

America's
Marine
Highway &



Regional
Trade
Corridor
Project

CALIFORNIA'S
GREEN TRADE
CORRIDOR
AT THE PORTS
OF OAKLAND,
STOCKTON
AND WEST
SACRAMENTO,
CALIFORNIA

**AAPA 2011
Communicating the
Importance of
Infrastructure
Development Seminar**

Tuesday June 21st

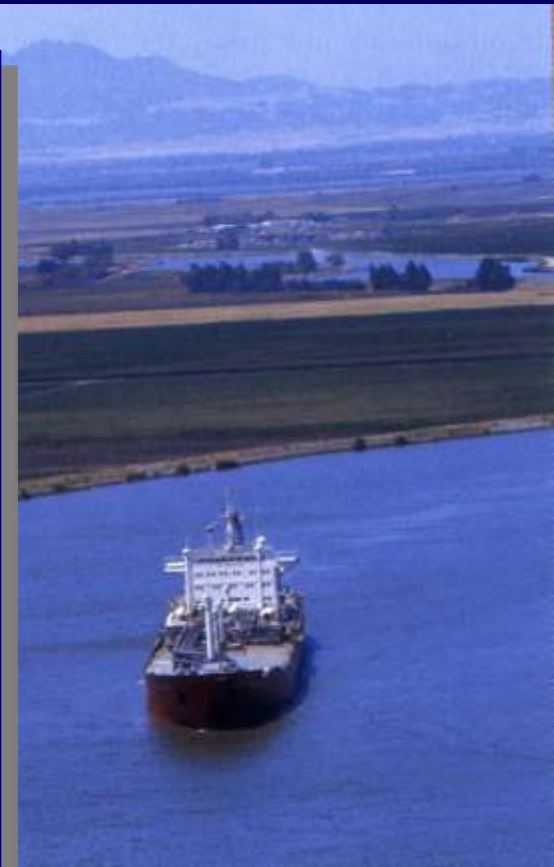
***"Successful Projects that
promote the value of
infrastructure Investment"***

**Bill Lewicki
Director of Marketing
Port of Stockton**





8 hour trip from San Francisco to Stockton

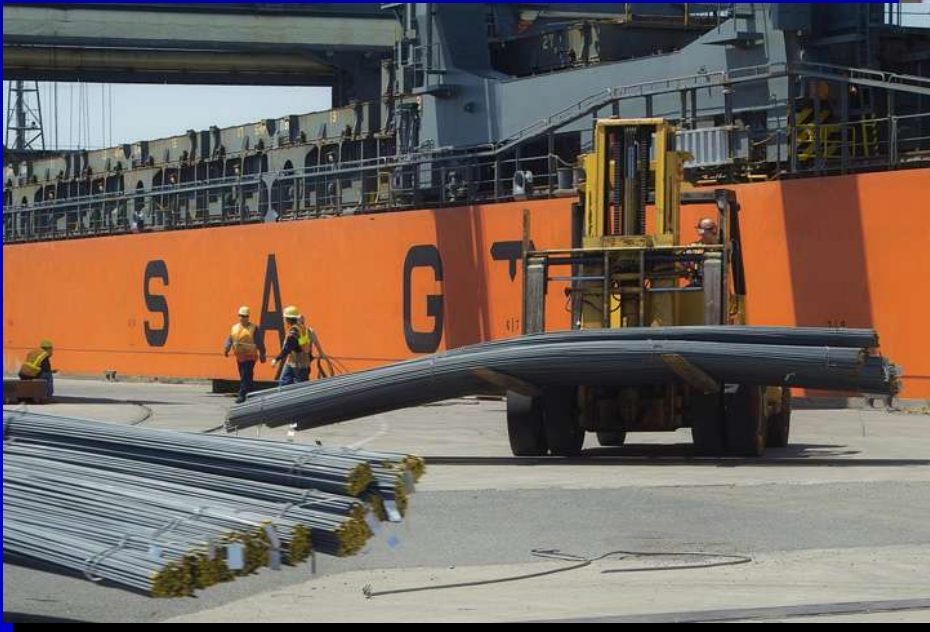


The Port of Stockton Today



Only Operating Port in California

- Directly Manages the Port's Daily Operations
 - Stevedoring
 - Vessel Operations/Scheduling
 - Loading/unloading
 - Terminal Services
 - Warehousing/Distribution
 - Account Management



California's Population is projected to reach almost 60 million people by 2050

- Adding over 25 million since the 2000 decennial census, according to long-range population projections released in July 2007 by the California Department of Finance**
- From less than 34 million Californians counted in that census, the new data series shows that the state will pass the 40 million mark in 2012 and exceed 50 million by 2032**
- Three counties – Kern, San Joaquin, Fresno – will each grow between 1 and 1.5 million people by 2050**



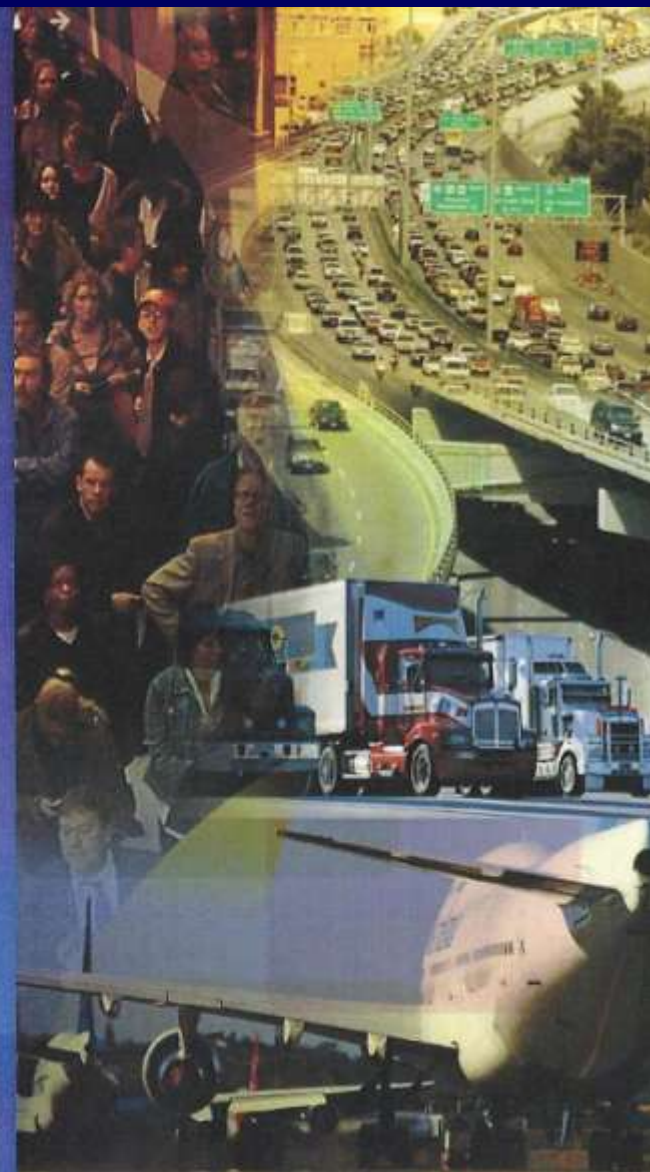


U.S. Department of
Transportation

***American Recovery and
Reinvestment Act of 2009***

***TIGER Discretionary
Grant Program***

June 2009



America's Marine Highway & Regional Trade Corridor



A Public/Private Partnership

Public sector partners include:

US Maritime Administration



Port of Oakland



PORT OF OAKLAND

San Joaquin Valley Air
Pollution Control District



Port of Stockton



Bay Area Air Quality
Management District



Port of Sacramento



M-580 Marine Highway Corridor



The U.S. Department of Transportation recently designated the San Joaquin and Sacramento ship channels as strategic corridors supporting the future needs of transportation and goods movement.



Project Drivers

California's port system faces serious constraints to properly service international trades

- **Congestion**
- **Lack of available inexpensive land for expansion**
- **Traffic problems & air pollution tied both to road transport, terminal, and ship operations**
- **Cold-chain services inhibited**

California San Joaquin Valley agricultural products in exports are particularly affected

Port of Stocktonas the alternative:

Strategic location in the heartland of agricultural production, proximity to rail & road

- **Port infrastructure is under-utilized**, particularly with respect to agricultural product movements
 - Opportunity to give San Joaquin Valley export products more exposure in World markets
- **Refrigerated Warehouse facility**, first of its kind using alternative energy source and proprietary fumigation technology in California
 - Large Competitive advantage with Importers, to maintain Cold-chain, reduce ambient exposure
- **Significant Import & Export Opportunities**
 - Enhance Efficiency through better utilization of all facilities and transport equipment; rail & truck
- **Economic Stimulation/Development**
 - Job Growth, Tax Revenue, Industry growth & Revitalization to the San Joaquin Valley





M&L Commodities , Inc. Cold Storage Stockton
Public Refrigerated Warehouse,
Green Fumigation & Hydrogen Fuel Cell Powered Facility
Port of Stockton, California





***Export Market
Concentration
From Stockton & Sacramento
Hinterland
On average. 378,000 TEU's***

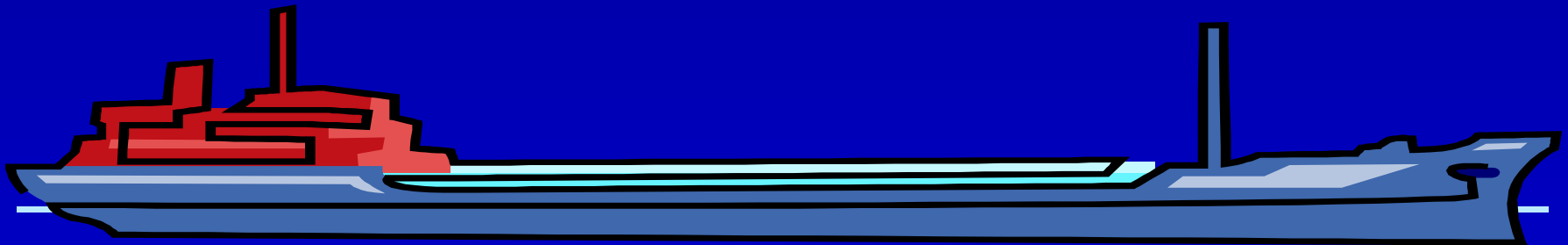
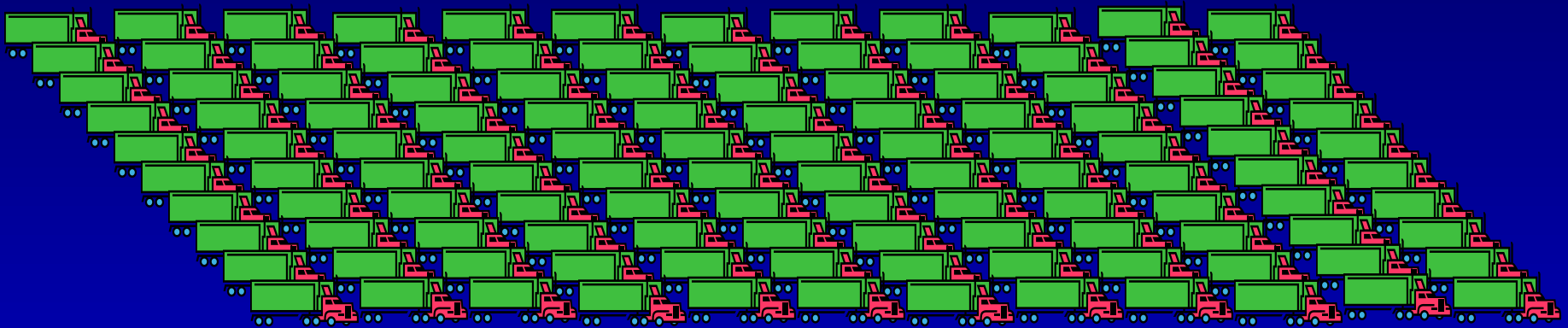
***Import Market
Concentration
From Stockton & Sacramento
Hinterland
on average. 270,600+ TEU's***



Ship vs. Truck Pollution Study

Marine Transport reduces congestion and pollution

- 1 ship = approx. 1200 truck trips
- Reduces Nox emissions by 2,000 lbs



= 10 truck trips



What are
the **benefits?**

Short Sea Shipping

Reduce Fuel Consumption

One Gallon of Fuel Moving One Ton of Cargo



60 miles



426 miles



500 miles

Source: Port of Oakland 2005 Seaport Air Emissions Inventory



Short Sea Shipping

What are
the **benefits?**

Improve Safety

Barging is significantly safer than other transportation modes



Americas Marine Highway Project

ARRA/TIGER GRANT

The Port of Stockton received \$13 million as part of a shared grant of \$30 million with the Ports of Oakland and West Sacramento. This is to facilitate the acquisition and construction of port infrastructure to develop a container on barge service between the three respective ports. Stockton will acquire the following;

- Purchase two (2) 140 ton + mobile harbor cranes (units on order)
- Construction of a rail served 5-15 acre secure near dock container yard
- Demolition of a boiler room and old rail mounted crane
- Purchase of (2) barges with Oakland and West Sacramento (units on order)
- Completion of a loop railroad system on the West Complex allowing for unit train delivery by adding 3,200 feet of rail from the container yard to dock 19
- Targeted service start up is scheduled for February 2012 (on schedule)



Port of Stockton TIGER Grant





Port of Stockton
CALIFORNIA

Short Sea Shipping...

creating economic growth in California
through freight movement on the Marine Highway



Located in Foreign Trade Zone #271, close to interstates 5 and 80 and serviced by the BNSF and UP railroads, the Port is an international 28-foot deep, major port with more than 2,000 acres for import/export cargoes such as containers, steel, wind energy, refined oil products, as well as manufacturing, refrigeration, cold storage, distribution centers, and its secured gates are open 24/7.

The Solution

A transportation choice that will:

- Reduce transportation costs and free up working capital
- Ease scheduling and equipment shortages
- Create a "green" supply chain
- Bring jobs to the community

Short Sea Shipping would move your containers on barges between the ports of Oakland and Stockton on the San Joaquin River, reducing traffic congestion and improving air quality. It's safe and ecologically sustainable way to move goods along the Marine Highway. Short Sea Shipping can eliminate more than 2 million truck trips from highways.

A satellite container terminal at the San Joaquin County of California will provide a logical and convenient interchange point for containers or close proximity to airport distribution centers and exporters, as well as the BNSF and UP rail intermodal facilities. This eliminates hundreds of miles that containers must travel empty, reduces your container storage costs and demurrage, eases scheduling and equipment shortages, and delivers on your schedule.

Door-to-door services include:

• Transportation

— Regularly scheduled barge service between the ports of Oakland and Stockton, coordinated with ocean-going vessel calls.

— Scheduled truck deliveries/pickups of loads and empties between your facility and our terminal to line up your truck and cost.

• Satellite Container Terminal

A convenient facility where your trailers can be scheduled for pickup or delivery, interchanged, repaired, repaired and moved — all in a secured gated facility equipped with the latest information technology.

• Value-added services

Our "value" includes container storage, stack yard coordinating and full container terminal services. It also includes of receiving and loading containers to maximize storage capacity.



Short Sea Shipping versus Current System

The current system of transferring containers from the Port of Oakland to the Central Valley, at California's longest in the country. Loaded containers carrying livestock cargo move at a snail's pace along Interstate 580 — one of the most congested roads in the nation.

Meanwhile, hundreds of thousands of empty containers must wait at the Port of Oakland to be interchanged, only so they can be made available to export shippers back at the Central Valley. Trucks and empty ports wait on the highway — loading, idling, creating money and precious resources, and polluting the California skies. Transportation accounts for 40 percent of California's annual greenhouse gas emissions.

Additionally, shippers tie up working capital by maintaining excess land for container storage, paying demurrage, and making shipping delays and equipment shortages.



The Benefits

Short Sea Shipping eliminates the hidden costs in your logistics chain and delivers real results.

1. Improve Logistics

Tighten your logistics chain by avoiding costly traffic slowdowns and increased delays. Avoid extra costs by discharging and interchanging containers in the Central Valley in a proximate location to your distribution center or production facility, as well as less than 100 intermodal facilities. We will handle the entire move between the water vessel and your facility for scheduled just-in-time service.

2. Reduce Costs

Short Sea Shipping will move your goods at competitive rates while utilizing substantially less land. Additionally, the Satellite Container Terminal at the Port of Stockton can lower costs and free up working capital. It will improve your cycle time, productivity and reduce through your distribution center while reducing container storage requirements and demurrage.

3. Enhance Air Quality

Short Sea Shipping will move more than 200,000 containers from California's most congested ports, reduce your carbon footprint and fuel consumption while improving the air quality in some of the most polluted regions in America. Join the thousands of companies that are choosing sound business decisions and building a green image.

4. Reduce Congestion

Shippers and brokers who use the most congested, congested West Coast ports have been waiting for the relief that Short Sea Shipping can provide. It will remove 100 trucks from the port and highway system with every barge move — relieving the highway, the water and the air of California's infrastructure and the most crowded ports passed through to shippers.

5. Increase Safety

There are 170 more miles of highway than in marine transportation. Choose a safer alternative by reducing the nation's overcapacity and improve highway safety for your community.

SHORT SEA SHIPPING is ready to go today.

To activate this service and discuss a partnership, contact Bill Lewicki, Port of Stockton director of marketing, at Bill.Lewicki@portstockton.com or (209) 946-1246. Also please visit our Web site: www.portstockton.com.

Port of Stockton
CALIFORNIA





Port of Stockton CALIFORNIA

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welcome to The Port of Stockton

Located in the fertile San Joaquin Valley, the **Port of Stockton** boasts first class warehouse storage and handling facilities for both dry and liquid bulk materials, facilities and equipment to handle break-bulk and containerized cargoes by land or by sea. Situated in the hub of four major freeways, two transcontinental railroads, an international waterway and a regional airport, the Port Of Stockton is centrally located to provide the optimum service for shipment and storage of product and cargo.



All of these components place the Port in an ideal position for domestic as well as national and international distribution.

Please feel free to explore our site and learn more about the **Port of Stockton**!

Current Port of Stockton Maritime Security Level:



*A summary of the Port of Stockton's information is available in: **

[Japanese](#)

[Chinese](#)

[Korean](#)

[Spanish](#)

*Microsoft Language pack plug-in may be needed before viewing

In the Spotlight

~ 2011 ~



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Stockton Container on Barge Potential Cost Sept. 2010

Container on Barge Cost Per Leg Oakland to Stockton based on 400 total moves per week / imports & exports

Leg	Cost	Source of Cost	Date	Notes
Vessel to Dock	\$200.00	Estimate	8/30/2010	Vessel off load & equip rentals
Dock to Barge	\$127.50	Stevedore	8/30/2010	Dock Move & load to barge, inc. equip
Barge to Stockton	\$ 48.00	Brusco Tug	8/30/2010	Water route cost by barge & tug
Unload at Stockton	\$105.00	Stevedore	8/30/2010	Off load, labor only IWLA, no equip
Wharfage at Stockton	\$ 10.00	Estimate	8/30/2010	Estimated, to be reviewed by port
Truck to regional DC	\$ 85.00	Estimated	8/30/2010	Under Vendor Control
CY Stockton	\$ 15.00	Estimated	8/30/2010	Off Dock site, revenue offset 0 or positive

TOTAL OPERATING COST \$590.50

- a. Note total cost now to Benefiting Cargo Owner is \$327 TT + \$410 Truck = \$737.00 to door
- b. Note Revenue estimate would be – control from vessel to delivery (potential charge of “x” amount)
- c. Potential \$737.00 less 15% is \$627.00 – Total now less Container Yard is \$575.00
- d. Change amount for percent needed in operation including Earnings Before Interest & Taxes



Stockton Container on Barge Potential Cost Sept. 2010

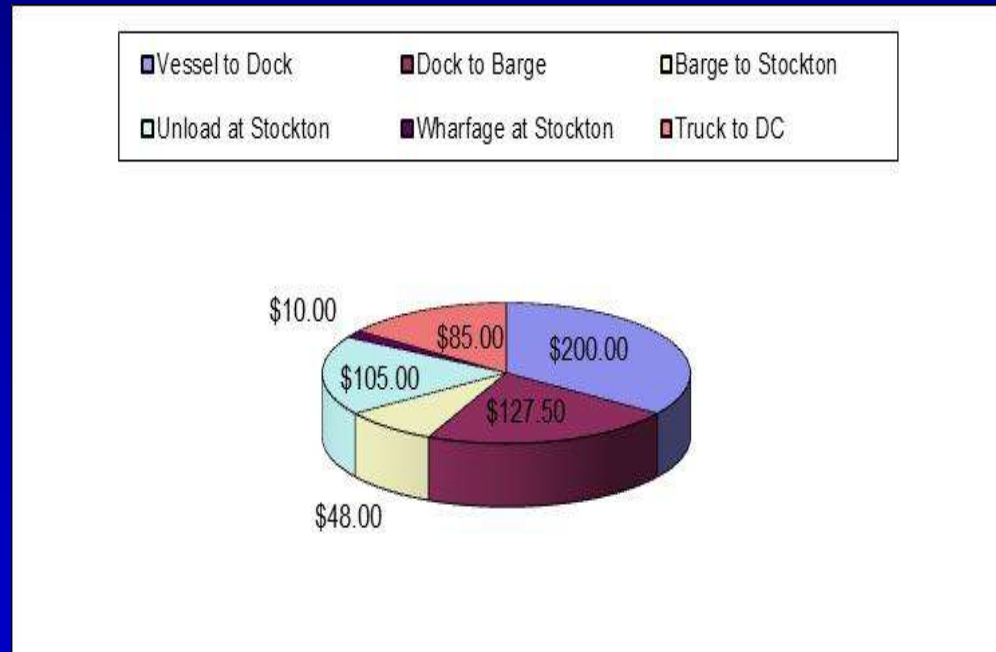
Current Truck Model Cost

Leg	Cost	Source of Cost	Date	Notes
Oak/Port Term Throughput	\$350.00	Maritime Companies	10/30/2008	Avg. from Operating Maritime Companies Rate \$320 + 27% Fuel Service Charge
Oakland to Stockton / truck	\$405.00	Source local truck lines	10/30/2008	

TOTAL MOVEMENT COST \$755.00

Container on Barge Costs \$590.50

COB vs Truck Savings \$164.50



More Benefits?

New Business Opportunities

Create Local Family Wage Jobs

- **During Construction –**
- **276 Direct Jobs, Secondary Jobs 690**
- **Direct Employment: 50-100 new jobs**
- **Indirect Employment: 300-600 new jobs**



Federal, State and Local Grants

The Port of Stockton has been very fortunate in receiving a multitude of grants during the past two years.

ARRA/TIGER, Department of Homeland Security, California Prop 1B and the San Joaquin Valley Unified Air Pollution Control District and others have helped in providing the necessary infrastructure that will carry the Port of Stockton well into the future.

They will also provide employment in our community reeling from a double digit unemployment rate. Over the next 18 months, the port will be administering to nearly \$47 million in grant funding.



PORT OF STOCKTON DOT GRANT PROJECTS

TIGER Grant DOT / MARAD FED \$13,000,000
*276 JOBS CREATED

West Complex Rail Yard DOT / ARRA FED \$1,000,000
*16 JOBS CREATED

Navy Drive Bridge DOT / FHWA FED \$12,247,222
*195 JOBS CREATED

BNSF Grade Separation DOT / FHWA
FED \$ 7,200,000 ST \$4,400,000
*185 JOBS CREATED

Fresno Avenue SR4 DOT / FHWA FED \$852,616
*13 JOBS CREATED

TOTAL FEDERAL FUNDING: \$34,299,838
TOTAL STATE FUNDING: \$4,400,000
TOTAL JOBS CREATED: 685



1. Secure Systems PSG 2010
FED \$455,775
*7 JOBS CREATED

2. GIS Mapping PSG 2008 / Prop I B
FED \$1,125,000 ST \$375,000
*24 JOBS CREATED

3. TWIC Readers PSG 2009 ARRA
FED \$1,724,000
*27 JOBS CREATED

4. Down River Surveillance PSG
2010 FED \$1,999,500
*32 JOBS CREATED

5. Entrance & Gates PSG 2007
FED \$791,814 ST \$263,967
*16 JOBS CREATED

6. Marine Terminal PSG 2007 FED \$1,066,250
*17 JOBS CREATED

7. Wireless Comm PSG 2007
FED \$787,000 ST \$241,467
*16 JOBS CREATED

8. Hydro Lift PSG 2007
FED \$86,900 ST \$23,000
*1 JOB CREATED

9. Cent Util Hub PSG 2007B / Prop I B
FED \$562,500 ST \$87,500
*12 JOBS CREATED

10. *Training PSG 2007 FED \$225,000 NON-CONST.
*4 JOBS CREATED

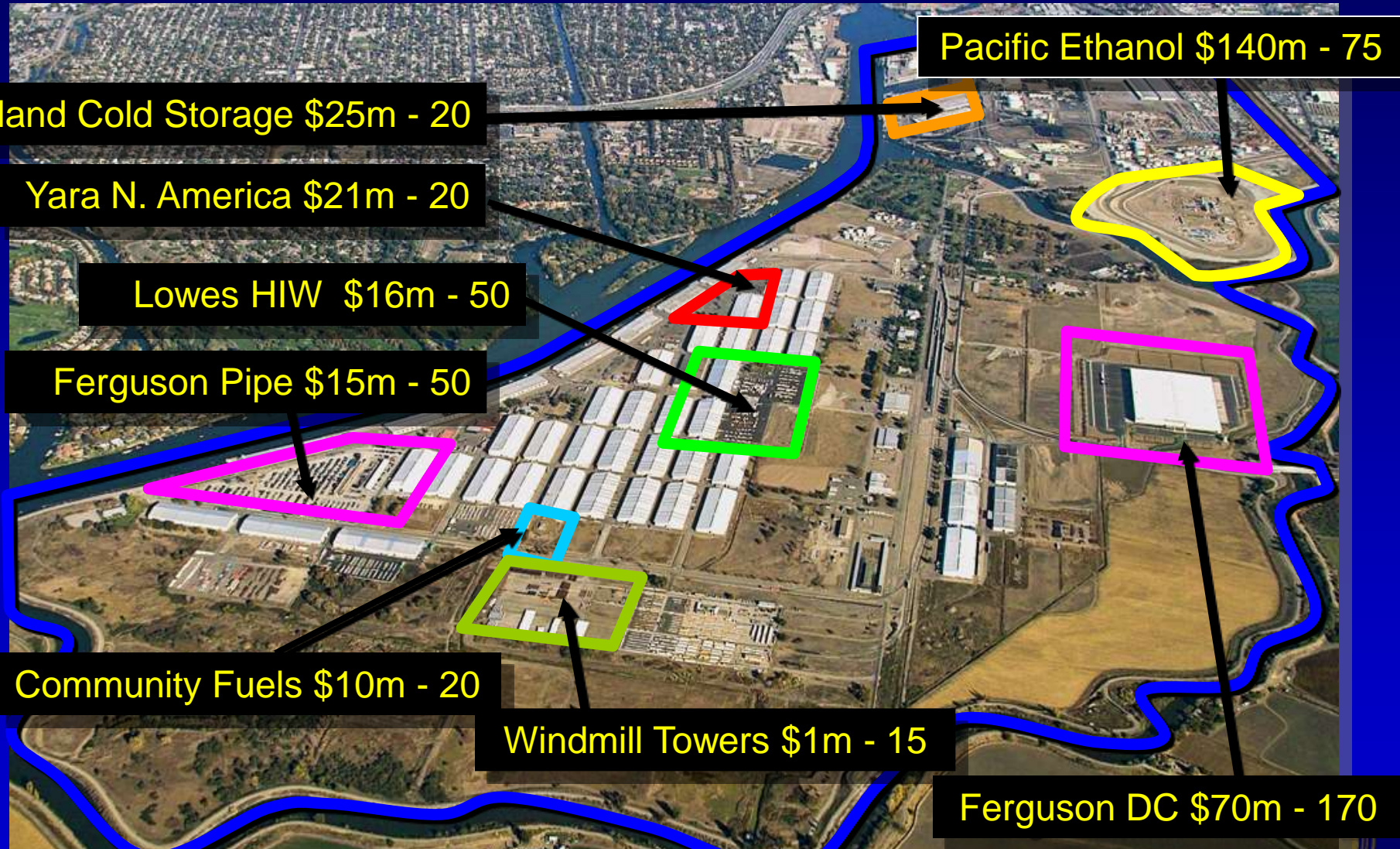
PORT OF STOCKTON PORT SECURITY GRANT PROJECTS

TOTAL FEDERAL FUNDING: \$7,598,739
TOTAL STATE FUNDING: \$528,434
TOTAL JOBS CREATED: 156



Major Infrastructure Improvements

- Approved & Completed Projects with Private Sector Capital & Jobs



Infrastructure Improvements have helped bring in new investments which Total \$ 298 million adding - 420 new full time family wage jobs

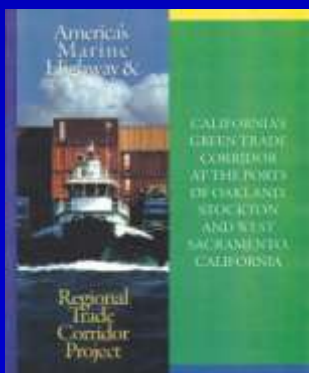


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Presentation Material Available on CD Upon Request

