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Oakland wants to run failing Port of Sacramento

Local agency sees big potential in linking Bay and Central Valley

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Inside Bay Area

OAKLAND — The Port of Oakland believes it has done all it can along the shores of San Francisco Bay to expand its maritime terminals in anticipation of the onslaught of Asian goods predicted to come in the next decade.

So, with no room left in Oakland, officials are now looking at Sacramento as a possible location for a new maritime terminal.

In a move that could spark a new transportation corridor between the Bay Area and the Central Valley, the Port of Oakland plans to compete against private firms to take control of shipping operations at the Port of Sacramento.

"The port assets in Northern California are very critical," said Port of Oakland Executive Director Jerry Bridges. "If we can keep that port open and viable, that is important for the region, the country and for the world."

If successful, Oakland officials hope to use the 100-acre Port of Sacramento as a satellite port, where barges would arrive and depart carrying 40-foot-long containers to the larger Port of Oakland.

Instead of trucks, produce would leave Sacramento on barges down the Sacramento River to the Delta and the Port of Oakland. In reverse, goods from Asia such as electronics and car parts would be barged from Oakland to Sacramento — for the Central Valley and beyond.

The plan would take trucks off the road, port officials say, and give Oakland breathing room as more and more goods begin arriving from Asia.

It also would give Oakland another resource for timely shipping because Sacramento is located along California's main freeway artery, Interstate 5.

"It's large enough to use as a transfer point for valley produce," said Port of Oakland Maritime Director Wilson Lacy.

Added Commercial Real Estate Director Omar Benjamin, "The excitement is not about operating Sacramento, it's about all the other things that will follow."

Oakland has sailed into this position in part because of its current success.

Over the years, Northern California's inland ports have become less important in the global shipping trade because of shallow waters and distance from the Pacific Ocean — the Sacramento port is 79 nautical miles from San Francisco Bay.

As a result, the Port of Sacramento has lost business and is now in financial trouble.

Unable to attract new companies to use its facilities, the Port of Sacramento concluded others might do a better job. So it decided several months ago to seek proposals from companies to run the operation.

"There is capital capacity out there, there is marketing capacity out there," said John Sulpizio, director of the Port

of Sacramento. "Privatization of the port may be able to stabilize our fiscal condition."

While having the Port of Oakland take over would not necessarily make the Sacramento port privately run, Oakland officials said any deal would be structured in a similar way.

The Port of Oakland could use its resources, such as marketing, to enhance Sacramento, port officials said. Oakland already has contacts with major shipping companies. And it has a marketing department that could advertise the Port of Sacramento.

Oakland also could offer Sacramento a piece of the container shipping trade, which it currently lacks. That is crucial because containers are becoming the primary way to ship goods around the globe.

If it won the competition to operate the Port of Sacramento, the Port of Oakland would charge a management fee and then set up some sort of revenue sharing plan with Sacramento.

"We have a lot to offer them, to help them achieve what they want to achieve," Benjamin said.

While proposals are due in Sacramento by Oct. 3, Sulpizio said the Port of Sacramento would take several months before it picks a winner or decides to scrap the whole idea.

However, he said, even if Oakland doesn't win the prize or Sacramento decides to continue to do things on its own, the relationship with Oakland should remain.

"We have a mutual interest in container barging, in marketing and in transportation," he said. "We need to see it as a long-term partnership on a channel that is unique."