



**PORT OF OAKLAND**

# MARITIME e-NEWS

**July 2015**



## Ag Shippers

Agricultural exporters are making their voices heard on the West Coast waterfront. The message: they need better service. Hundreds attended the Agriculture Transportation Coalition annual meeting last month in San Francisco. Speaker after speaker urged an end to cargo delays, vessel backlogs and marine terminal disruption.

The Port of Oakland came in for its share of criticism. Shippers expressed concern about backups resulting from a shortage of longshore labor on the docks. They also said export scheduling is more difficult due to temporary vessel bypasses by one carrier alliance in Oakland.



*Port of Oakland Executive Director Chris Lytle addresses the Agriculture Transportation Coalition annual meeting in San Francisco.*

Executive Director Chris Lytle told the audience that the Port is adding 400 dockworkers to the roles this summer. The first of those workers entered the labor pool this month (see related article). With more labor, the backlog of ships anchored in San Francisco should ease by month-end, he said.

Mr. Lytle said the Port is actively engaged in efforts to eliminate cargo buildups and delays. Port executives received guarantees from labor and management that even more workers will be enrolled if needed. They urged employers and the longshore union to work collaboratively in addressing Port reliability issues.



*Port of Oakland customers Marlon Jones, International Paper Company (center); Nina Solari, Avanti Nut Company, Inc. (right); and Duncan McGrath, Cargill (left) participated in a shippers' panel at the annual meeting.*

The Port was a sponsor of the annual meeting. Port executives met with key agricultural customers the first night of the meeting on a private San Francisco Bay cruise.

## More Labor

The first of 400 new dockworkers arrived this month to meet the Port of Oakland's need for more labor. Additional hires will join the workforce through September, the Port said, to handle a buildup of ships and cargo. The Port's aim: accelerate cargo operations and clear out a backlog of vessels anchored in San Francisco Bay.

"We're not operating with the speed and efficiency our customers deserve right now," said Maritime Director John Driscoll. "Additional longshore labor is an important first step in getting back on track."

The Port said waterfront employers and the longshore union agreed last month to beef up Oakland's labor pool. In addition to adding new workers, they agreed to promote 100 current workers. That will expand the work force available to fill positions requiring greater skill and experience. Here's why the extra help is necessary:

- Containerized imports in Oakland have increased from the previous year's totals for four straight months.
- The number of vessels arriving in Oakland has grown, too, with the Port often berthing 10 ships a day.
- Some ships are anchored in the Bay two days waiting for short-staffed terminals to clear vessels from berths.
- More auto carrier vessels and cruise ships are calling at Bay Area ports putting further strain on the longshore labor pool.

The labor shortage has lengthened the time ships spend loading and unloading by as much as a day. It has also added time to the delivery of cargo at final destination. The Port said cargo and vessel delays should ease by the end of July. It added that it's in discussions with waterfront labor and management on further measures to accelerate cargo operations.

The Port doesn't hire longshore labor. That is managed by marine terminal operators who lease their facilities from the Port.

## Measures

Measures to accelerate Port of Oakland trade flows should begin rolling out in time for the peak shipping season. The Port has set a September target for the first of three programs designed to move cargo faster. Others should follow shortly.

A plan to co-mingle truck chassis in a common pool could be operational by mid-September. That would assure a continuous supply of the truck trailers vital to over-the-road container transport. It would come just in time for the annual cargo spike that precedes holiday retail sales.

The chassis pool is one of three programs designed to get cargo in and out of Oakland faster. Here's an update on the others:

- A filing has gone to the Federal Maritime Commission seeking commencement of weekly Saturday operations in Oakland. Review is expected to take 45 days. The Port expects to begin operations shortly after the Commission completes its work. Saturday operations would spread cargo movement over six days and ease weekday peak-period demand.
- The Port is reviewing commercial bids to open an off-dock container facility in California's Central Valley. The yard would be located near most of the state's largest growers. It would enable agricultural exporters to pick up empty containers and chassis without driving all the way to Oakland. The round-trip drive for truckers can be up to 200 miles and take more than three hours. The depot is expected to open by mid-September.

Within 18 months, the Port plans to open a new agricultural storage and transloading depot in Oakland. The facility will expand Oakland's existing ability to transload and ship agricultural commodities. Exporters can send bulk grain shipments via rail to the Port. From there, grain can be transferred to containers for delivery overseas.

## Budget

The Board of Port Commissioners has approved a \$470 million Fiscal Year 2016 budget for the Port of Oakland. It took effect July 1.

The Port budget includes \$167 million for capital improvements. Most of the capital spending will be concentrated in two areas:

- \$73 million for Oakland International Airport runway safety improvements and Terminal 1 Renovations. Oakland International is the second-largest San Francisco Bay Area airport.
- \$32 million for continuing development of Port property at the former Oakland Army Base. The Port is constructing a major West Coast transport and logistics center on land adjacent to its marine terminals designed to significantly increase Oakland containerized cargo volume.

The Port's 2016 budget is 6.7 percent lower than the budget adopted for Fiscal Year 2015. It anticipates a 4.9 percent operating revenue increase to \$330.7 million. Operating expense is expected to rise 3.7 percent to \$193 million.

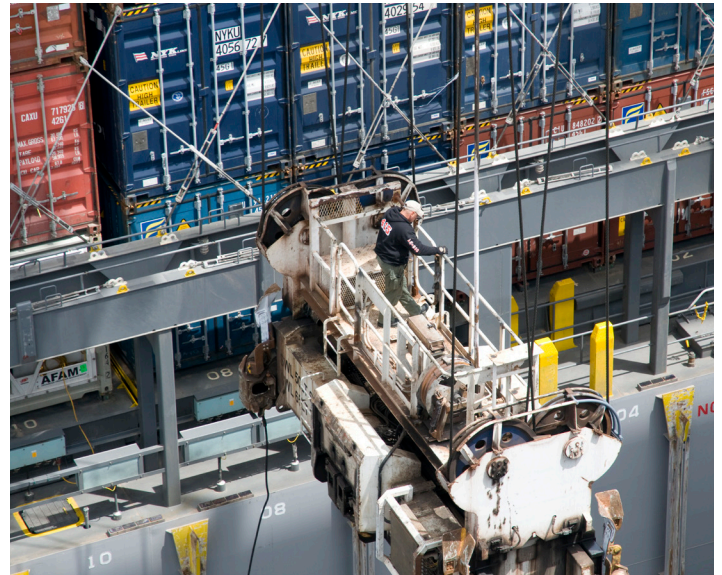
The Port of Oakland operates three business lines, Maritime, Aviation and Commercial Real Estate which includes Jack London Square. The Port collects no local tax revenue, funding operations from its own revenue sources. Revenue is used to pay operating and capital expenses and for debt service.

To view the entire FY2016 approved budget, please [click here](#).

## June Import Volume Increases

Containerized import volume increased in June for the fourth straight month at the Port of Oakland. The Port said it handled the equivalent of 75,780 loaded 20-foot import containers last month. That was up 2.61 percent from June 2014.

Export volume declined 7.56 percent in June from the previous year's total, the Port said. It attributed the drop to continuing strength in the U.S. dollar, which makes U.S. goods more expensive overseas.



Overall volume in Oakland—including loaded and empty containers—declined 1 percent in June, the Port reported.

The Port said it shipped the equivalent of 50,000 empty 20-foot containers back to origins last month. That was down about 4,300 empties from May totals. It's an indication that containers are beginning to balance globally after bunching at U.S. ports last winter, the Port said.



## They Said It

*"Ever since the ILWU negotiations the Port of Oakland has been talking nonstop about speeding up the flow of cargo"*

—Journal of Commerce



## New Commissioner

Prominent real estate attorney Joan H. Story has been appointed to the Port of Oakland Board of Port Commissioners. She joined the Board July 11.

The Oakland City Council July 7 appointed Ms. Story, a partner in the international law firm of Sheppard, Mullin, Richter & Hampton. Mayor Libby Schaaf nominated her to the four-year term. The Council also reappointed incumbent Port Commissioner Cestra "Ces" Butner to an additional term.

"We are delighted that Joan Story is joining the Board of Port Commissioners to strengthen our deliberations and policymaking with her skill and experience," said Alan Yee, President of the Board for the past year. "We're also grateful that Ces Butner will continue to provide us with his vision and leadership."

Ms. Story has more than 35 years of experience representing developers, foreign and institutional investors and corporate users of commercial real estate. Her accomplishments include:

- Fellow of the American College of Real Estate Lawyers;
- San Francisco Magazine Top 50 Women Lawyer; and
- Daily Journal Real Estate Deal Maker of the Year.

Ms. Story graduated from Occidental College. She received a Master's in Political Science from UCLA and a law degree from UC Davis. She was a member of The Trust for Public Land California Advisory Board and a board member of the Child Care Law Center.

"It's a privilege to join the Board of Port Commissioners," said Ms. Story. "The Port is vital to the economic health of the East Bay and I'm eager to help guide its future with my new colleagues."

Mr. Butner, an Oakland resident since 1981, is President, CEO and owner of Horizon Beverage Company. The firm is among Black Enterprise's top 100 Black-Owned Businesses nationally based on revenue. A University of Missouri graduate, Mr. Butner worked for major corporations in Chicago and Minneapolis before moving to Oakland. He has served on the boards of the East Bay YMCA and Oakland Metropolitan Chamber of Commerce and as President of Sequoyah Country Club.

"I'm excited by the opportunity to continue supporting the Port and the people of Oakland," said Mr. Butner. "And I look forward to working with Joan Story—her expertise in real estate and land use planning will be critical in our future decision-making."



Joan H. Story



Cestra "Ces" Butner

## New Officers

Retired investment banker Earl Hamlin has been elected President of the Port of Oakland Board of Port Commissioners. Mr. Hamlin, a 41-year Oakland resident, was selected unanimously by the Board July 9.

The Board of Port Commissioners also elected past President of the Board Alan Yee as 1st Vice President. Commissioner Michael Colbruno was chosen as 2nd Vice President. All three officers will serve in their posts for one year.

Mr. Hamlin, a corporate finance and venture capital expert, was the Board's 2nd Vice President for the past year. He previously served on the Alameda County Planning Commission, the Alameda County Economic Development Advisory Board and was Treasurer of the Chabot Space & Science Center.

Mr. Yee is a civil litigation lawyer and partner at the Oakland law firm of Siegel & Yee. He was President of the Peralta Community Colleges board, Chairman of the Oakland Police Review Commission and a board member of the Chinatown/Central District Community Development Council, the Oakland Intergovernmental Council and the East Bay Conversion and Reinvestment Commission.

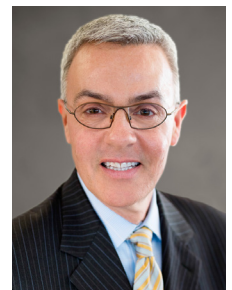
Mr. Colbruno is a partner in the public affairs firm Milo Group of California. He was a Legislative Director and Chief of Staff in the San Francisco Mayor's Office, San Francisco Board of Supervisors and California State Legislature. He was selected by three successive Oakland mayor's to the city's Planning Commission.



Earl Hamlin



Alan Yee



Michael Colbruno

## They Said It

*"Cargo ships are sitting at anchor in the Bay, instead of sitting dockside"*

—KTVU television

*"The Port is going hi-tech to speed up cargo flow"*

—NBC Bay Area TV

