caught up with the vessel backlog, it warned that temporary cargo buildups could recur. The reason: Up to 10 ships a day remain anchored at severely congested Southern California ports awaiting berths. As that logjam breaks, the vessels will arrive off-schedule and in bunches at Oakland, their next stop.

The Port has reported occasional heavy truck traffic at some terminal entrances as drivers attempt to pick up cargo. Turn times have varied inside terminals, ranging from 40 minutes or less to more than two hours.



Major motor carrier eager for faster cargo flow

Improved cargo velocity can't come fast enough for one major Port of Oakland motor carrier. Oakland-based GSC Logistics says shippers and their drayage companies need faster access to import containers. The firm's owners are calling on the Port this month to push through a series of operational improvements.

"We need extended hours at marine terminals and when the terminals are open, trucks need to be turned quickly," said founders Scott Taylor and Andy Garcia. "There also must be first-port-of-call service at Oakland for any import program to be sustainable and, fortunately, Port leadership is keenly focused on this initiative."

GSC's comments follow announcement of Port plans to add Saturday gates, gray chassis pools and off-dock container pick-up. The improvements are intended to accelerate cargo delivery. They could also influence importers and shipping lines contemplating Oakland as a first West Coast stop from Asia.

GSC contracts with nearly 200 owner-operators serving West Coast ports. It hauls nearly 15 percent of Oakland's imports and has a sizable presence in Seattle, too. The GSC refrigerated fleet serves Starbucks Northern California distribution centers 365 days a year. "If you enjoyed a Starbucks coffee this morning, the milk was delivered by a GSC truck last night," says Mr. Garcia.



Motor carriers are seeking improved operations at seaports up and down the West Coast. Not only would shippers benefit, but so would harbor truckers. According to GSC, truckers draying between Oakland and California's Central Valley once counted on 10 loads per week. The company says drivers now average only six trips per week, which bites into take-home pay. "With a 40 percent reduction in productivity, something had better change fast," says Mr. Taylor.

Turn times for Oakland harbor truckers range from 40 minutes to more than two hours, according to terminal operators. GSC says a number of its truckers are on the high end of that range. It's hoping that the Port's new initiatives will help.

"The goal is to transform Oakland into a primary gateway for existing and new customers," says Mr. Taylor. "We're counting on the Port's leadership to resolve these issues."

Safety

The Port of Oakland applauds labor and management on the U.S. West Coast waterfront for a record-low injury rate among dockworkers. According to an annual Pacific Maritime Association (PMA) safety report, there were 108 Lost-Time Injury Incidents at West Coast seaports in 2014. That's down nearly 50 percent from a 2002 high of 202 incidents. There were no fatalities in 2014.

"We thank all of our maritime partners for maintaining the highest standards of safety along the Oakland waterfront and at ports up and down the West Coast," said Port of Oakland Maritime Director John Driscoll. "We are very excited to see this significant drop in injury incidents."

As a landlord, the Port of Oakland leases its facilities to marine terminal operators. These terminal operators along with other PMA member companies submit data to the PMA Accident Prevention Department. The Accident Prevention Department maintains data submitted for compliance with federal Occupational Safety and Health Administration (OSHA) regulations.

"We are experiencing record low loss time injuries on U.S. West Coast terminals such as the Port of Oakland during a time when ships are getting bigger and more cargo is coming onto the terminals in a shorter period of time," said PMA Accident Prevention and Security Director Gerald Swanson. "That's something we can all be proud of."

Two marine terminals at the Port of Oakland received special certificates from the PMA Accident Prevention Committee for reducing injury rates in 2014: Ports America Outer Harbor Terminal and Oakland International Container Terminal (OICT).

Storm water

Water going down the drain shouldn't be written off as water under the bridge; it should be as clean as rain water. That's the message from the Port of Oakland in a new Storm Water Ordinance which took effect this month. The measure, adopted by the Board of Port Commissioners in January, is intended to keep waters clean along the Port's 20 miles of San Francisco Bay shoreline.

"We have a public responsibility to protect the waterways near our operations," said Richard Sinkoff, the Port's Director of Environmental Programs and Planning. "This new ordinance gives Port staff the authority needed to meet Clean Water Act requirements."

The Port is preparing enforcement guidelines to keep trash and other contaminants from entering storm drains or the Bay. The new rules, which are similar to those in effect at other airports, seaports and municipalities throughout California, could have far-reaching impacts.

Port of Oakland property including its seaport, Oakland International Airport and commercial real estate, covers more than 4,000 acres. More than 80 storm water outfalls from that property deposit thousands of gallons of runoff into the San Francisco Bay or adjacent Oakland Estuary. The Port's goal: keep it all clean.

Tenants and contractors will be required to comply with the Storm Water Ordinance. To enforce the rules, the Port will examine runoff for contaminants and investigate violations.

The Storm Water Ordinance aligns the Port with recent federal Clean Water Act requirements for storm water management.

Oakland growth projects could lure first-call service

New development projects at the Port of Oakland promise added jobs and economic growth. They could also make Oakland a first port-of-call for international shipping lines, according to a Port official.

Maritime Business Development Manager Beth Frisher told San Francisco Bay Area leaders from the public, private and nonprofit sectors that the Port is strengthening its role as a premier global logistics center. "As that happens, we'll bring increased economic vitality to the entire Bay Area and Northern California," she said at the April Bay Planning Coalition's 2015 Decision Makers Conference.

The key is a 360-acre trade and logistics center being built by the Port and City of Oakland on the former Oakland Army Base. It's envisioned as a magnet to attract additional import and export cargo.

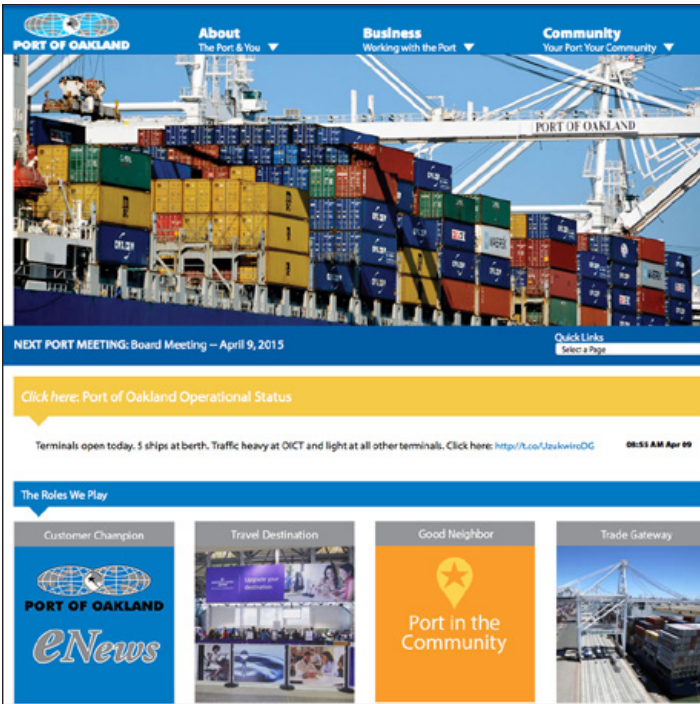
The Port of Oakland is currently constructing a rail yard at the site to be followed by new transload warehouses. When completed, commodities shipped in bulk can be transferred to containers for export out of Oakland and imports can be transloaded into 53-foot domestic containers and then placed on rail cars for inland shipment.

Ms. Frisher said the new capabilities could convince shipping lines to make Oakland their first U.S. call. All the top container carriers have weekly services in Oakland now, but stop first in Southern California.

Two other projects in the planning stage are expected to generate more cargo growth, Ms. Frisher added. One is a cold-storage facility; the other is a grain transload operation. Both would permit bulk shipments of agricultural products such as beef and grain to be transferred from rail to containers for overseas delivery. "With these facilities and our Class 1 rail connections, we're providing a direct link to the farm belt," Ms. Frisher said.

Cargo growth at the Port should translate into increased jobs for Oakland. More than 73,000 jobs are already linked to the Port's three businesses: the seaport, Oakland International Airport and commercial real estate holdings that include Jack London Square. It is estimated that every 1,000 additional containers moving through the Port creates eight more jobs.





Blog

The Port of Oakland has introduced a new blog to provide daily updates on its business and community activity. Called the "Port of Oakland Today," it's available [here](#) or from the [home page](#) of the Port's website.

The blog features news and video content along with topical discussions of industry and community issues. It will provide updates daily—often more frequently—on the Port's three business lines:

- The Port of Oakland seaport;
- Oakland International Airport; and
- Commercial Real Estate including Jack London Square.

Readers will be able to subscribe to receive automatic email alerts whenever new blog content is posted.

They Said It

"Things at the Port of Oakland are getting back to normal."

—KPIX television

"The 360-acre trade and logistics center that California's Port of Oakland is building will be a magnet to attract additional import and export cargo, according to port officials."

—The Bond Buyer

"The Port of Oakland this week said that no vessels are in line to dock at its port—a major sign that the months long West Coast trade logjam had finally eased."

—Wall Street Journal

"In one of the more positive developments to affect West Coast ports since the announcement of a tentative coastwide longshore contract on Feb. 20, the Port of Oakland reported Tuesday that vessels which had been by-passing the Northern California port to keep on schedule have mostly returned."

—Journal of Commerce

"New rules at the Port of Oakland could reduce pollution flowing into San Francisco Bay. Environmental watchdog Baykeeper welcomes the plan."

—KQED radio

