Port of Stockton



2002 Annual Report 70th Anniversary Edition





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2002

Another Year of Growth and Progress



The Port of Stockton Board of Commissioners during an on-site briefing on the status of bagged California Rice exports through the Port. Pictured from left to right are:

Commissioner Joseph H.
Johnson, Chairman of the
Board, Gary Christopherson,
Commissioner Robert V. "Bob"
Kavanaugh, Commissioner Sam
L. "Butch" Toccoli, Port Director,
Richard Aschieris, Commissioner
Ronald J. Ferrario, Commissioner
W. Ronald Coale, Vice Chairman,
Steven A. Herum.

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THE PORT of STOCKTON: 70 YEARS OF SERVICE

elcome to the Port of Stockton's special 70th anniversary annual report. The 2002 edition highlights the wide variety of family-wage jobs that are created by a thriving port complex, which has become a vital part of the economic foundation of California's heartland — the great San Joaquin Valley. Approximately 2,000 people work in and around the Port of Stockton and an additional 2,000 people are working in support of port activities. These workers generate more than \$130 million in salaries every year, which is reinvested in our community.

We are also pleased to include a few extra pages recalling the 70year history of the Port of Stockton. This history has added a true maritime flavor to the greater Stockton area—an influence which is unexpected by the casual observer.

This past year has also been one of remarkable accomplishment by the Port of Stockton and the businesses making up the "Port Family."

Some brief highlights are:

1. Rice became the Port's leading export for the first time. The continuing alliance with the Connell Company resulted in exporting more than 248,000 metric tons in 2002, an increase from no rice activity just two years ago. In addition to increasing exports to Japan, the Port and Connell also expanded to Korea. One shipment of 44,000 tons to Uzbekistan was the largest single export of California bagged rice—ever!

- 2. Port tenants Calamco, Hydro-Agri and SQM, combined, provide fertilizer to more than 85 percent of the farmers in California's San Joaquin Valley—one of the primary agricultural producing regions in the world.
- 3. California Portland Cement Company celebrated the grand opening of their newly constructed \$32 million facility, and combined with port tenants Calaveras Cement and Sunshine Cement to provide more than one-half million metric tons of cement to construction sites throughout Northern California, as the construction boon in this region continues.
- 4. For the first time, commercial-grade rail was introduced to the West Complex, representing an investment of more than \$5 million. This enabled a number of tenants, including Weyerhaeuser, KOT Transportation and Carry Transit to expand their businesses.
- 5. The Port remained focused on infrastructure development by investing more than \$1 million in demolition of a number of obsolete buildings and nearly \$1 million in electrical upgrades. Also, during 2002, major progress was made on replacing the Daggett Road and Navy Drive bridges, as well as the redesign of much of the Port's internal road system.
- 6. Ship traffic at the West Complex greatly increased in 2002 when deeper water was created with the completion of a 1,400 foot-long dredging project, costing more than \$700,000.





THE PORT of STOCKTON: 70 YEARS OF SERVICE

7. The Port continues to increase its use of local vendors and services. During the last year, the Port has spent more than \$7 million, increasing from the \$1.5 million level of just two years ago.

The emphasis on the development of infrastructure will lead to the attraction of new businesses to the Port of Stockton. These efforts will result in the creation of family-wage jobs for our community. This is being done without taxing the citizens of the City of Stockton while the Port must compete with many other ports on the West Coast that tax their citizens and offer artificially low rates to shippers.

We are particularly pleased that the 2001 Annual Report, the Port's website www.portofstockton.com and the Port's marketing video "The Port of Stockton, California, More Than a Port" each earned Award of Excellence recognition by the American Association of Port Authorities. These awards represent the highest distinction for these kinds of efforts in the port industry.

The future of the Port of Stockton is bright! We appreciate the strong support of the leaders and organizations listed on the next page. Additionally, we thank the citizens of the Stockton Port District. They have all contributed to helping the Port become a significant part of the economic foundation of California's heartland.

Sam L."Butch" Toccoli Commissioner Steven A. Herum Vice Chairman Gary Christopherson Chairman of the Board

Sleven Sterum Gary Christopherson Kihul V. Lowonaugh

Robert V. "Bob" Kavanaugh

Joseph H. Johnson

Commissioner

Ronald J. Ferrario Commissioner W. Ronald Coale Commissioner

Richard Aschieris
Port Director

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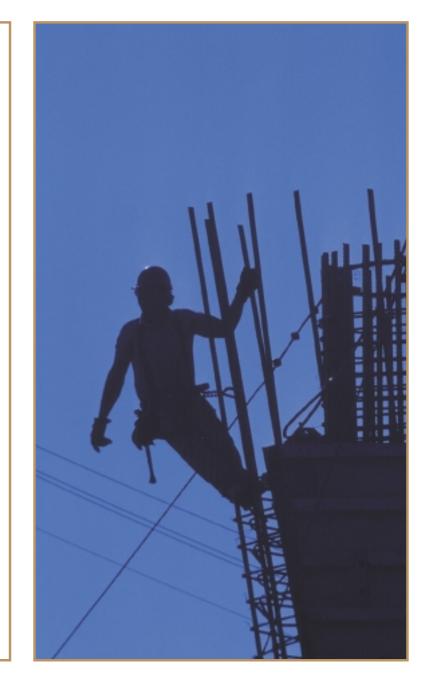
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Special Thanks

he Port's accomplishments would not have been possible without the help of several community leaders, local, state and federal elected officials. Particularly, we thank the efforts of the Mayor of Stockton, Gary Podesto, the Chairman of the San Joaquin County Board of Supervisors, Victor Mow, the Stockton City Council, the San Joaquin County Board of Supervisors, State Senator Michael Machado, Assemblymember Barbara Matthews, Congressman Richard Pombo, Congressman Dennis Cardoza, United States Senator Dianne Feinstein, United States Senator Barbara Boxer and Governor Gray Davis.

The Port's success would also not be possible without the efforts of organizations such as the Stockton Port Tenants Association; the International Longshore and Warehouse Union Locals 54, 31, 91 and 6; the Operating Engineers Local 3; the Greater Stockton Chamber of Commerce; San Joaquin Council of Governments; San Joaquin Partnership; Downtown Stockton Alliance; State of California Infrastructure Bank; California Regional Water Quality Control Board-Central Valley District; San Joaquin Valley Air Pollution Control District; California Department of Fish and Game; California Department of Water Resources; California Air Resources Board; California Department of Toxic Substance Control; U.S. Army Corps of Engineers; U.S. Coast Guard; U.S. Navy; U.S. Department of Commerce; the National Oceanic and Atmospheric Administration, National Marine Fisheries Service; U.S. Fish and Wildlife Service; U.S. Maritime Administration and the U.S. Economic Development Association.







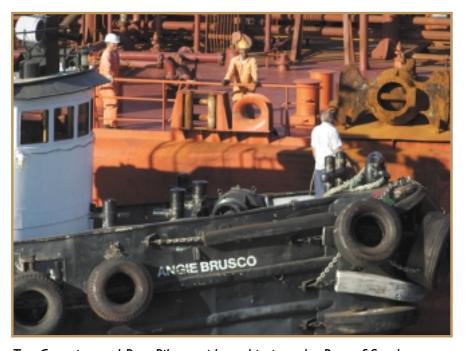
Family-Wage Tugboat Jobs

A ship cannot come into a berth at a port without a tugboat, a tug captain, an operator and a Port Pilot. These personnel perform critical tasks that assist ships with the docking and undocking operations at the Port of Stockton.

Svein Svanevik is qualified to perform all of these assignments. However, his primary duty is the dispatch of the crews for the incoming and departing ships. He has been working at the Port of Stockton since 1977. He proudly explains that working on tugboats is not an easy task. Challenges abound these workers. The pos-

sibility of getting too close to a ship's "wheel wash" or any number of dangerous scenarios can require vigilance and professionalism. Svein notes that in today's tugboat industry the technology and the operators are more advanced, and accidents have abated remarkably compared to the rate of occurrence from twenty years ago.

The job is really twenty-four hours a day, seven days a week as it depends on when the ships enter into or leave the Port. Svein can



Tug Captains and Port Pilots guide a ship into the Port of Stockton.

A ship cannot come into a Port without a tugboat, a tug captain, an operator and a Port Pilot.

have up to a sixty-hour work week. The intensity of his work week depends on the frequency of ship arrivals and departures. The schedule is not etched in stone either, as it can change at any time. He carries his cell phone wherever he goes and it can ring with a request that a crew is

needed to take care of an incoming or departing ship.

Tugboat operators and pilots tend to be happier when they are busier. They typically enjoy the work. The salaries and benefits are also definite advantages to this profession. Referring to the pay scale, Svein chuckles and says "there's nothing wrong with it." Pilots can earn as much as \$180,000 a year, a good tugboat operator can earn as much as \$70,000 a year and a good deck hand can bring home \$50,000 to \$60,000 a year.





Family-Wage Tugboat Jobs



At this time, he is looking forward to the next day's hectic schedule; there is a rice ship coming in at 1:00 am, another ship coming in at 4:00 am and another one coming in at 6:30 am. Ultimately, he would like to see even more ships come to the Port of Stockton but he adds that "that will be greatly helped by the completion of dredging on Rough and Ready Island." He finishes by saying these are "good jobs."

Svein Svanevik is preparing the rope for the tugboat operation.

Photo left:

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NEXT

Family-Wage Rail Jobs

Today's world of "just in time cargo" demands that rail workers get the rail cars moved to a certain place by a determined time so that the freight does not miss its connection. This places a heavy demand on the train conductor, engineer and switching agent. Five or ten minutes of delays can cause a rail bottleneck that can significantly delay the delivery of the freight to its destination.

Recent increases in the volume of cargo in the maritime and the warehousing operations at the Port of Stockton has meant an increase in the crew numbers that the Central California Traction Company (CCT) has hired. Phil Copple, Superintendent with CCT since 1998, and in the railroad industry since 1951, explains that the jobs created by higher volumes of cargo coming into and going out

of the Port have allowed more individuals in his industry, the ability to report daily to work near the place that they live. The bonus is that they return home at the end of the day. Typically, Cindy Garrison, the Manager of Terminal Services for CCT and with the company for the last ten years, says most workers within the railroad industry will end up in a town that is far from their homes and families at the end of their work day. She says that workers want to come to Stockton and work with this operation because it gives them the opportunity to do a job they like, report daily to the same location and go home to their families. Railroad jobs are coveted throughout the country. To have an opportunity to work in the railroad industry and to report to work daily in the same town is a novelty, and a desired position.





Photo left:

Working on the Railroad — The construction of a Port-owned Belt Line Railroad connecting three transcontinental lines has been credited with much of the Port of Stockton's success in the past quarter-century. Here is a 1932 picture of Mayor Con Franke driving the final spike for the rail line before the admiring eyes of many of the men instrumental in developing the Port: I. Ralph Carter, 2. John Pengilly, 3. James Tandrow, 4. Charles Bird, 5. Curtis Robbins, 6. N. M. Brisbois, 7. Col. B. C. Allin, 8. A. M. Robertson, 9. Walter Hogan, 10. Raymond J. Wheeler, 11. Pliny Holt, 12. Paul Weston, 13. J. H. Mettler, 14. Carl Tremain, 15. Leroy Johnson, 16. James Powers, 17. Otto Sandman, 18. Charles Crooks and 19. Mrs. B. C. Allin.





Family-Wage Rail Jobs

CCT has 26 employees that are located at the Port of Stockton. Increases in freight movement over the last ten years has increased the volume of rail cars to approximately one-thousand cars per month. This can carry the promise to bring in more of these sought-after jobs. "These are jobs that last until retirement," Cindy states. The salaries and benefits earned by these workers are family-wage jobs.

The railroads and the Port of Stockton have had a partnership since 1931 that started with an agreement originally called the "Stockton Port Beltline Agreement." The agreement was between the Port and the predecessors of Burlington Northern Santa Fe Rail Road, or BNSF, and Union Pacific, or UP. In the early years, the three railroads would annually rotate responsibility for the maintenance and operations of the rail.

Today, the agreement is called the "Stockton Port Terminal Association" contract(s). In 1980, CCT took over the track maintenance on behalf of the railroads. In November of 1998, CCT took over the switching operations. Under this agreement, the railroads seek the customers and the cargo. CCT handles the switching operations and upholds the maintenance of the track so that the railroads can carry on with their objectives with their customers.

> Photo right: Workers switching tracks and operating rail cars at the Port of Stockton.











Family-Wage Longshore Jobs

Longshore work at the Port of Stockton has always inspired the younger generations to want to follow in their fathers' footsteps if given that golden opportunity. Kenny Jones is one of those. Kenny's father was a longshore worker who started working for the Port of Stockton in 1952. Today, Kenny is a "gearman" and bears the responsibility of maintaining the safety of the dockworkers and the integrity of the equipment. He states how important it is "to steadfastly guard the safety of his fellow co-workers and try not to hamper the cargo handling process."

Kenny began working as a casual in 1988. In 1989, he was registered with the International Longshore and Warehouse Union (I.L.W.U.) and reported to work in San Francisco. He rapidly assumed the responsibilities of a "gearman."

As a "gearman," Kenny's skills are specialized and valued. By 2000, shortly after the transfer of Rough and Ready Island to the Port of Stockton by the U.S. Navy, Kenny was offered a better opportunity to work in his hometown, Stockton. The timing could not have been better. Kenny was married at the same time as his transfer and the move promised to give him more time with his wife and time in the community in which he lives.

Kenny has an appreciation for the working relationship that has been fostered between the Port of Stockton and his I.L.W.U. local President (Local 54), Dennis Brueckner. He adds that "this Port is the kind of port that can have a good working relationship between the Port Management and labor." He adds "Rough and Ready Island gives us the potential for so much work, as demon-

"Rough and Ready Island gives us the potential for so much work, as demonstrated with the new rice business, the lumber business, the bagged cement, the steel pipe and rebar, and so many other potential cargoes. It's pretty much unlimited, especially with the warehouses."

— Kenny Jones





Family-Wage Longshore Jobs

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For Kenny Jones, increased business at the Port of Stockton has meant a shorter commute, the ability to work with a dedicated labor force and more work assignments. "While the job has afforded me a nice lifestyle, I am most proud to follow in my father's footsteps," he concludes.



Photo right: Kenny Jones, Gearman with I. L.W. U. Local 54.

CLOSE







Family-Wage Warehouse Jobs



Nick Jones

Over the years, the process changed. The emphasis changed from containers to bulk cargo operations.

Containerization had shifted into high gear in 1971 when Nick Jones started working for the Port of Stockton. At that time, containerization meant more cargo and more jobs for Nick's local, International Longshore and Warehouse Division (I.L.W.U.), Local 6. Thirty-one years of hard work at the Port of Stockton with Local 6 provided him and his co-workers with great pay, benefits and a nice lifestyle.

Workers in the warehouse division would unload containers, sort the cargo and the boxes from the containers, store the cargo and pick orders. Often, they would load the cargo onto the trucks. Warehouse workers also did inventory control and other related tasks. Over the years, the process changed. The emphasis changed from containers to bulk cargo operations. Bulk cargoes are now the primary cargoes in the warehouses.

During his career at the Port and with I.L.W.U. Local 6, Nick Jones was a business agent for the Union. He describes the contract negotiating process with the Port Management as always being a professional and respectable environment. When the issues got







Family-Wage Warehouse Jobs

hammered out, the workers and management "got up, shook hands, got on and went about business." He stresses that it has been a blessing for him over his thirty-one years of working with the Port "...to have that kind of business relationship with the Port Director on down."

In 1999, Nick Jones was honored as the Port of Stockton's first "Employee of the Year." He admits that this was the most gratifying moment of his career. He said, "It meant an awful lot to me. When you have pride in your job, you want to do the best you can, and recognition is not the reward you are seeking. But, to have received that recognition meant that the hard work did not go unnoticed." Clearly, Nick had a strong work ethic. He expected himself and others to work as if they would want employees to work for them, if they were the employers.

"Local 6 jobs are good jobs, very good jobs. Wages are competitive. Benefits are great. Retirement is getting better. I would like to see Local 6 grow at all times and provide the opportunities such a job can offer."



Photo left: Port of Stockton warehouse workers handling bags of sodium nitrate.

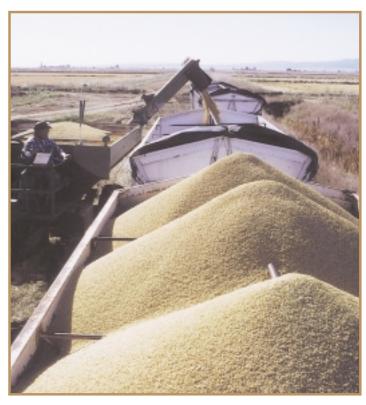




Family-Wage Rice Export Jobs

Colusa, California, two and a half hours north of Stockton, is one of California's agricultural industries' most fertile areas, and is widely recognized as one of the largest rice growing and milling towns in California.

Along Interstate 5, the West Coast's major North/South route, trucks are visible carrying bagged rice destined for export from the Port of Stockton. In 2002, rice became the Port's leading export—more than 248,000 metric tons were shipped during the year. Driving this increase is the Port's proximity to the rice fields coupled with its ability to offer facilities that are clean, efficient and cost-effective.



Loading rice onto a rail car.

"What does bagged rice do to create jobs and support the economy?" The answer is impressive. The number of jobs created and the economic impact are significant. Rice shipments through the Port of Stockton over the last year and a half have created 114,000 new manhours of work. In the mills, the new jobs created are estimated to be 650 to 750 positions. The new work is the equivalent of \$5.8 million in wages earned.

Rice is used for domestic purposes as well as for export. The breakdown is that 60 percent of California's rice is exported and 40 percent is used domestically, in a variety of ways. There is increasing opportunity for rice exports out of California. Similarly, there is great opportunity for the Port of Stockton to expand to additional international markets.

"The Port's operations are rapidly becoming a standard for being informative and efficient."

— Galo Williams of Sunwest Milling.

Dick Armocido from the Connell Rice and Sugar Company has a twenty-eight year history in the rice business. Two years ago, he was hired to be Connell's Director of California Rice Operations. Armocido and Galo Williams, Vice President for Sunwest Milling, concur that there is an appreciation for the cooperation facilitated









Family-Wage Rice Export Jobs

between the rice community and the Port. Galo indicates that "the Port's operations are rapidly becoming a standard for being informative and efficient." Dick Armocido adds that "the Port's pest management system is one that could be a model for the whole industry."

Rough and Ready Island's availability has helped to make the Port of Stockton an internationally known entity from which to export rice from the region. The opportunities for exporting this commodity from this port are tremendous.

Photo right: Rice mills in California have high tech processes and can employ as many as 700 employees to handle their operations for a shipload destined for export.







Family-Wage Stevedore Jobs

"The Port has done a great job creating hundreds of new jobs and the potential to create more at this Port is almost limitless." — Randy Jerwa



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A short description of the duties a stevedore performs ritually on the docks would read like this: Responsibility for overseeing safe operations, deciding how a particular job should be tackled, determining the right gear and type of labor to be used and finding an efficient way for workers to load and off-load cargo. Randy Jerwa, Stevedoring Services of America's Vessel Operations Superintendent, states that with this job "comes incredible diversity and a chess-like challenge for determining each day's work."

A stevedore is another critical link in the chain of moving cargo. Stevedores are often the side of the job that is less visible but also very critical in terms of ensuring that the required resources are recruited to move the cargo safely and efficiently. In the shipping industry, stevedores, terminal operators, and shipping agents all serve to plan the transit and many of the assorted logistics of moving the cargo. Their roles are behind the scenes.

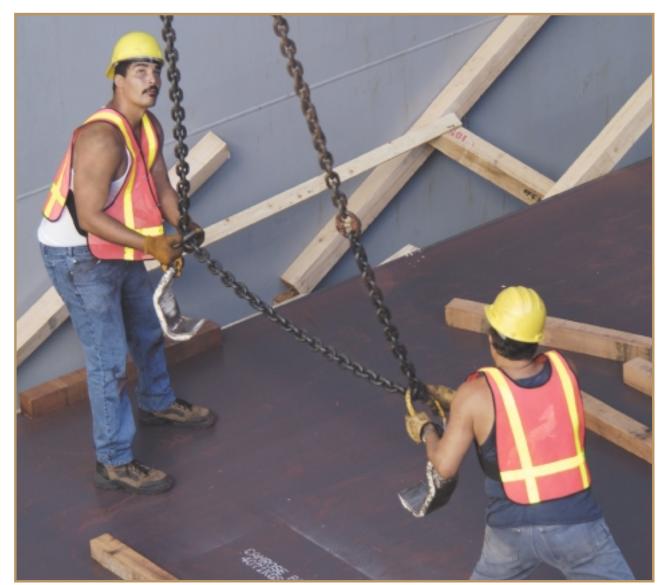


Photo left: Randy Jerwa (left) explains handling procedures to another worker.





Family-Wage Stevedore Jobs



Stevedores' jobs put them on the docks, on the ships and in the office. Their jobs have them working at all hours and at any time of week; like the longshore workers, the pilots, the truckers, the train engineers, and the others in the industry. They also enjoy the camaraderie of working with the longshore workers and those who facilitate all of the operations at a port. The rewards are good family-wage jobs and work that is favorably anticipated prior to arrival every day.

Randy concludes "The more work the better. I would love to see the day when ships are waiting in the Bay to get in [to the Port]." He adds "The Port has done a great job creating hundreds of new jobs and the potential to create more at this port is almost limitless."

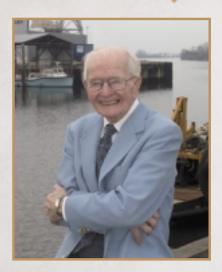
Photo left: Safe and efficient cargo handling are the primary goals of a stevedore.







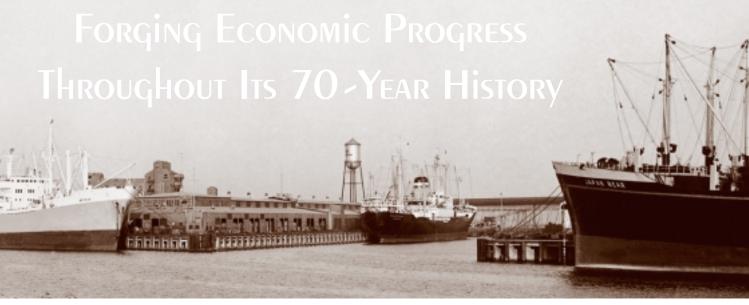
Port of Stockton



Dean DeCarli Resident of Stockton since 1917 and Mayor of Stockton, 1955 and 1959. ean DeCarli arrives at the Port in his casual clothes at the young age of 95 to relay his memories and experiences of the Port throughout his life. He attributes his energy and enjoyment of life to keeping himself busy, both physically and mentally. He rapidly changes into a powder blue blazer for pictures to be taken of himself

and eagerly tells of the early days of the Port, including the arrival of the Daisy Gray, the first ship to call on the newly created Port of Stockton.

When the Daisy Gray arrived on February 2, 1933 "it was a big deal" Mr. DeCarli states. "There was so much talk about it, it was the









The Coming of the Daisy Gray Stockton Independent - April 1933

There is a new name that is forever linked with the history of Stockton.

It is a pretty name. It is easy on the vocal chords. It is a name that would make a song.

It is the Daisy Gray.

The typewriter just insists on running to:

Daisy, Daisy, give me your answer, do.

I'm half crazy, all for the love of you.

But Daisy Gray's name is inseparably linked with Stockton not because of its dulcet sound or because it just seems to start the typewriter to singing.

But because Daisy Gray brought the first cargo up the Deep Water channel to Stockton.

And naturally we celebrated.

It is an auspicious beginning. We like to make civic and industrial whoopee over first things. We acclaim the unusual. Even if the philosophers do warn us that it is the usual, rather than the unusual that is the most marvelous thing in nature. The evidence that the universe is governed by law.

And, with all due respect and deference to Daisy, that will be the way with the port. It will really have arrived when one citizen will say, "What's the boat in today?" and the other will say, "I dunno" and they will resume their conversation about the ballgame.

Nevertheless, the coming of Daisy Gray was epochal. Daisy, you're historic. In time, you will become legendary. Anyway, we throw you a kiss. talk of the town." He adds "that some people just didn't have the imagination to see an ocean-going ship be able to come into Stockton from the San Francisco Bay. Thank goodness some did see it." He states, "The 'cans' outnumbered the 'can'ts' and the Daisy Gray came into the Port." He further elaborates on the engineers at the time who made a meandering San Joaquin River significantly more "navigable." There were "bends in the river that were made to be straight-aways."

At that time in his life, Mr. DeCarli was a resident on his uncle's ranch on Robert's Island. When he was a child, getting to most places in Stockton meant traveling through Rough and Ready Island and the land that is now the Port of Stockton. At the time, according to Mr. DeCarli, the Port was dairy land.

One of Mr. DeCarli's first memories of the Port was when he went with a friend who had been asked to clear a large piece of cement on what is now known as the Port's East Complex. The two went out and discovered a pipe sticking out of the slab. He says his friend figured that they could use dynamite in the pipe to break up the cement. "Well," he says, "rather than breaking up the cement, the pipe acted more like a cannon and we nearly blew up the Country Club. Fortunately, for us it didn't quite go that far."





HISTORICAL TIMELINE



- A newly dredged channel and accompanying terminals opened for operations at the Port of Stockton.
- The first ship to call on the Port, the SS Daisy Gray arrived with lumber.
- The Port opened a Brooklyn office as a "strategic" way to gain business (office open until 1977).



 As a result of World War II, the Port of Stockton, for the most part, fell under the command of the U.S. Government (this actually went into effect in 1942).

- Part of the liquid bulk materials installation was completed (the rest in 1958). In the early years, this enabled the Port of Stockton to handle bulk wine.
- President Eisenhower appointed Earl Warren to become the Chief Justice of the U.S. Supreme Court.
- Watson and Crick deciphered the structure of DNA. An American Company developed the first microwave.
- The Rosenbergs were executed for espionage.
- Hillary and Norgay climbed Mount Everest for the first time and Joseph Stalin died.



 The Port of Stockton became full owner of The Port of Stockton Grain Terminal. Previously, the terminal received some aid from the Port, but was not owned by the Port.

1933 1943 1953 1

- Franklin D. Roosevelt was inaugurated as President of the United States and thus began the "New Deal." The 21st Amendment to the Constitution was added which repealed Prohibition.
- Adolf Hitler became the Chancellor of Germany.
- USC beat Pittsburgh in the Rose Bowl, the New York Giants beat the Washington Senators in the World Series, and Cavalcade was the 6th Annual Academy Awards Best Picture Winner.

- Earl Warren became the 30th Governor of the State of California.
- Italy joined the Allies in the war effort and the Warsaw Ghetto Uprising occurred.
- Georgia beat UCLA in the Rose Bowl, the New York Yankees beat the St. Louis Cardinals in the World Series, and Casablanca won Best Picture in the 16th Annual Academy Awards.
- USC beat Wisconsin in the Rose Bowl, the New York Yankees beat the Brooklyn Dodgers in the World Series, and From Here to Eternity won Best Picture at the 26th Annual Academy Awards. **The following year**, the movie, On the Waterfront received the same distinction.



- Containerized cargo started to gain momentum at the Port.
- President John F. Kennedy was assassinated.
- A treaty banning nuclear testing was signed.
- Martin Luther King Jr. delivered his "I have a dream" speech.
- USC beat Wisconsin in the Rose Bowl, the Los Angeles Dodgers beat the New York Yankees in the World Series, and Tom Jones took home the Best Picture Award for the 36th Annual Academy Awards.



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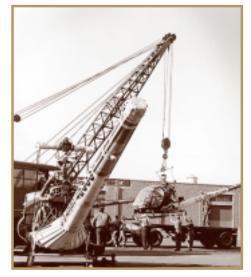
HISTORICAL TIMELINE



- Coal exports increased out of the Port of Stockton due to the Arab Oil embargo and the subsequent actions by OPEC.
- The Senate began investigations into Watergate.
- Gerald Ford became the first Vice President appointed under the 25th Amendment.



 The slogan "...37 feet to the sea" became the rallying cry for the newly approved channel deepening project.
 In 1987, the Channel dredging was completed to a minimum of 35 feet and maximum of 37 feet.



- The Port of Stockton celebrates its 70th Anniversary.
- Accomplishments in the last five years include the acquisition of Rough and Ready Island, also known as the West Complex, rail access to the West Complex and a return of the rice business to the Port.

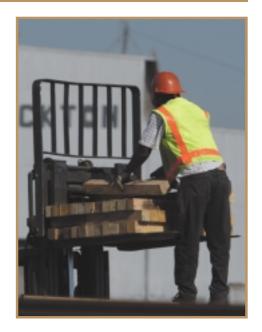
1973 1983 1993 2003

- The energy crisis hit the world.
- Peace Pacts for the Vietnam War were signed in Paris.
- The military draft came to an end.
- USC beat Ohio State in the Rose Bowl, the Oakland A's beat the New York Mets in the World Series, and The Sting was the Best Picture winner for the 46th Annual Academy Awards.



- U.S. troops invaded the Caribbean island of Grenada.
- A group of Shiite Moslems bombed the U.S. Embassy in Beirut.
- Sally Ride became the first American woman to travel in space.
- The compact disc was first introduced.
- The U.S.S.R. (now Russia) shot down a Korean Airliner that was allegedly in the wrong airspace.
- UCLA beat Michigan in the Rose Bowl, the Baltimore Orioles beat the Philadelphia Phillies in the World Series, and Terms of Endearment won the Best Picture Award for the 56th Annual Academy Awards.

- The City of Stockton and the State of California instituted measures that made business more friendly and accessible to the Port of Stockton.
- The City created the "Stockton Enterprise Zone" which included the Port.
- The Crosstown Freeway, a 40 year project, was completed making truck transit across town from the Port, Interstate 5 and Highway 99 much more convenient.
- The World Trade Center in New York City was bombed for the first time but not destroyed.
- Michigan beat Washington in the Rose Bowl, the Toronto Blue Jays beat the Philadelphia Phillies in the World Series, and Schindler's List won the Best Picture award at the 66th Annual Academy Awards.











Remembering a Lifetime at the Port of Stockton: Aldo Freggiaro

Aldo Freggiaro was a toddler when his father helped tie up the Daisy Gray in 1933. Seventy years later, Aldo has extensive knowledge of local history and a fondness for the Port of Stockton. Aldo recalls, not only the stories his father told him and the times he accompanied his father to work at the Port, but has acquired his own accounts of employment during his forty-two years with the Port.

Aldo's employment started in June of 1951 when he was hired as a lift-truck operator. Initially, Aldo's career was interrupted for two years as he served his country in the Korean Conflict from 1952 to 1954.

Upon his return stateside, Aldo resumed his career with the Port. His duties changed frequently throughout the span of his employment. He started as a lift-truck operator, became a clerk and then a foreman with the Union. Eventually, the Port Director hired Aldo to become part of his management team as a superintendent. He formally retired after he had been a safety officer for a number of years. Aldo is still

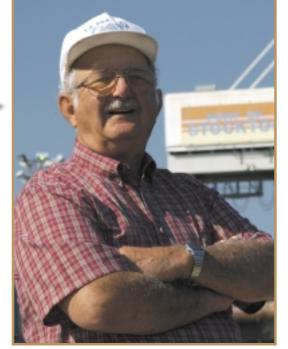
seen around the Port's premises as he does free-lance work with the Port to this very day.

Back in the thirties and forties, Aldo can remember going to the Port with his father. He would watch workers fumigate kidney beans that were in one-hundred pound burlap bags. The bags of beans would be under rubberized tarps and under those tarps the fumigation would

occur. At that time, he loved to come and visit the Port. Such a visit often included a trip with his father under the docks to fish.

Photo right: Aldo Freggiaro — Port employee from 1951-1993





"Del Monte and JC Penney's were two of the companies that... were enormous and were evidence of the capabilities that made the Port a reliable place to do business" — Aldo Freggiaro







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Remembering a Lifetime at the Port of Stockton: Aldo Freggiaro

"Del Monte and JC Penney's were two of the companies that," Aldo says "made a difference in the Port's ability to build a solid reputation in the industry. These operations were enormous and were evidence of the capabilities that made the Port a reliable place to do business."

Aldo smiles as he explains that this Port has "meant a good living" for him, and, while he did not get rich "I led a good life." For Aldo Freggiaro, the Port of Stockton not only represented a career but a lifetime of memories.



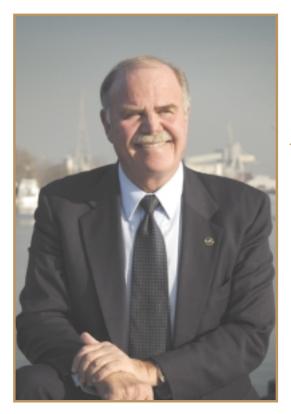
Photo left:
Bulk material
transportation—
Ore Docks,
Courtesy of
Western Pacific.





Reflecting On The Port of Stockton: Doug Wilhoit

When the Wilhoit Family first arrived in Stockton, California was an infant state with a golden opportunity for those who wanted to dig up gold in the nearby foothills of the Sierra Nevada. Roley Early (R.E.) Wilhoit was no exception to this goal of pursuing the promise of California's "golden" opportunity. R.E. Wilhoit arrived in Stockton, California, in 1850 from Kentucky. Before long, his objective of finding gold in the Mother Lode changed and he returned to Stockton to seek his new life.



The Stockton Area had great water access and was known in the shipping industry as a place where



Doug Wilhoit — A native fifth generation Stocktonian has always valued the Port's achievements and potential.

"Quality of life" is what this Port means to this community.

— Doug Wilhoit

clothing, food and general supplies could be delivered in close proximity to the miners. The Wilhoit family learned immediately that Stockton's river, the San Joaquin, was an asset that could and would provide California's Central Valley with amenities that no other prime agricultural area could offer.

Douglass W. Wilhoit, Jr., a fifth generation "Stocktonian" and the current CEO of the Greater Stockton Chamber of Commerce, has a deep sense of pride in his family's history as well as a strong connection to the Port of Stockton. Primarily, he remembers as a four-year-old standing on top of the roof of the Stockton Hotel, gazing westward and observing, for the first time, the Deep Water Channel and the Port. His father, Douglass W. Wilhoit, Sr., took

that moment and opportunity to educate his young son about the importance of the Port and what it would always promise to the Stockton Community. These were lessons Douglass Wilhoit Jr., eagerly absorbed.

Throughout the years, Douglass Wilhoit, Jr., has had many opportunities to reflect, project and champion the relevance of the Port of Stockton. He has advanced this advocacy to his own son Matthew Wilhoit, as his father did for him. With high regard, he listened to his grandfather detail the history and the significance of the Port in the last three years of his life.

In 2002, Mr. Wilhoit traveled to Washington, D.C., to assist the Port in obtaining federal funding. Today, he continues to sup-









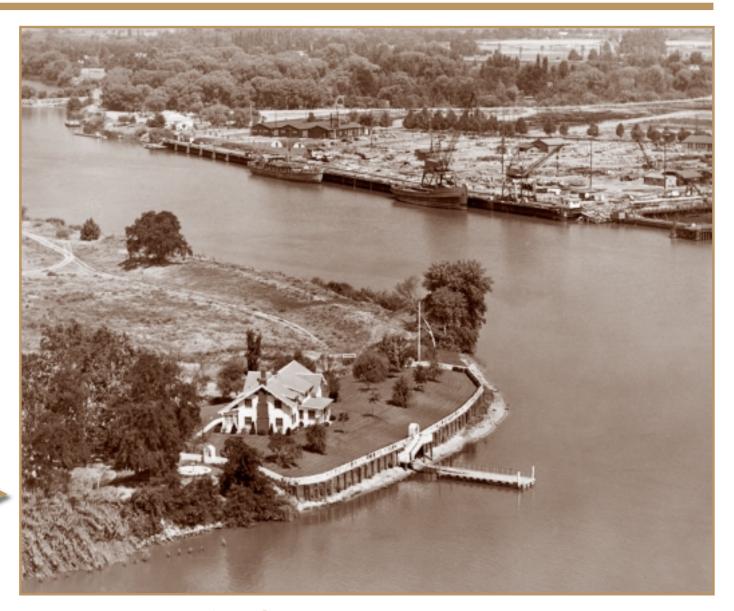
Reflecting On The Port of Stockton: Doug Wilhoit

port and be an advocate of the Port. With the addition of Rough and Ready Island, he reiterates the importance that this port continue to succeed.

"I am also equally excited about the direction the Port Director and the Commission are taking to advance this port to the full advantage of the entire community," he states. He concludes by saying "quality of life" is what this port means to him and this community.

For his family, the economic opportunity, the promise of jobs and the ability to carry out the dreams for future generations have not been lost.

> Photo right: June 1950, the Commanding Officer's house on Rough and Ready Island on land previously owned by the Wilhoit family.



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NEXT

"Creativity and Efficiency" Define the Port of Stockton

Rich Martucci knows that the Port of Stockton brings economic benefits to the community. "The Port brings in a lot of employment. The jobs bring in additional revenues in consumption and taxes. Stockton is receiving international attention as it receives and sends out goods to and from all over the world."

He believes that the efficiency of the operations and the creativeness of the staff enables the Port to bring in a lot of revenue and jobs. When he worked at the Port, the staff worked together to structure a physical distribution program with one of the Port's biggest tenants. This program meant that the Port was shipping items and goods to every catalogue store in the United States. "It was a very sophisticated operation," he describes.

Rich's family rings of an American classic, in terms of finding its way to California. His father moved to the U.S. after World War I. They

went through the East Coast and probably Ellis Island before finding themselves in Northern and Central California. Rich was very young when his family settled in Stockton.

In 1962, when he was hired onto the Port's staff as a messenger, it took two days for his duties to change. From 1962 through 1987 he was part of the Warehouse Division's Administrative Staff. In 1974,

he was promoted to Warehouse Manager. In 1987, he was pro-

Photo right: Rich Martucci— Port Employee from 1962–2000.



"The Port brings in a lot of employment. The jobs bring in additional revenues in consumption and taxes. Stockton is receiving international attention as it receives and sends out goods to and from all over the world." — Rich Martucci







"Creativity and Efficiency" Define the Port of Stockton

moted to Marketing Director, a position he kept until he retired in 2000.

A lifetime with the Port of Stockton permitted him to send his two kids to college. He attributes this to the Port's recognition that there is value to create jobs that have substantial pay and benefits. His current retirement has been enjoyable as he recognizes that the pension he earned is granting him the retirement he had hoped for at the time in his life that he sought to retire.

Rich Martucci concluded his remarks by stating, "This Port is diversified and unique." He also stressed the importance of working with the community, "...you can accomplish a lot of things by not only working with your employees but by working closely with and for the community."



Photo left:
Creative handling of large machinery and general cargo over the years has earned a lot of this business for the Port of Stockton.







70 YEARS of SERVICE...

For seventy years the Port of Stockton has been a partner to a community, a creator of jobs, a link to the global economy and international trade, and a source of pride. Strategically located in California's agricultural heartland, the Port has acquired a niche for importing and exporting a large variety of bulk products. Its importance and success has increased the international trade region of Northern California from the San Francisco Bay Area to Stockton and San Joaquin County.

In the late 1800s and early 1900s local officials and business leaders determined that a deep-water channel for cargo ships would be ideal in this agricultural center. Tireless lobbying to the U.S. Government, including to President Herbert Hoover, was effective. By February 2, 1933, the Stockton Deep Water Channel had been dredged to accommodate ocean-going, cargo-carrying ships. Over the years the channel has served its purpose.

Today the Port of Stockton's operations expand beyond agriculture. The Port's reach extends into construction projects in

Northern and Central California as well as sulfur exports that are shipped all over the world. Steel product firms and petroleum companies utilize the Port to fulfill their operational goals. Warehousing, distribution, and rail transloading are business ventures that succeed at this port.

One of the most important roles that the Port has played over the years has been in the building of family-wage jobs for a community needing job growth. The Port's goal of creating business opportunities within its boundaries is achieved daily. These businesses have the capability of creating a type of job that a family can survive on and to enjoy the great lifestyle that is possible in Stockton and the County of San Joaquin.

Seventy years of growth and adaptation have proven the Port of Stockton has been and is continuing to be a significant player in the community. In the future, the Port will carry on, as it always has, with the purpose for which it was originally created: To create jobs and to facilitate commerce in California's heartland.





70 Years of Linking International Trade





to California's Agricultural Heartland



Photo right: 2002

and Creating Jobs in the Community

2002 Annual Report







PRINT





Building Relationships that Create Family-Wage Jobs

In 2002, the Port of Stockton hosted a number of appointed and elected officials who have assisted the Port in its efforts to create family-wage jobs for California's Central Valley:

Honorable Gail Norton, United States Secretary of the Interior His Excellency, Shavkat Shadeyivich Khamrakulov, Ambassador of the Republic of Uzbekistan

Honorable Dennis Cardoza, Member of Congress

Honorable James Oberstar, Member of Congress, Ranking Democratic Leader, U.S. House of Representatives Transportation and Infrastructure Committee

Honorable Thomas Petri, Member of Congress, Chairman, U.S. House of Representatives Transportation and Infrastructure Subcommittee on Highways and Transit

Honorable Richard Pombo, Member of Congress, Chairman, U.S. House of Representatives Committee on Resources

Honorable Pete Visclosky, Member of Congress, Ranking Democratic Member, U.S. House of Representatives Appropriations Subcommittee on Energy and Water Development



Secretary of the Interior, Gail Norton visited the Port in October 2002. From Left to Right: Port Commissioner W. Ronald Coale, Secretary Norton and Port Director, Richard Aschieris.



State Senator Michael Machado has spent a lot of time in Sacramento looking out for the Port. He is seen here with a Stockton Sea Scout inspecting the new docks that were acquired by the Port from the Navy's transfer of Rough and Ready Island.





Photo left:

2002 Chairman of the San Joaquin County Board of Supervisors, Victor Mow and City Councilmember Larry Ruhstaller discuss progress at the Port of Stockton by one of the transit sheds on Rough and Ready Island.











Building Relationships that Create Family-Wage Jobs



Congressman Richard Pombo, Chairman of the House Committee on Resources, is a frequent visitor to the Port. He is seen here on a trib to observe cement and bagged rice operations.

Honorable Michael Machado, State Senator, Chair, Senate Agriculture and Water Resources Committee

Honorable Bruce MacPherson, State Senator, Chair, Senate Public Safety Committee

Honorable Dick Monteith, State Senator

Honorable Barbara Matthews, Assemblymember, Chair, Assembly Committee on Agriculture



His excellency, Shavkat Shadeyivich Khamrakulov, Ambassador of the Republic of Uzbekistan visited the Port in August of 2002 to see firsthand, the California bagged rice headed to his country under a PL 480 government food program. From Left to Right: Captain Mike Gerhling of Liberty Maritime, Ambassador Khamrakulov, Port Director, Richard Aschieris and John Valpey from the Connell Rice and Sugar Company.



Congressman James Oberstar, Ranking Member on the House Committee of Transportation and Infrastructure made a fact finding trip to the Port of Stockton in the fall of 2002.



Mayor Gary Podesto has supported the Port through many different projects and programs. He is seen here with Port Commissioner Ronald Ferrario, Port Director, Richard Aschieris, members of the Port Tenants Association and workers with the Boggs Tract Community Center for the Port Tenants Association Annual Christmas Turkey giveaway to residents in Boggs Tract.



Assemblymember **Barbara Matthews** has advocated the Port's interests to her colleagues in Sacramento. She is seen here participating in an event at the Port for a Federal Government Title I Food Program shipment of Rice destined for Uzbekistan.





THE PORT of STOCKTON: FACTS THAT YOU SHOULD KNOW

- The Port does not tax citizens of the Stockton Port District. The Port operates with revenues it generates at the docks and by real estate holdings.
- The Port of Stockton supplies fertilizer to more than 80 percent of the farmers in the Central Valley.
- The Port increased annual spending with local area vendors from \$1.5 million in the year 2000 to more than \$7 million in 2002.
- The Port of Stockton supports more than 4,000 family-wage jobs.
- Since taking over Rough and Ready Island, the Port has leased over 95 percent of the Island's available warehousing.
- The Port of Stockton is a designated Foreign Trade Zone #231.
- Well over 50 percent of the waterborne cement for Northern California construction projects comes through the Port of Stockton, annually.
- The Port of Stockton employees achieved 100 percent participation in contributions to the 2002/2003 United Way Campaign.
- The Port is the third largest landowner port in the State of California.
- The Port of Stockton Police Department employs an academy trained police force that maintains constant video surveillance of its premises and identifies all vehicles and their drivers who enter facilities handling potentially hazardous cargoes.
- The Port Police also maintain several Police Dog (K-9) Units in the 24-hour patrol duties.



Northern California's construction projects receive a large amount of cement that comes through the Port of Stockton.



Leasing out warehouse space on Rough and Ready Island, has been successful since the acquisition of the Island.



An academy trained police force hired by the Port of Stockton maintains 24 hour, seven days a week vigilant watch on the Port's security.



The agriculturally rich Central Californian farms utilize fertilizer products that have been shipped through the Port of Stockton.











THE PORT of STOCKTON TEAM 2002



EXECUTIVE

Richard Aschieris, Port Director LeRoy Hieber, Deputy Port Director, Finance and Administration

J. Gordon Palmer, Deputy Port Director, Environmental, Planning and Facilities

Mark Tollini, Deputy Port Director, Trade and Operations

Yvonne Ishimoto, Assistant to the Director/Secretary to the Board

Nicole Mamorno Barbara Snyder

ACCOUNTING

Dianna Baker, Controller
Michelle Bowling, Assistant
Manager, Accounting
Rita Hernandez
Sandy Lucas
Jill McAuliffe
Jan Perryman
Melanie Rodriguez

COMMERCIAL EXCHANGE CLUB

Beverly McConnell, Commercial Exchange Club Manager

ENVIRONMENTAL AND REGULATORY AFFAIRS

Rita Koehnen Mike Luksic

FACILITIES MAINTENANCE AND CONSTRUCTION

Gary Gentry, Director of Facilities
Maintenance and Construction
Tim Loveland, Facilities
Maintenance and Construction
Manager

Fred Klumpp, Maintenance Coordinator

Jazoé Quintal Juan Villanueva

Steve Cookerly, Foreman*

Bob Belmont, Foreman Larry Crain, Foreman Bodie Gonsales Mike Holmes, Foreman Charles Piggee, Foreman Vern Ragsdale, Foreman

Jay Penberthy

Pete Ramirez

Joe Rhodd, Foreman

Kazuo Higashi

Gary Johnston

Bob Myers

Scott Niceler





The Port of Stockton Team 2002

FACILITIES MAINTENANCE AND **CONSTRUCTION (CONTINUED)**

Norman Murray, Foreman

Gary Capehart

David Gentry

Rhett Lari

loe Luke

David Zendejas

HUMAN RESOURCES

Christeen Ferree, Human

Resources Manager

Nan Chavez

Paulette Smith

INFORMATION TECHNOLOGY

lim Cooper, Information

Technology Manager

Myra Lang

Dennis LeClert

MARKETING AND **PUBLIC RELATIONS**

William "Bill" Lewicki, Director of

Marketing

Abbie Winter, Public Relations

Manager

George Lester, Traffic Manager

Larry Lockmiller

Kyle Moutray

Al Reft

OPERATIONS

Mike Tyler, Operations Manager

Chris Mountjoy, Terminal

Superintendent

George Cervantes, Assistant

Superintendent

Leonard Fabor. Assistant

Superintendent

Jeff Vine, Assistant Superintendent

Daniel Bautista

Victor Chavez

Cecilio Gomez

Pedro Hurtado

Michael Lopez

Everardo Mendoza

Ramon Montanez

Raul Montanez

Sam Montanez

David Rodriguez

John Youngblood

CLOSE

PORT POLICE

Robert Wingo, Chief of Police

Steve Nichols, Sergeant

Warren Spurgeon, Sergeant

Lynne Zimmerman, Sergeant

Mike Archibeque

Billy Hutton

Rick LeChuga

Jim May

lim Mitchell

Tyler Moua

Kerry Nicholas

Tony Novaresi

Allen Standley

PROPERTY MANAGEMENT

leff Kaspar, Director of Properties

Debbie Calli

Misty Escobar

Victoria Lucero

Purchasing and GENERAL SERVICES

Erin Stewart, Purchasing and

General Services Manager

Judy Baumann

Melissa Honey

Karen Olivas

SPECIAL PROJECTS

Henry McKay, Special Projects Manager

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Public Relations Manager

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Turner Photographics — Stockton, CA

Photo Contributions: California Rice Commission

Sunwest Milling

Mike Tyler, Operations Manager

Henry McKay, Special Projects Manager Port of Stockton Library (Historical Photos)

Printing and Graphic Design: Snyder Lithograph — Stockton, CA

*2002 EMPLOYEE OF THE YEAR





Port Awards, Recognition and Community Service

OVER THE YEARS, THE PORT OF STOCKTON HAS INCREASINGLY EARNED AWARDS, received recognition and dedicated itself to participating in the Port Industry and with the Community in which it is located. The year 2002 was no exception. The following are awards, recognition and service the Port, Commissioners and Staff have achieved:

AMERICAN ASSOCIATION OF PORT AUTHORITIES

Awards of Excellence for Ports in its classification in the following categories:

- Award of Excellence for the Port's Website (www.portofstockton.com).
- Award of Excellence for the 2001 Annual Report (second year in a row).
- Award of Excellence for a video "More than a Port."

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Certificate of Achievement in Financial Reporting (second year in a row).

INDIVIDUAL COMMUNITY PARTICIPATION

- Commissioner Robert "Bob" Kavanaugh received the Goodwill Industries' 2002 Helping Hands Award for his unwavering dedication to the community and a large number of charity organizations.
- Port Director Richard Aschieris served as 2002 Campaign Chair for United Way, raising \$5 million.

- Christeen Ferree, Human Resources Manager, successfully completed her participation with Leadership Stockton.
- Bob Wingo, Chief of the Port Police Department was appointed to serve on the Board of Directors of the Child Abuse Prevention Council.
- Port Police Officer Michael Archibeque returned to the Port in 2002 after serving his country as Senior Master Sergeant in the Air Force Reserve Security Forces.

COMMUNITY SERVICE

- Greater Stockton Area Chamber of Commerce.
- · San Joaquin Partnership.
- Downtown Stockton Alliance.
- Supporter of the The Record's "Annual Reading Day at the Park" which is in support of literacy.
- Contributed to the Stockton Port Tenants Association annual Boggs Tract holiday Turkey giveaway.
- Provided property for the Stockton Police Department K-9 Trials.
- Provided facilities for the Pac-West Regional Volleyball Tournament.
- Provided dock space and promotion for the tall ships, the Hawaiian Chieftain and the Gaslight for their "Annual Voyages of Rediscovery" education program which was open to the public.
- Recipient of the "Parade Spectacular Award" by the Marina West Yacht Club for providing the lead vessel in the Delta Reflections Parade 2002.
- Contributed to the I.L.W.U.'s Widows' and Orphans' Fund.





Tenant and Customer List

A & | Express Ahma, Inc. Alternative Decking Wholesalers Alco Iron & Metal Co. Applied Science, Inc. Archer Daniels Midland Company (ADM) Asta Construction H.I. Baker & Bro., Inc. Baker Landscape Eddie Bandini & Sons Bay Sulfur Company **Best Logistics** Blair Grain Company Border Patrol Borrego Enterprises, Inc. BP West Coast Products, LLC Calaveras Cement Company Cal-Agrex, Inc. California Ammonia Co.— **CALAMCO**

California Portland Cement California, State of Grain Inspection Station Cargill Corn Milling Carry Transit Central California Railcar Repair Central California Traction Company Child Abuse Prevention Council Coats for the Community

ColorNet. Inc. Commercial Exchange Club Communications Development Inc. Con-Agra Connell Rice & Sugar Company Cost Plus, Inc. Delroy's Deli Delta Consolidated Industries Delta Valley Modelers Door Fabrication Services, Inc. Duraflame, Inc. El Dorado Farms Farmers Rice Cooperative FTG Construction Materials, Inc. Frank C. Alegre Trucking First American Title Company G.C.U.Trucking Georgia Pacific Giovannoni & Giovannoni **GKA** Enterprises **General Services** Administration (GSA) Hydro Agri North America, Inc. J.M. McConkey & Co., Inc. Iones BroadBand Int. | & R Equipment **Junior Aid of Stockton** Keep on Trucking

Kustom Materials Laminators, Corp. L.C. Contractors Lesco Lesovsky-Donaldson Architects The Learner Company MT Railcars, Inc. Mac Specialties Marine Terminals Corp. Metropolitan Stevedore Minnesota Corn Processors Naval Communications Station (NAVCOM) Nicholas Communications PM Ag Products, Inc. Pacific Coast Door & Mill Work Pelton-Shepherd Industries Pereira Studios Port of Stockton District Energy Facility (P.O.S.D.E.F.) **Progressive Transportation** Service, Inc. Ramsey Express Rarin Federal Credit Union Regal Steel Rescar, Inc. Rice Terminals Ross Island Sand & Gravel San Joaquin County Sheriff San Joaquin Shrine Club/Tulebug Parade Unit

SFPP, L.P./Kinder Morgan Soli-Bond Solutions and the Computer Recycling Project SOM North America George H. Speckman Farms ST Services State of California Fish & Game Stevedoring Services of America Stockton, City of Fire Arms Training Ctr. Stockton Civic Theatre **Stockton Police Officers** Association Stockton Professional **Firefighters** Stockton Transmodal, Inc. Sultech, Inc. Sunshine Cement, Inc. Superior Bulk Tesoro West Coast Company TransWorld Marine Supplies Transmarine Navigation Transhold Distribution & Warehouse Turner Photographics West Coast Warehousing **Westway Trading Corporation** Weyerhaeuser Company

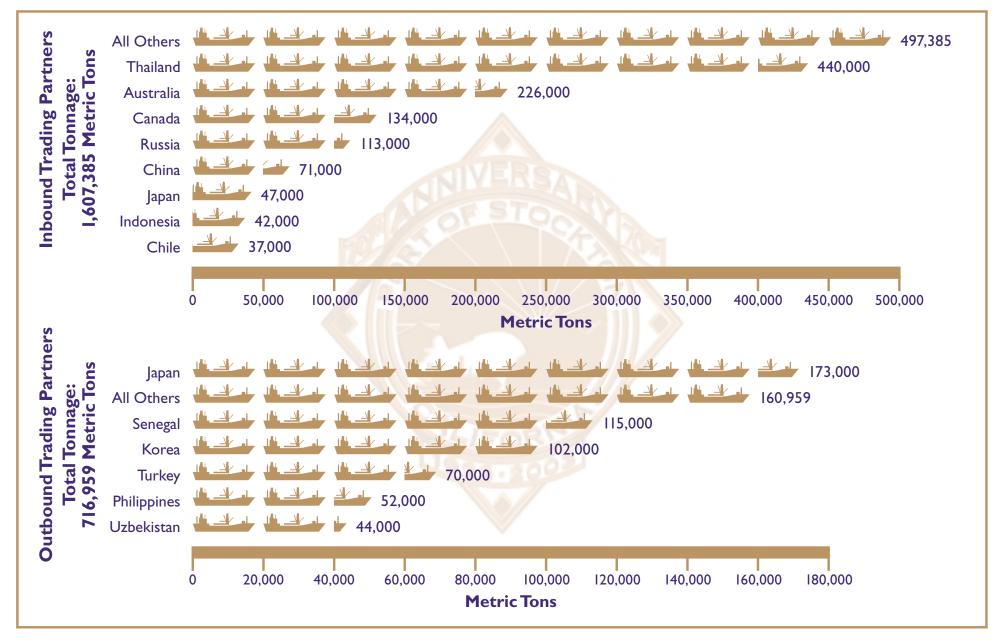






Kroll Properties

Inbound and Outbound Trading Partners





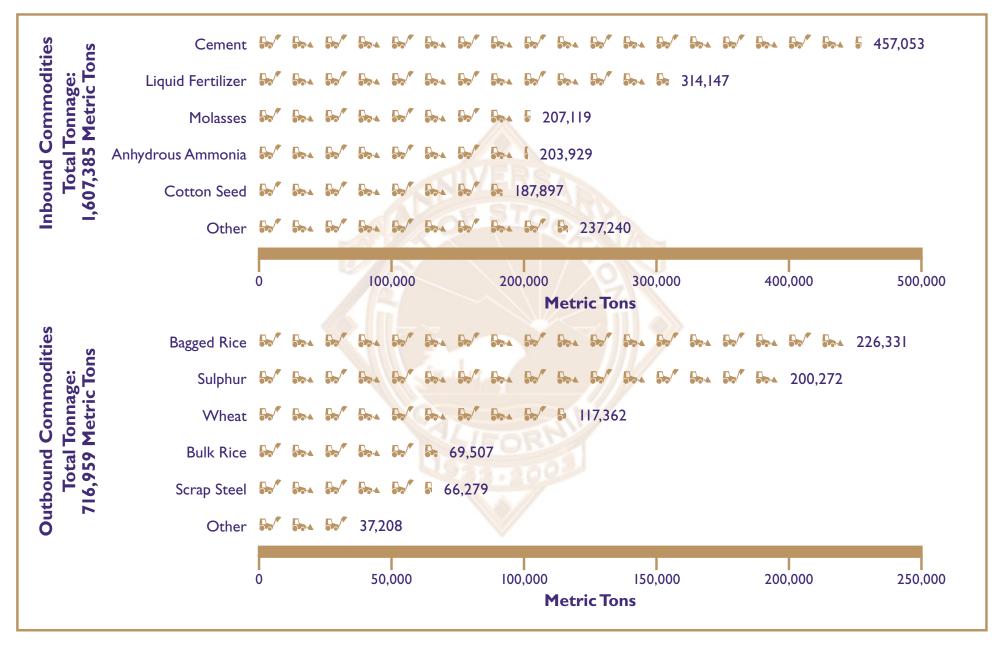








Inbound and Outbound Commodities





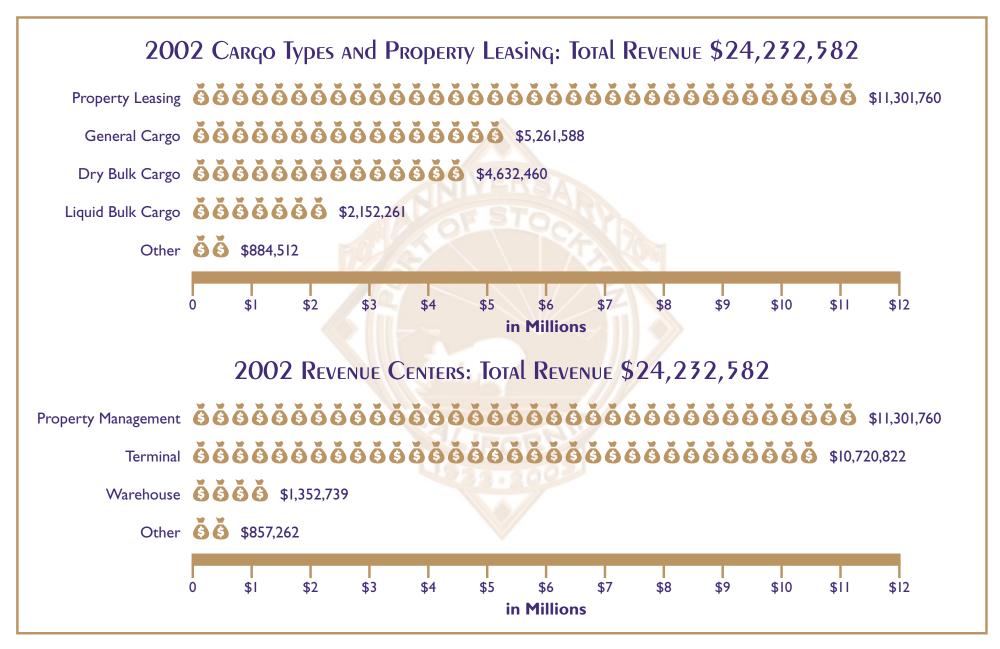








2002 REVENUE CHARTS









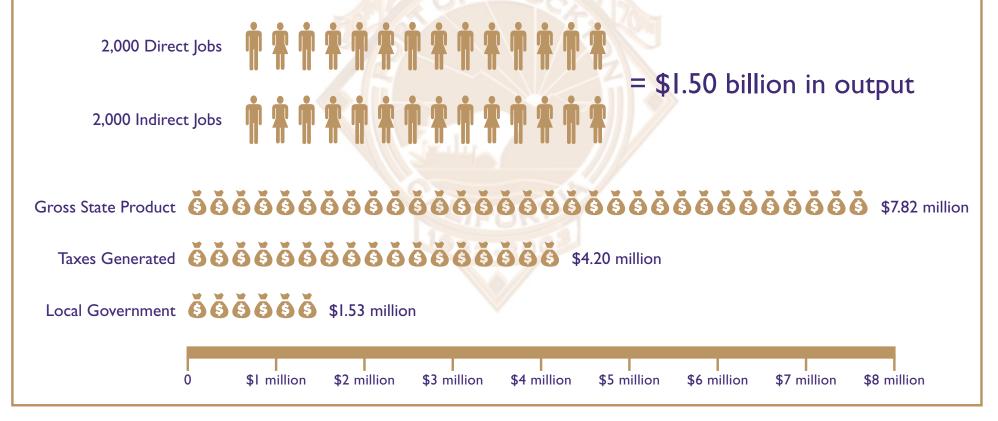




The Benefits of One Year of Operations at the Port of Stockton

In 2002, there were 4.80 million tons of goods that went through the Port of Stockton. The tonnage that the Port tenants and customers produced was the equivalent of the following:

- Four-thousand jobs: 2,000 Direct Jobs and 2,000 Indirect jobs.
- There was approximately \$1.50 billion in economic output as a result.
- The tonnage generated \$7.82 million in Gross State Product (GSP)
- There were \$4.20 million in taxes generated, of which \$1.53 million went to local government.









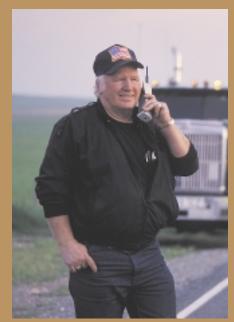














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