

THE SOURCE

MAY, 2016

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PORT OF OAKLAND'S NEW LOGISTICS COMPLEX TAKING SHAPE, THANKS TO THE DECOMMISSIONED OAKLAND ARMY BASE



The Army knew what it was doing when it selected a site in the San Francisco Bay Area to locate a base. The deep harbor waters meeting a rail line made it ideal as an embarkation point for the transport of wartime supplies and personnel to the Asian theatre.

Construction of the Oakland Army Base (OAB), located on the Oakland waterfront just south of the eastern entrance to the San Francisco—Oakland Bay Bridge, commenced in 1941 as an expansion of the San Francisco Port of Embarkation, and the base served an important role in the country's military history for decades.

During World War II, the installation moved more than 8.5 million tons of cargo in support of the war effort, and 7.2 million tons of cargo passed through the terminal during the Korean War. It served as a major transit station for soldiers en route to and returning from deployment during the Vietnam War. It employed upwards of 7,000 people.

But in 1993, amid the spate of military base closure recommendations made by the BRAC commission throughout the 1990's, the Oakland Army Base fell victim to decommissioning, and was subsequently closed for operations on September 30, 1999. The military's departure took with it good middle-class jobs that were not replaced, leaving the community adrift, as happened in many towns across the Bay Area and the country. What was typically left behind was chemical contamination, limited infrastructure, buildings long out of code compliance, and unexploded ordinance.

But today the OAB is in the middle of a facelift.

The land was transferred to the City of Oakland and the Port of Oakland from 2003—2006. The Port's OAB development area is about 185 acres, plus an additional 56 acres of submerged land, and the City's OAB development area is about 228 acres. For some years a variety of land use ideas were floated, including amusement parks, luxury car dealerships, shopping mall with luxury housing, and casinos.

While all of these options would be appealing and could bring visitors to the waterfront as a destination, adding to the city's retail footprint, what made more sense was to build upon the city's strongest economic engine—the Port. So a \$1.2 billion plan was developed as a public/private partnership to enhance the Port's capabilities.

The redevelopment project, which broke ground in 2013, is separated into two phases. At a cost of \$500 million, Phase 1 includes the construction of a new bulk marine terminal, 1 million square feet of warehouses for the handling of import and export cargo, development of new rail manifest and support rail yard served by both BNSF and Union Pacific, new roads and infrastructure, and a new recycling center to relocate two existing ones currently located in the West Oakland neighborhood.

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»» NEW ««

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PORT OF OAKLAND'S NEW LOGISTICS COMPLEX TAKING SHAPE

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Phase 2 calls for building of additional warehouse and logistics space, including cold-storage facilities, a new intermodal terminal, 15 acres of truck parking and ancillary service area, and a new grade separation project for Oakland's 7th Street. Cross-dock and cold-storage facilities will be built right in the heart of the port, not 20 to 50 miles outside the port boundaries as occurs in most gateways.

Once the trans-load facilities are built, it is expected that beneficial cargo owners in both the U.S. and abroad will be able to reduce their transportation costs by \$100 or more per container. BCO's will no longer have to truck their shipments out of the port to distribution facilities if they locate their logistics operations on port property.

As the fifth busiest port in the U.S., the Port of Oakland and the City of Oakland are hopeful that the trade and logistics center will help Oakland expand its position as the leading U.S. gateway for agricultural exports, according to Chris Lytle, the port's executive director. Because of its location in relation to California's agricultural and wine regions, and the ready infrastructure from the region to the port, it normally handles a greater volume of exports than imports. With the new logistics complex, it will become an even more attractive prospect for trans-loading grains from rail cars to marine containers, as well as offering expanded cold-storage operations capability for meat and poultry exports.

The Port of Oakland has so far been able to survive as a bustling port amid economic ups and downs due largely to its strategic proximity to the Far East and its naturally deep waters, which can accommodate 18,000-TEU ships. The planned warehousing and trans-loading potential should also help to attract more imports.

"The port already has the deep channels, berths, cranes, dock space, wharf length, labor force and Class 1 rail partners to be a world-class seaport," said Lytle. The addition of transshipment capability on port property should attract containerized imports for loading into 53-foot domestic containers for inland transport.



"When you look around the country, no other port has this much land dedicated to warehousing, rail, and offloading," Lytle said. "This project speaks to the great

efficiency that Oakland will have for loading and offloading vessels. Oakland has a growing export market of goods to be shipped overseas. The army base redevelopment will continue to put Oakland in a better position."

The plan has taken into account the increase in truck traffic that the increase in shipping volume may bring by planning to convert more shipments to rail, thus taking more trucks off the road. And the grade separation project outlined in the plan should help as well. But some neighbors are skeptical and cautious about putting too much hope in the project.

"We're very excited the project is moving forward and hoping that this will be a place for good jobs," said Alex Miller-Cole, long-time resident and co-chairman of West Oakland Neighbors, a coalition of residents and businesses in West Oakland. "We're always concerned about the truck traffic, and we don't want to increase the trucks that roll through the neighborhood every day and pollution they bring."

This is a concern shared by many West Oakland residents. Children in these neighborhoods have a much higher than average rate of respiratory illness, as asserted by the local Oakland Magazine in a 2014 article about the project.

Miller-Cole likes what he hears about the benefits expected to accrue to the community, but he plans to reserve judgment as he listens until he sees the results. Like others, he has a sense that the developers will say anything to get the project done, so "the proof is in the pudding." He is also dubious about the 50% local-hire provision; so far all he has seen from the project has been a loss of local jobs.

Redevelopment of the Oakland Army Base will take a decade or longer. In the meantime, the port is working to modernize its cargo-handling facilities in anticipation of increased big-ship calls at port. There is no doubt in the minds of all involved in this project that, when all is done, Oakland's enhanced capabilities will be game-changer for its market share, benefiting the port, the city, the community, and shippers alike.

SOURCE: Port of Oakland website; Oakland Magazine article—3/2014; Oakland Global—history of the site; Journal of Commerce—ongoing coverage.





SMALL PLATES

A CONVOY OF WISHES

On May 8, if you happen to be in the vicinity of Lancaster, PA, you may find yourself surrounded by hundreds of brightly-decorated trucks in a very long conga line. You might even notice some widely smiling faces peering out at you from those trucks—faces that look, shall we say, a little on the *young* side for a trucker.

This would be the 27th annual Mother's Day Truck Convoy. Trucks from all over the U.S. converge at one location to benefit the Make-A-Wish Foundation for the Philadelphia—Northern Delaware—Susquehanna Valley area.

The convoy started in 1990 after a Wish kid asked to ride in an 18-wheeler and speak to his sister on the CB radio; more than 40 trucks showed up to fulfill his wish. Since then it has grown year by year to almost 400 trucks with more than 100 Wish kid passengers each year. About 5,000 people attend annually to cheer on the trucks, participate in an auction, play games, and eat local food—all to benefit Make-A-Wish.

One truck operator told Landline Magazine "I can say as long as we have a truck, we will be in that convoy because it matters so much. I can't think of a better way to spend Mother's Day."



If you would like to help in any way, check out their [website](#) to learn more about the event .

SOURCE: *Landlinemag.com*—4/1916.

THE NEW (OLD) WAY OF TRANSPORTING CARGO

In an age in which we have come to expect fast, if not almost immediate, shipment of cargo, it seems strange and somehow wonderful that Straightline



Aviation in the U.K. has signed a deal with Lockheed Martin's Hybrid Enterprises to purchase 12 of Lockheed's airships—part airship, part aircraft, part helicopter, and part hovercraft. Their intention is to use them for cargo business.

Powered by 4 diesel engines, they are 280 feet long and have the ability to turn 120 degrees, allowing for vertical take-off.

They are filled with helium, an inert gas that does not burn, unlike hydrogen as used in older airships, and are fitted with four hovercraft-style landing pads, allowing for landing on land, ice, or water without being tied to the ground like older generation ships. They are ideal for deliveries to remote areas, including transport of heavy goods—perfect for oil and gas companies.

They can fly up to 1,400 miles and carry up to 19 passengers and 20 tons of cargo. At a top speed of only 90 mph—about 1/5 the average speed of commercial aircraft—they certainly won't be the first choice for time-sensitive deliveries, but they are eight times more efficient than heavy-lift helicopters and use less fuel than a conventional aircraft, making them an environmentally friendly solution to remote cargo delivery.

Almost 80 years after the Hindenburg disaster brought the era of airships to an end, it's back to the future again.

SOURCE: *Int'l Business Times (UK)* —3/30/16.

Women in Supply Chain, Revisited

Last year, we devoted the [May, 2015 issue](#) to women in various sectors of the logistics/supply chain industry, with a special emphasis on the underrepresentation of women in leadership positions. One year later very little has changed.

It has been shown that the "soft" skills that women tend to possess naturally—such as collaboration, creativity, problem-solving, and multitasking—can improve employee engagement and make for smooth-running operations, which makes women ideal candidates for leadership.

And yet the industry still has a noticeable lack of women in top positions. According to Hugh Williams, Managing Director of Hughenden Consulting, this is quantitatively visible at the SC and Logistics conferences they chair and attend every year, which average participation at a ratio of 15-20 men for each woman.

Williams says that it is clear that SC needs more advanced skills, such as people skills and communication, rather than just subject expertise. He feels that the industry should be working out how to attract more women into a role that still "looks very traditional."

One pathway to this may be to place more focus on targeting female talent at universities. Connecting with female leadership experience and success stories could be inspirational and motivational. Young women need strong role models, and the certainty that they would be joining a workforce where not only their skills will be recognized and remunerated on an equal footing with their male counterparts, but that they will also have an opportunity to ascend to leadership positions.

SOURCE: *eft - "Leadership: Why Recruiting More Women in Supply Chain Matters".*

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TRIVIA

1. Can you name the first female African-American NASA astronaut to travel in space, orbiting on the space shuttle Endeavor on September 12, 1992?
2. What All-Pro NFL defensive linebacker, who spent his entire 8-year career with the New England Patriots, announced his retirement in February, 2016?
3. The co-founder (with Freddy Mercury) and lead guitarist for the band, Queen, also held a Bachelor of Science degree in Physics, with honors, from the Imperial College of London. What was his name?
4. She started in vaudeville in 1907 at the age of 14 and subsequently had a career on stage and screen that spanned decades. Known for her morally controversial material, who was she?

[Click here for answers to Trivia questions.](#)