



STATE OF WASHINGTON

BOARD OF PILOTAGE COMMISSIONERS

Fall 2019

BPC Mission: to ensure against the loss of lives, loss of or damage to property and vessels, and to protect the marine environment by maintaining efficient and competent pilotage service on our State's inland waters.

THE BPC PILOTAGE QUARTERLY

Announcements

More Puget Sound Licensures!

We are excited to announce the licensures of three more pilots in the Puget Sound Pilotage District!

At the August 15, 2019 BPC meeting, Captain Pat Ninburg received Washington State Pilot License #205.



And...

at the September 19, 2019 BPC meeting, Captains Keith Kridler and David Melin received Washington State Pilot Licenses #206 and #207, respectively.

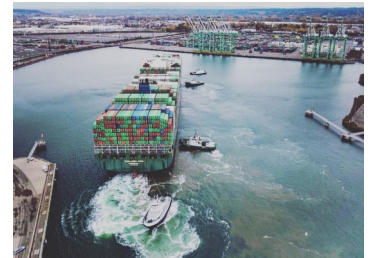


Congratulations on this achievement!

Puget Sound Pilots Named Evergreen's 2018 Marine Vendor of the Year

The Evergreen Shipping Agency (America) Corporation has awarded Puget Sound Pilots with their 2018 Marine Vendor of the Year award.

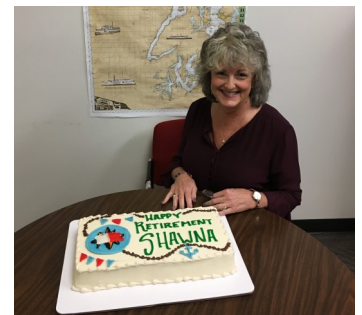
On December 19, 2018, Evergreen's THALASSA AXIA became the first 14k TEU call to the Port of Tacoma. In preparation, Puget Sound Pilots custom designed a training to simulate maneuvering a vessel this size to/from the end of the Blair Waterway and docking/undocking from the Pierce County Terminal through the Blair Waterway and to/from the berth.



Above: Jeffrey Chang, President of Evergreen Line, presents PSP President Captain Eric vonBrandenfels with the 2018 Marine Vendor of the Year award. Photo courtesy of Puget Sound Pilots. Below: Evergreen's 14k TEU THALASSA AXIA is the largest ship ever to call at the Port of Tacoma. Photo courtesy of the Port of Tacoma.

Farewell and Happy Retirement to BPC Program Specialist Shawna Erickson

BPC's Program Specialist, Shawna Erickson, attended her last Board meeting as staff on September 19, 2019. Shawna retired from the State as of October 1, 2019, after 10 years with the BPC. She will be missed but we thank her for her outstanding service and wish her all the best in her retirement!



A Sad Time for Pilotage

The BPC is sad to report that Puget Sound pilot and former Washington State Ferries captain Fred Engstrom passed away on July 15, 2019. Captain Engstrom received his state pilot license in November 2012. He was an excellent pilot and will be remembered for his infectious laugh and good nature. Our thoughts are with his family and friends.



BPC at the Port of Grays Harbor

The BPC continued the tradition of August meetings in Grays Harbor County. The Board met at the Port of Grays Harbor in Aberdeen for the August 15, 2019 meeting. The meeting was followed by a tour of Port operations, graciously conducted by Port of Grays Harbor Executive Director, Gary Nelson. Many thanks to the Port for a great day!



Port of Grays Harbor Staff, BPC Commissioners and Staff, and members of the public after a tour of the Port's marine terminals.

Women Offshore's UNITE Conference

BPC Chair Sheri Tonn, representing Washington pilotage, attended Women Offshore's 2nd annual UNITE conference, held in Houston, TX July 12-13. The conference drew maritime professionals from all over the world, including a panel of female pilots from several countries. The BPC attends several conferences focused on women in maritime each year.



A panel of maritime pilots from around the world. From left: Moderator Captain Bob Carr, San Francisco Bar Pilots, USA; Captain Josephine Clark, Port Authority of New South Wales, Australia; Captain Liz Marami, Kenya Ports Authority, Kenya; Captain Reshma Nilofer, Calcutta Hugli Pilots Guild, India; Captain Karen Nola, Sandy Hook Pilots, USA; and Captain Hanna Odengrund, Eastcoast Pilots, Swedish Maritime Administration, Sweden.

DISTRICT SNAPSHOTS



Puget Sound

Retirements:

Captain Dan Shaffer — 9/18/2019

Captain Dave Sanders — 9/30/2019

Thank you for your service to the State of Washington!

License Upgrades to Unlimited:

Captain Scott Coleman

Well done, Captain Coleman!

Licensure

Captain Patrick Ninburg — 8/15/2019

Captain David Melin — 9/19/2019

Captain Keith Kridler — 9/19/2019

Congratulations, Captains!

Training Program:

Currently in training are Captains Matt Miller, Trevor Bozina, Pete Velarde, Joe Siddell, Matt Hannuksela, Neil McGourty, Severin Knutsen, Eric Michael, and Ryan Gartner.

Captains Hannuksela, McGourty and Knutsen are transitioning to the Training Phase of their programs.

Keep up the great work!

At the July 18, 2019 meeting, the BPC increased the number of authorized pilot licenses in the PSPD from 52 to 56.

Grays Harbor



Training Program:

Captain Forest McMullen will begin training in the Grays Harbor Pilotage District in October 2019.

At the June 20, 2019 meeting, the BPC increased the number of authorized pilot licenses in the GHPD from 2 to 3.

The BPC Pilotage Quarterly is a publication of the Board of Pilotage Commissioners.

It is available online at Pilotage.wa.gov. To join our distribution list, email PilotageInfo@wsdot.wa.gov or call (206) 515-3904.

**State of Washington
Pilotage Commission
November 21, 2019**

Grays Harbor District Report

Arrivals YTD October 30, 2019 were 71 for a total of 192 jobs. Capt. D'Angelo had the duty in October. Capt. White will have the duty in November. We had 8 arrivals in October 2019 for 20 jobs. Our most recent forecast of 84 arrivals still looks very attainable. Our dry bulk shipments continue to remain strong. November vessel schedule is looking like 4 dry bulk and 2 roro.

Pilot Boat Chehalis

There are still a few items on the boat that need to be completed. We are working around the vessel schedule and winter weather to get these items wrapped up.

Inner Harbor Maintenance Dredging

The dredge moved down to the lower cross over around the first of October to avoid conflict with treaty fishing. It will continue working the lower cross over until late November then will move up stream to finish off the season.

Terminal Maintenance Dredging

Bid solicitation is currently out for 2020 terminal dredging operations. Tentative schedule is to have first round of dredging completed by February 14, 2020 and the second round of dredging completed by October 31, 2020.

Business Development

Export Potash Facility. BHP's Grays Harbor Potash Export Facility site: www.bhp.com/pghpotashexport

The public hearing on the Shoreline Permit was held on Oct. 24. There was a good turnout and the general sentiment was positive. BHP submitted most of its post-hearing brief to the City on Tuesday, November 12th. But, both BHP and the Quinault Indian Nation requested the record be held open until November 19th as BHP and the QIN tentatively reached an agreement for the tribal council's consideration and approval on Monday (11/18). The agreement includes additional mitigation that will be submitted for the record. BHP will be posting the materials submitted earlier this week to their website for public review. The Hearings Examiner expects to issue a decision by December 15th.



Port of Grays Harbor

On Washington's Pacific Coast

Press Release:

October 16, 2019

Contact: Kayla Dunlap, Public Affairs Manager

kdunlap@portgrays.org or 360-533-9590

For Immediate Release

Nelson begins one-year term as Chairman of American Association of Port Authorities

Norfolk, VA – Port of Grays Harbor Executive Director Gary Nelson officially began his role as the American Association of Port Authorities (AAPA) Chairman of the Board on the final day of AAPA's 108th Annual Convention in Norfolk, VA. AAPA, the unified and recognized voice of seaports throughout the Americas, represents more than 130 public port authorities in the U.S., Canada, the Caribbean and Latin America.

"Trade, transportation and infrastructure unite our industry and the communities we serve. I look forward to working with AAPA's membership and staff to bring awareness to our vital industry and help advance the important issues we face today," shared Executive Director Gary Nelson.

Mr. Nelson joined the Port of Grays Harbor in April 2000, bringing with him a strong background of private sector management, particularly in trading wood products throughout the Pacific Rim. Since joining the Port, Mr. Nelson has worked with port customers, staff, state and federal agencies and the local community to position Grays Harbor as a major hub for international trade and economic development. During his tenure, the Port of Grays Harbor has experienced exponential growth in cargo shipments, private investments and business activity.

"We applaud Gary's commitment to serving the entire port industry and are confident he will be an asset to AAPA and its members over the next year," stated Port Commission President Stan Pinnick.

“As AAPA’s chairman for the 2019-20 activity year, Gary Nelson brings a unique and valuable perspective to the role. Gary’s a seasoned port administrator with an excellent management background in the private sector and proven abilities in the international trade arena. I’m excited to work with Gary in this next chapter of the association as we demonstrate to the public and policymakers the enormous economic impact of the port industry throughout the Western Hemisphere,” said Chris Conner, AAPA’s President and Chief Executive Officer.

Mr. Nelson will serve as AAPA’s Chairman for a one-year term. He also chairs the association’s U.S. delegation.

Founded in 1911, the Port of Grays Harbor is one of Washington State’s oldest port districts and Washington’s only deep-water port located directly on the Pacific Ocean. The Port of Grays Harbor operates 4 deep-water marine terminals, the Westport Marina, Bowerman Airport, Grays Harbor ship assist services, numerous public waterfront access facilities, in addition to industrial and business parks throughout the County. The addition of Satsop Business Park increased the Port’s properties to more than 1,000 acres of industrial properties and an additional 1,200 acres of sustainably managed forestland. Strategically located midway between Seattle and Portland and less than 1 ½ hours from open sea, the Port of Grays Harbor provides businesses a diverse portfolio of facilities. More information on the Port of Grays Harbor’s facilities and operations is available at portofgraysharbor.com or satsop.com.



Outgoing AAPA Chairman Will Friedman passes the gavel to Port of Grays Harbor Executive Director Gary Nelson to begin his term as AAPA’s Chairman of the Board for the 2019-2020 activity year.

Parsing the August 2019 TEU Numbers

Please note: The numbers here are not derived from forecasting algorithms or the partial information available from U.S. Customs and Border Protection but instead represent the actual TEU counts as reported by the major North American seaports we survey each month. The U.S. mainland ports we monitor collectively handle over 90% of the container movements at continental U.S. ports. Unless otherwise stated, the numbers in this portion of our analysis do not include empty containers.

Import Traffic

An early peak importing season definitely failed to materialize in August at Southern California’s maritime gateway. While the Port of Los Angeles posted a respectable 4.1% (+17,040 TEUs) increase over August of last year, that gain was more than offset by a 5.9% (-20,249 TEUs) drop at the Port of Long Beach. Together, the two ports – which constitute the nation’s busiest maritime gateway – saw the volume of inbound loaded TEUs slip by 0.4% (-3,209 TEUs) from the previous August.

The Port of Oakland fared better with a 3.7% (+3,157 TEUs) increase in inbound loads. The numbers from the Northwest Seaport Alliance Ports of Tacoma and Seattle were not so good, as import loads declined by 2.6% (-3,050 TEUs) from last August.

Collectively, inbound loads through the five major USWC ports were down 0.3% (-3,102 TEUs) from August 2018.

Exhibit 1	August 2019 - Inbound Loaded TEUs at Selected Ports					
	Aug 2019	Aug 2018	% Change	Aug 2019 YTD	Aug 2018 YTD	% Change
Los Angeles	437,613	420,573	4.1%	3,174,317	3,078,779	3.1%
Long Beach	322,780	343,029	-5.9%	2,449,939	2,683,019	-8.7%
San Pedro Bay Totals	760,393	763,602	-0.4%	5,624,256	5,761,798	-2.4%
Oakland	88,323	85,166	3.7%	653,066	629,612	3.7%
NWSA	112,267	115,317	-2.6%	927,530	911,771	1.7%
USWC Totals	960,983	964,085	-0.3%	7,204,852	7,303,181	-1.3%
Boston	14,047	13,853	1.4%	99,959	96,233	3.9%
NYNJ	342,541	333,567	2.7%	2,525,575	2,413,224	4.7%
Maryland	44,878	44,141	1.7%	354,706	342,006	3.7%
Virginia	121,542	117,042	3.8%	920,478	866,969	6.2%
South Carolina	103,221	90,569	14.0%	716,337	664,133	7.9%
Georgia	217,017	182,883	18.7%	1,489,719	1,356,241	9.8%
Jaxport	30,484	28,519	6.9%	239,791	208,034	15.3%
Port Everglades	24,407	31,408	-22.3%	282,201	302,207	-6.6%
Miami	37,787	38,335	-1.4%	291,117	276,330	5.4%
USEC Totals	935,924	880,317	6.3%	6,919,883	6,525,377	6.0%
New Orleans	11,906	11,057	7.7%	92,354	83,332	10.8%
Houston	110,318	105,937	4.1%	826,167	766,140	7.8%
USGC Totals	122,224	116,994	4.5%	918,521	849,472	8.1%
Vancouver	145,819	135,398	7.7%	1,152,494	1,132,894	1.7%
Prince Rupert	71,453	38,355	86.3%	437,108	364,037	20.1%
BC Totals	217,272	173,753	25.0%	1,589,602	1,496,931	6.2%
US/BC Totals	2,236,403	2,135,149	4.7%	16,632,858	16,174,961	2.8%
US Total	2,019,131	1,961,396	2.9%	15,043,256	14,678,030	2.5%
USWC/BC	1,178,255	1,137,838	3.6%	8,794,454	8,800,112	-0.1%

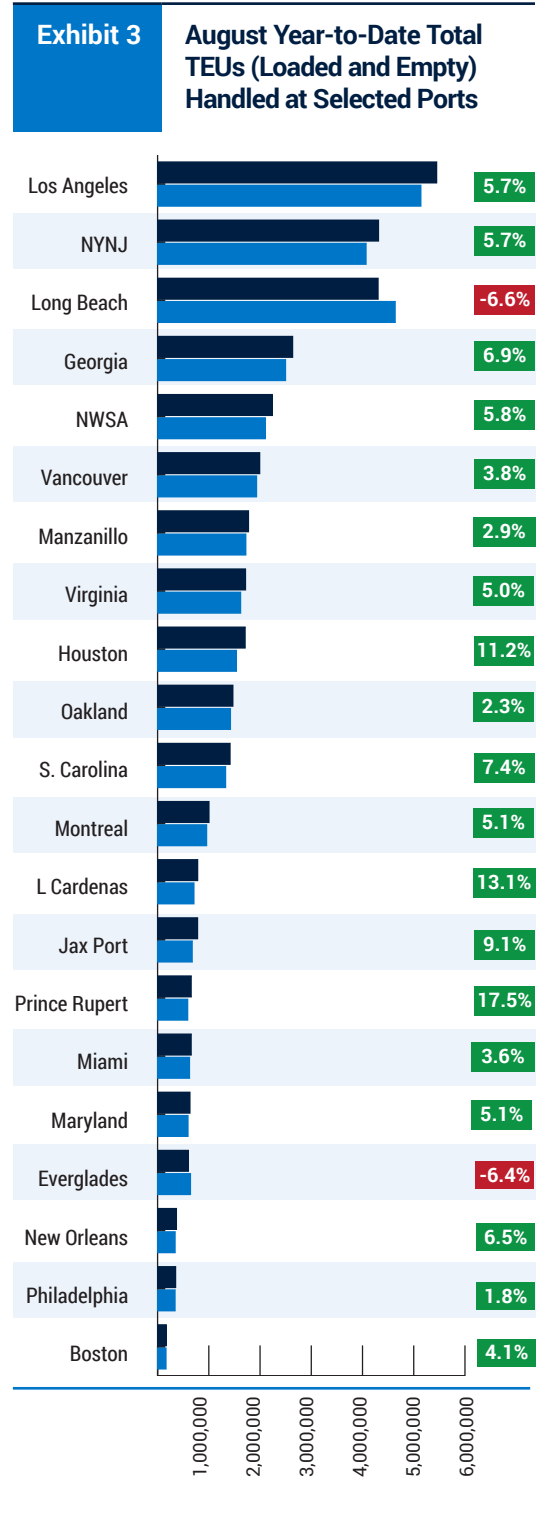
Source Individual Ports



Parsing the August 2019 Loaded TEU Numbers Continued

	August 2019 - Outbound Loaded TEUs at Selected Ports			August Year-to-Date Total TEUs (Loaded and Empty) Handled at Selected Ports		
	Aug 2019	Aug 2018	% Change	Aug 2019 YTD	Aug 2018 YTD	% Change
Los Angeles	146,284	162,466	-10.0%	1,216,304	1,282,739	-5.2%
Long Beach	124,975	119,546	4.5%	968,852	1,052,510	-7.9%
San Pedro Bay Totals	271,259	282,012	-3.8%	2,185,156	2,335,249	-6.4%
Oakland	75,080	74,173	1.2%	615,145	596,185	3.2%
NWSA	74,852	74,158	0.9%	602,408	621,966	-3.1%
USWC Totals	421,191	430,343	-2.1%	3,402,709	3,553,400	-4.2%
Boston	8,220	6,160	33.4%	54,837	54,293	1.0%
NYNJ	127,237	125,115	1.7%	986,770	997,945	-1.1%
Maryland	19,924	18,715	6.5%	154,392	156,169	-1.1%
Virginia	80,655	83,512	-3.4%	655,460	675,415	-3.0%
South Carolina	73,927	66,739	10.8%	560,782	561,438	-0.1%
Georgia	125,558	121,582	3.3%	1,003,980	1,003,935	0.0%
Jaxport	42,934	44,117	-2.7%	332,578	324,149	2.6%
Port Everglades	37,602	38,354	-2.0%	282,201	302,207	-6.6%
Miami	32,980	37,214	-11.4%	274,187	269,187	1.9%
USEC Totals	970,228	971,851	-0.2%	4,305,187	4,344,738	-0.9%
New Orleans	26,034	26,013	0.1%	199,783	195,785	2.0%
Houston	109,388	89,345	22.4%	836,350	719,868	16.2%
USGC Totals	135,422	115,358	17.4%	1,036,133	915,653	13.2%
Vancouver	93,232	87,210	6.9%	766,821	730,424	5.0%
Prince Rupert	15,144	14,257	6.2%	132,187	138,211	-4.4%
British Columbia Totals	108,376	101,467	6.8%	899,008	868,635	3.5%
US/Canada Total	1,635,217	1,619,019	1.0%	9,643,037	9,682,426	-0.4%
US Total	1,526,841	1,517,552	0.6%	8,744,029	8,813,791	-0.8%
USWC/BC	529,567	531,810	-0.4%	4,301,717	4,422,035	-2.7%

Source: Individual Ports



■ 2019 YTD
■ 2018 YTD

Source: Individual Ports



Parsing the August 2019 Loaded TEU Numbers [Continued](#)

The USWC numbers pale in contrast to ports elsewhere in the country. On the East Coast, Savannah recorded an 18.7% (+34,134 TEUs) jump, while Charleston saw a 14.0% (+12,652 TEUs) gain. The Port of New York/New Jersey enjoyed a 2.7% (+8,974 TEUs) increase in inbound loads. Altogether, the nine U.S. East Coast ports we track boosted their inbound trades by 6.3% (+55,607 TEUs) over last August. The two Gulf Coast ports we monitor saw a combined 4.5% (+5,230 TEUs) increase year-over-year.

The two British Columbia ports we track posted dramatically higher numbers for August, with the relentlessly expanding capacity of Prince Rupert driving its import volume up by 86.3% (+43,519 TEUs) over the same month a year earlier (which, admittedly, was not one of the port's best months for imports). Vancouver, meanwhile, posted a respectable 7.7% increase (+33,098 TEUs).

The seven major Pacific Coast ports in Canada and the U.S. therefore saw a 3.6% (+40,417 TEUs) rise in import loads as the USWC ports' share of the Left Coast containerized import trade dropped to 81.6% from 84.7% a year earlier.

Focusing now just on the sixteen mainland U.S. ports we track, import loads in August totaled 2,019,131 TEUs, an increase of 2.9% (+57,735 TEUs) from the same month in 2018. The Big Five USWC ports accounted for 960,983 loaded import TEUs for a 47.6% share, down from their 49.2% share in August of last year.

Export Traffic

Outbound container traffic was predictably down in August. At the two San Pedro Bay ports, 10,753 fewer loaded TEUs (-3.8%) sailed abroad than in the same month a year earlier. Other USWC ports fared better, however. At Oakland, outbound loads edged up by 1.2% (+907 TEUs), while the NWSA ports saw their outbound volumes rise by 0.9% (+694 TEUs). Overall, the Big Five USWC ports reported a 2.1% (-9,152 TEUs) decline in outbound loads from last August.

Outbound trades were mixed among the USEC ports we

track. Charleston posted a 10.8% (+7,188) jump, and Baltimore and Savannah enjoyed upswings in export loads, but Virginia and the three Florida ports saw smaller totals than they reported a year earlier. PNYNJ was up 1.7% (+2,122 TEUs). Overall, however, the nine USEC ports we track saw outbound load numbers slip by 0.2% (-1,623 TEUs) from last August.

Along the Gulf Coast, Houston's outbound box trade soared by 22.4% (+20,043), but New Orleans managed just a 0.1% (21 TEUs) increase. Still, the two posted a combined gain of 17.4% (+20,064) TEUs over last August.

The two British Columbia ports recorded nearly uniform rates of growth. At Prince Rupert, outbound loads rose by 6.2% (+887 TEUs), while Vancouver posted a 6.9% (+6,022 TEUs) bump. Combined, the two gateways posted a 6.8% (+6,909 TEUs) year-over-year export gain in August.

Looking solely at the sixteen U.S. mainland ports that we monitor, August's container export trade inched up by 0.6% (+9,289 TEUs) from a year earlier. The Big Five USWC ports in August accounted for a 27.6% share of all loaded outbound TEUs shipped out of U.S. mainland ports, down from a 28.4% share a year earlier.

Focusing now on outbound loads from the seven major container ports on the Pacific Coast in the U.S. and Canada, export traffic slipped by 0.4% (-2,243 TEUs) from last August. The USWC share of the binational Pacific Coast container export trade in August amounted to 79.5%, down from 80.9% a year ago.

Totals to date. The 11,283,281 loaded and empty TEUs the two San Pedro Bay ports handled in this year's first eight months was down 0.1% (-6,991 TEUs) from last year at this point. As a result, their collective share of total container traffic through the sixteen mainland U.S. ports we survey declined to 33.9% from 35.1% at this juncture in 2018.

Weights and Values. Although the TEU is the preferred unit of measurement in the container trade, we present two alternative metrics – the declared weight and value of the goods contained in those TEUs – in hopes of further illuminating recent trends in the container trade along the USWC.



Parsing the August 2019 Loaded TEU Numbers *Continued*

Exhibit 4 USWC Port Regions' Shares of U.S. Mainland Ports Worldwide Container Trade, August 2019

	Aug 2019	Jul 2019	Aug 2018
Shares of U.S. Mainland Ports Worldwide Containerized Import Tonnage			
LA/LB	27.3%	28.1%	29.0%
Oakland	4.3%	4.1%	3.9%
NWSA	5.4%	5.2%	5.3%
Shares of U.S. Mainland Ports Worldwide Containerized Import Value			
LA/LB	27.3%	28.1%	29.0%
Oakland	4.3%	4.1%	3.9%
NWSA	5.4%	5.2%	5.3%
Shares of U.S. Mainland Worldwide Containerized Export Tonnage			
LA/LB	27.3%	28.1%	29.0%
Oakland	4.3%	4.1%	3.9%
NWSA	5.4%	5.2%	5.3%
Shares of U.S. Mainland Worldwide Containerized Export Value			
LA/LB	20.2%	20.5%	21.8%
Oakland	6.1%	6.2%	5.4%
NWSA	4.6%	4.4%	4.7%

Source: U.S. Commerce Department.

Exhibit 4: USWC Ports and the Worldwide Container Trade. Exhibit 4 documents the steady decline in the volume of containerized imports at USWC ports. The two San Pedro Bay ports saw their combined share of containerized import tonnage through mainland U.S. ports slip in August to 27.3% from 29.0% a year earlier. The two experienced a parallel drop in the declared value of containerized imports to 34.6% from 37.1% last August. Oakland and the NWSA ports fared better by increasing their import weight and value shares.

On the export side, the Southern California ports continued to lose market share, whether measured in tonnage or dollar value. Oakland's shares grew in both

Exhibit 5 USWC Port Regions' Shares of U.S. Mainland-East Asia Container Trade, August 2019

	Aug 2019	Jul 2019	Aug 2018
Shares of U.S. Mainland Ports' East Asian Container Import Tonnage			
LA/LB	42.5%	44.8%	44.7%
Oakland	4.5%	4.5%	4.3%
NWSA	7.6%	7.6%	7.7%
Shares of U.S. Mainland Ports' East Asian Container Import Value			
LA/LB	49.7%	52.5%	53.1%
Oakland	4.4%	4.1%	3.9%
NWSA	10.3%	9.8%	10.1%
Shares of U.S. Mainland Ports' East Asian Container Export Tonnage			
LA/LB	36.1%	35.7%	37.2%
Oakland	9.0%	9.2%	8.6%
NWSA	14.0%	13.2%	14.0%
Shares of U.S. Mainland Ports' East Asian Container Export Value			
LA/LB	41.7%	41.4%	45.4%
Oakland	10.8%	11.1%	10.1%
NWSA	9.7%	9.1%	9.3%

Source: U.S. Commerce Department.

weight and value terms, while the NWSA ports' export shares trended downward in both measures.

Exhibit 5: USWC Ports and the East Asia Trade. Turning now to the August figures on containerized imports arriving at U.S. mainland ports from East Asia, the Ports of Los Angeles and Long Beach saw their combined share of import tonnage continue to edge lower to 42.5% from 44.7%, while their collective share of import value declined to 49.7 from 53.1%. Elsewhere along the coast, Oakland improved its East Asia import tonnage and value shares, while the NWSA ports saw a drop in their tonnage share but an increase in their value share.



Parsing the August 2019 Loaded TEU Numbers [Continued](#)

On the export side, San Pedro Bay's share of containerized exports to East Asia slid to 36.1% from 37.2%, while their combined share of the value of those containerized imports shrank to 41.7% from 45.4%. Oakland's numbers improved. The NWSA ports held their tonnage share while improving their value share.

Who's #2?

The Port of New York and New Jersey appears to have consolidated its position as the nation's second busiest container port. Its YTD tally of loaded and empty boxes through August came to 4,995,420 TEUs, some 24,013 TEUs more than the 4,971,407 TEUs handled at Long Beach. Neither port is close to toppling the Port of Los Angeles from its status as the nation's busiest container port, which handled 6,311,873 total TEUs through the year's first eight months.

What's this we're hearing about soybeans?

Apparently, there was a trade accord reached earlier this month with China that, at least according to the White House, involves a Chinese commitment to significantly increase their imports of American agricultural goods, most notably soybeans and pork. The exact terms of the agreement remain elusive. President Trump seems to believe that China has promised to import \$40-\$50 billion from American farmers and ranchers in the next couple of years. The Chinese said they would let market demand and prices determine their level of purchases. What seems likely, therefore, is that any new Chinese food orders are likely to fall short of the volumes of agricultural exports seen before President Trump started to wage a tariff war with Beijing. Adding to the misapprehensions of certain pundits is the widespread assumption that, when China responded to U.S. tariffs last year by raising tariffs on U.S. soybeans, the trade collapsed entirely, prompting the administration to pump about \$28 billion in subsidies to growers. In reality, though, the China trade did not entirely dry up. Even though no U.S. soybeans were shipped to China in September and November last year, exports have been piling up this year. Indeed, through August, 12,982,448 metric tons of soybeans have been exported to China. The Port of Kalama handled 21.1% of

that volume, while the NWSA Ports of Tacoma and Seattle handled another 14.1%. The Washington State Port of Vancouver had a 6.8% share of the trade, while the nearby Port of Longview had a 5.1% share.

The Portlands

Oregon's once vibrant container port on the Columbia and Willamette Rivers has seen better days. In 2003, the Port of Portland handled 339,571 TEUs. Last year, its box trade amounted to 1,104 TEUs. Through August of this year, that number is down to 26 TEUs. Meanwhile, across the country in the other Portland (the one for whom the Oregon town was named), the Maine International Marine Terminal processed 22,325 TEUs last year and is on track to handle nearly 30,000 TEUs this year. That's what happens when you're in a place where the politics are more congenial...and the seafood is fresher.

First Glimpse at September's Numbers

The Port of Los Angeles was first to post September box counts, and the results were uninspiring. America's premier maritime gateway saw a 2.9% fall-off in inbound loads and an 11.0% drop in outbound loads. Including empties, total container traffic at the port was down 2.7% from a year earlier. Long Beach actually fared somewhat better, with import loads off by just 0.7% (-2,382 TEUs) in September. Together, the San Pedro Bay ports handled 14,393 fewer loaded inbound TEUs (-1.9%) than they had in the same month a year earlier. On the export side, outbound loads from the two ports were down 5.4% (-14,577 TEUs) from last September.

The Port of Oakland also stumbled in September. Import loads were down 0.9% from a year earlier, while export loads fell by 3.0%. Owing to sharper declines in empties moving through the port, total TEU traffic fell by 10.7%.

Further up the coast at the Northwest Seaport Alliance, container volumes turned south. Import loads were down 12.9% from last September, while export loads were off by 7.1%.

Collectively, the five major USWC ports reported a 3.2% decline in import loads and a 5.1% dip in outbound loads compared with September of last year.

Jock O'Connell's Commentary: Betrayed by the Census Bureau

This commentary might conceivably have taken the form of one of those Dear Diary entries in which the aggrieved party lays out just how badly he or she was betrayed by someone they had come to trust implicitly.

Now I appreciate the story of disappointment I'm about to relate is not in the same category as that time Santa failed to leave a Lionel electric train set under the Christmas tree despite a firm promise made just days earlier at the Porteous, Mitchell and Braun department store. But it still hurts deeply when an institution I had long held to be the gold standard of reliability and accuracy has let me down in a mighty big way.

My saga of woe began this past March 27 when the U.S. Census Bureau's Foreign Trade Division, the collector, disseminator, and overall minder of the nation's official international trade statistics, released data for the month of January. After surveying the national figures and the numbers for California, I turned to the data on maritime trade.

And there, Dear Diary, I spied a number so egregiously out-of-place that I choked on my double espresso.

Specifically, what I found was that the Ports of Los Angeles and Long Beach had in January reportedly received shipment of containers bearing 1,446,444 metric tons of a commodity opaquely described as "Articles of Natural or Cultivated Pearls, Precious/Semiprecious Stones" or HS Code 7116.

Was this worth crying over spilled coffee? Darn right! For one thing, it was the single heaviest containerized import commodity the two ports handled in January, alone accounting for 38.1% of all containerized import tonnage through San Pedro Bay that month. Second, it was an import trade through the two ports that normally amounted to no more than two or three hundred kilos per month. In fact, January's tonnage was roughly seven times greater than the combined weight of all imports of HS 7116 from China through both ports over the previous ten years. Third, the corresponding import value was consistent with the values declared in more normal months.

What was going on?

Now it might seem that the most likely possibility was the sort of fat-finger error you or I might make. Someone at Census had evidently mistyped the numbers and produced this astonishing anomaly. Adding to this likelihood was that the apparent error came during a period in which the Census Bureau, along with much of the Federal government, was trying to get back up to speed after having been shut down for 35 days. Doubtless in the haste to catch up – this was the second trade data release of the month – a human had erred.

But Census isn't human. It's a statistical machine of enormous complexity and grave responsibility. Its numbers are closely watched by armies of analysts and investors. Billions or even trillions of dollars move based on the figures Census reports. For that reason, it has computer safeguards, programs that scour the numbers and red-flag anomalies much less gross than this one for human review. Perhaps the programs worked, but the humans were too busy to notice. Whatever the cause, the outsized import figure was distressing.

I quickly caused this matter to be brought to the attention of the relevant folks at the Census Bureau's Foreign Trade Division and was duly informed that an individual had been assigned to investigate the matter. "Your request was assigned control number 3197. The results of said inquiry should be passed along within 60 days."

The clock began to tick, but the pages of the calendar did not exactly fly by. Time slowed. I waited and pondered the issue. Impatient brooding led to speculation, which in turn gave rise to conspiracy mongering. Being of a mind to occasionally reject Ockham's razor, I weighed other reasons why 1,446,444 metric tons of Chinese baubles might have turned up on the shores of San Pedro Bay in January. To be sure, as William of Ockham wrote back in the 14th century, "entia non sunt multiplicanda praeter necessitate", but isn't it more fun to look for the more devilishly complicated answer? Think Rube Goldberg. Could outright chicanery be involved?

In the fullness of time, Census did cough up a concession of error but no explanation. Nor did it indicate how extensive the correction might be. The erroneous data would



Commentary Continued

be amended at an appropriate juncture in the future, I was advised. Nothing more to see here. Please move on.

But hold on. Let's not walk away.

The error wasn't confined to LA and Long Beach. The January numbers from Census showed that the Ports of New York/New Jersey, Seattle, Tacoma, Charleston, Houston, and even Boston all saw very sizable jumps that month in imports of HS 7116 from China. Nationally, some 1,888,815 metric tons of these gems reportedly arrived from China in that single month, up from a grand total of just 22,541 metric tons that China had exported to the U.S. over the entire preceding decade.

To a trade economist and, presumably, to maritime industry officials, this is alarming fumble. This one anomaly at Census significantly threw off the official U.S. data for containerized imports from China in January. Even worse, the reluctance of Census bureaucrats to promptly amend the statistics has skewed the YTD numbers, at least through August. In tonnage terms, we have officially imported a great deal more from China so far this year than we really did. Amidst a mutually enervating trade war between the U.S. and China, the policymaking implications of continuing to publish bogus import statistics cannot be cavalierly swept under a bureaucratic rug.

I calculate that, nationally, Census likely overstated containerized imports from China in January by approximately 1,888,306 metric tons -- the difference between the volume of HS 7116 imports reported in that month and the more typical 509 metric tons imported during the preceding January. This would have the effect of lowering the volume of all January containerized imports from China to 5,511,447 metric tons from the officially reported 7,399,752 metric tons or by 25.5%.

Exhibit A displays the national variance between what Census reported and what would

Exhibit A

U.S. Containerized Import Tonnage from China Under Trump

Source: U.S. Census Bureau, Foreign Trade Division

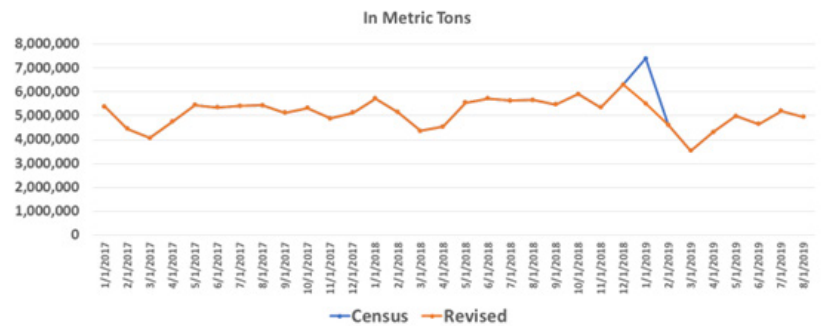
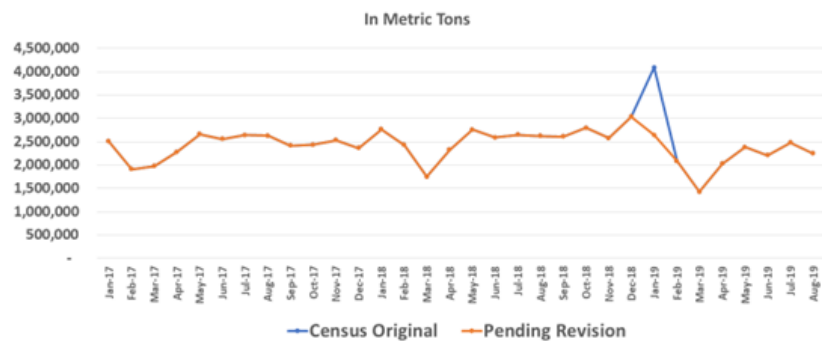


Exhibit B

Containerized Import Tonnage from China via San Pedro Bay Ports Under Trump

Source: U.S. Census Bureau, Foreign Trade Division

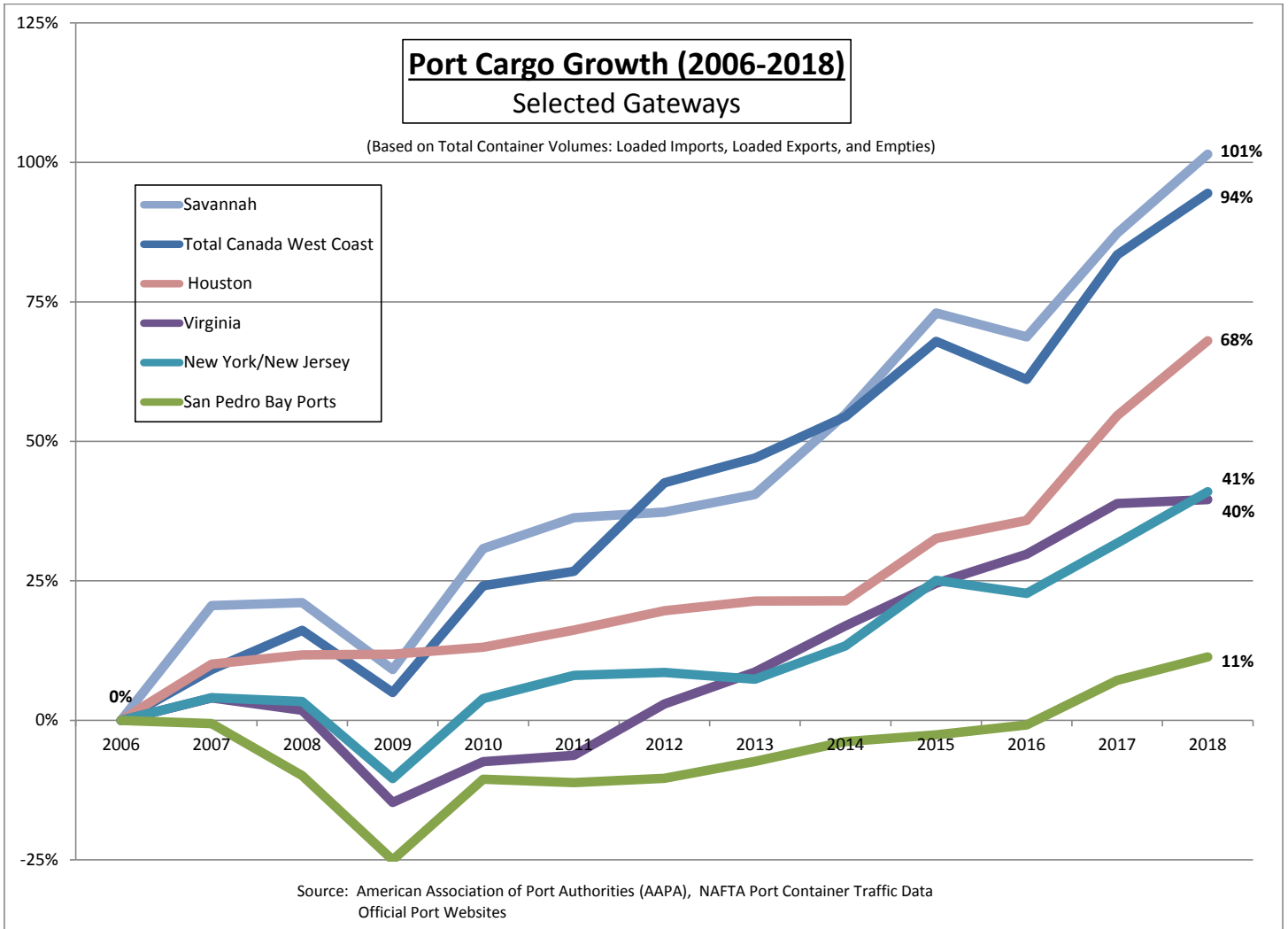


have been the expected volume of HS 7116 imports from China based on historical norms.

And because the San Pedro Bay ports accounted for 76.6% of the alleged imports, the skewing of their trade numbers was even more extreme. As **Exhibit B** shows, Census may ultimately have to lower the volume of containerized import tonnage from China through the two ports in January by as much as 35.3%, to 2,645,861 metric tons from the originally reported 4,092,104 metric tons.

Someone has some explaining to do.

Disclaimer: The views expressed in Jock's commentaries are his own and may not reflect the positions of the Pacific Merchant Shipping Association.



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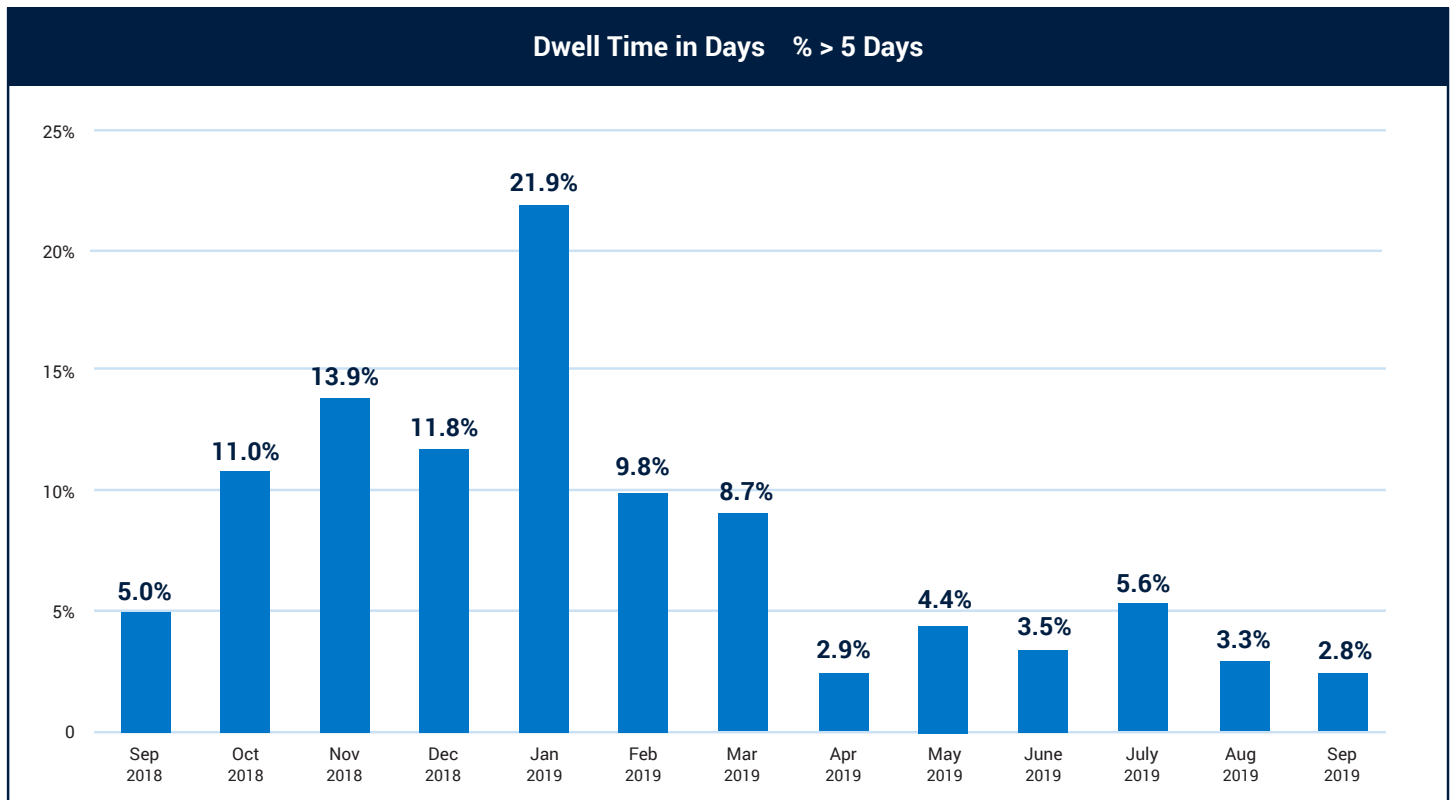
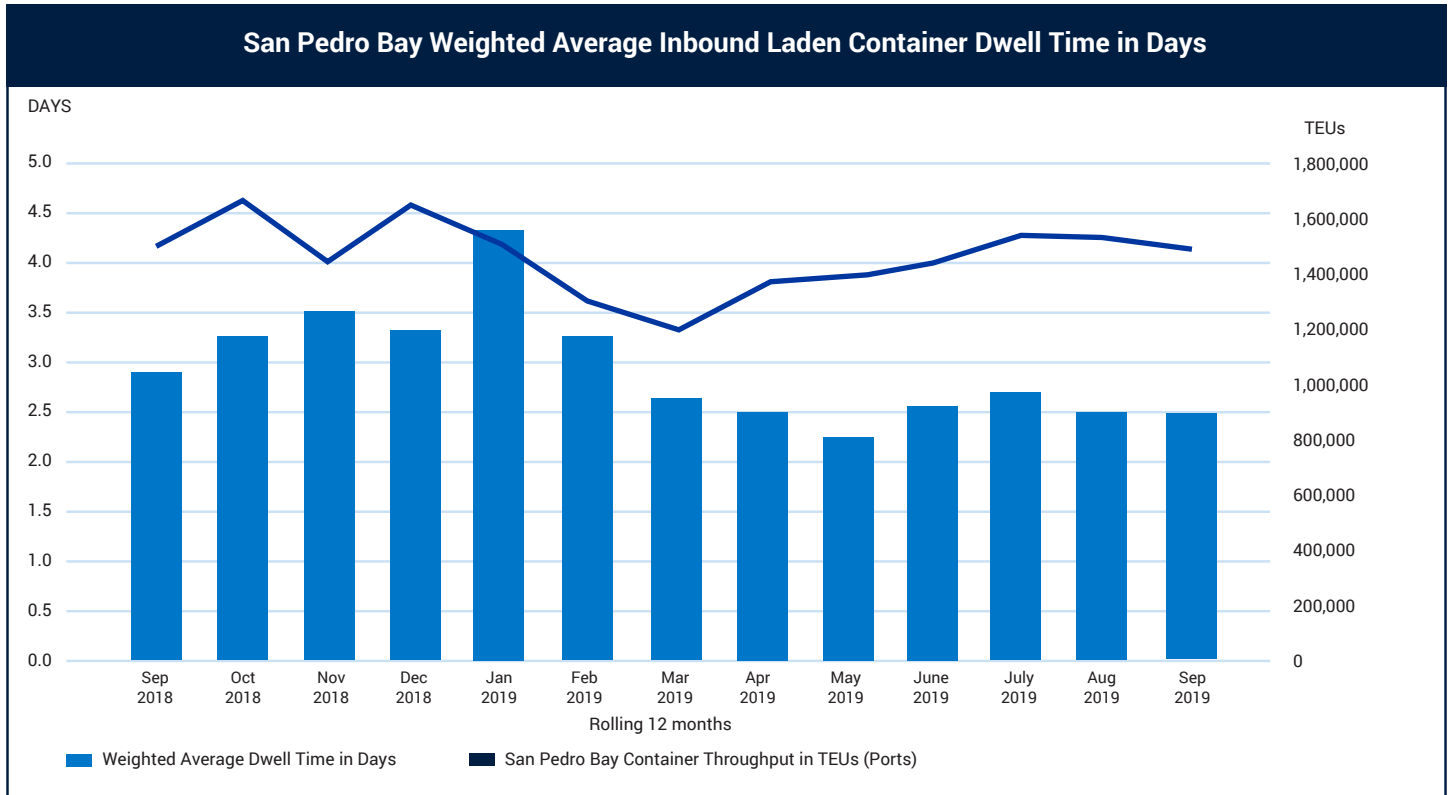
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September Dwell Time Numbers Are Down



PUGET SOUND PILOTAGE DISTRICT ACTIVITY REPORT

Sep-2019

The Board of Pilotage Commissioners (BPC) requests the following information be provided to the BPC staff **no later than two working days prior to a BPC meeting** to give Commissioners ample time to review and prepare possible questions regarding the information provided.

Activity									
Total pilotage assignments:	577	Cancellations:	11						
Total ship moves:	566	Cont'r:	199	Tanker:	151	Genl/Bulk:	71	Other:	145
Assignments delayed due to unavailable rested pilot:	9	Total delay time:		39.75					
2 pilot jobs:	36	Reason: PSP GUIDELINES FOR RESTRICTED WATERWAYS							
Day of week & date of highest number of assignments:	FRI 9/20			30					
Day of week & date of lowest number of assignments:	MON 9/16			5					
Total number of pilot repositions:	146								

Comp Days							
Beg Total -	3467	Call Backs (+)	120	Used (-)	93	Ending total	3494

Pilots Out of Regular Dispatch Rotation (pilot not available for dispatch during "regular" rotation)

A. Training & Continuing Education Programs

Start Dt	End Dt	City	Facility	Program Description	Pilot Attendees
13-Sep	23-Sep	Port Revel	Pt. Revel	Manned Model ship handling	MCG, SEA
27-Sep	30-Sep	Port Revel	Pt. Revel	Manned Model ship handling	NIN

B. Board, Committee & Key Government Meetings (BPC, PSP, USCG, USACE, Port & similar)

Start Dt	End Dt	City	Group	Meeting Description	Pilot Attendees
3-Sep	3-Sep	Seattle	PSP	President	CAI
3-Sep	3-Sep	Seattle	PSP	UTC	CAI, KLA, MOT
4-Sep	8-Sep	Seattle	PSP	President	CAI
5-Sep	5-Sep	Bellingham	PSP	AMSC (USCG)	NEW
9-Sep	9-Sep	Seattle	PSP	UTC	CAI, COL, KLA, MOT
10-Sep	13-Sep	Seattle	PSP	UTC	CAI
16-Sep	16-Sep	Seattle	PSP	Tug Boat Meeting	BEN, BOU, HAR
17-Sep	17-Sep	Seattle	PSP	General Membership	COL
17-Sep	17-Sep	Seattle	PSP	BOD	CAI, COL, KLA, KLA, NEW, SEM

18-Sep	19-Sep	Seattle	PSP	UTC	CAI
18-Sep	18-Sep	Seattle	BPC	TEC	ANT, MAY, SCR
19-Sep	19-Sep	Seattle	BPC	BPC	ANT, CAI, SCR
20-Sep	20-Sep	Seattle	PSP	Tug Boat Meeting	BOU, HAR
21-Sep	22-Sep	Seattle	PSP	President	CAI
24-Sep	24-Sep	Lacy	PSP	UTC	CAI, COL, KLA, MOT
25-Sep	25-Sep	Seattle	PSP	UTC	CAI
26-Sep	28-Sep	Seattle	PSP	President	CAI
26-Sep	26-Sep	Seattle	PSP	Trainee Orientation	ANT, SCR
27-Sep	28-Sep	Seattle	PSP	President	CAI
30-Sep	30-Sep	Seattle	PSP	President	COL

C. Other (i.e. injury, not-fit-for-duty status, earned time off)

Start Dt	End Dt	REASON	PILOT
1-Sep	30-Sep	Not fit for duty	SAN
3-Sep	6-Sep	Earned Time Off	SEA
3-Sep	10-Sep	Earned Time Off	BOU, COL, MYE
12-Sep	16-Sep	Earned Time Off	SAN
17-Sep	24-Sep	Earned Time Off	ARN, KEN, NEW, SOR

Presentations

If requesting to make a presentation, provide a brief explanation of the subject, the requested amount of

- ⌚ *Presentations may be deferred if prior arrangements have not been made.*
- ⌚ *The Board may also defer taking action on issues being presented with less than 1 week notice prior to a schedule Board Meeting to allow adequate time for the Commissioners and the public to review and prepare for discussion.*

Other Information (Any other information requested or intended to be provided to the BPC)

Parsing the July 2019 TEU Numbers

Please note: The numbers here are not derived from forecasting algorithms or the partial information available from U.S. Customs and Border Protection but instead represent the actual TEU counts as reported by the major North American seaports we survey each month. The U.S. mainland ports we monitor collectively handle over 90% of the container movements at continental U.S. ports. Unless otherwise stated, the numbers in this portion of our analysis do not include empty containers.

Import Traffic

First, a few words on context. Year-over-year comparisons can sometimes be misleading. And comparisons between months in 2019 with those in 2018 are especially fraught with the potential for mistaken conclusions. That is why we will preface our customary review of the July container traffic statistics by emphasizing how unusual last year was and why comparing this summer with last summer may not be terribly enlightening.

Starting in early 2018, U.S. shippers – who had formerly enjoyed decades of relative stability in U.S. trade policy – began finding themselves in a strange and disconcerting environment as the Trump administration began ratcheting up its disputes with most every major trading partner, but especially with China. That year began with the White House imposing new tariffs on

Exhibit A Containerized Import Tonnage from China: July 2016-July 2019
Source: U.S. Commerce Department

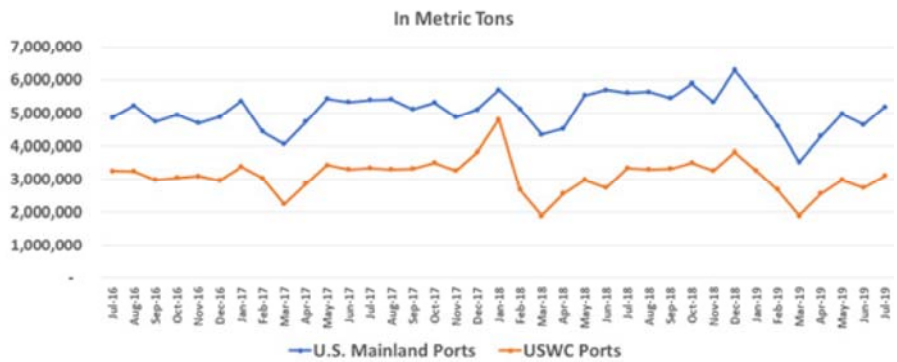
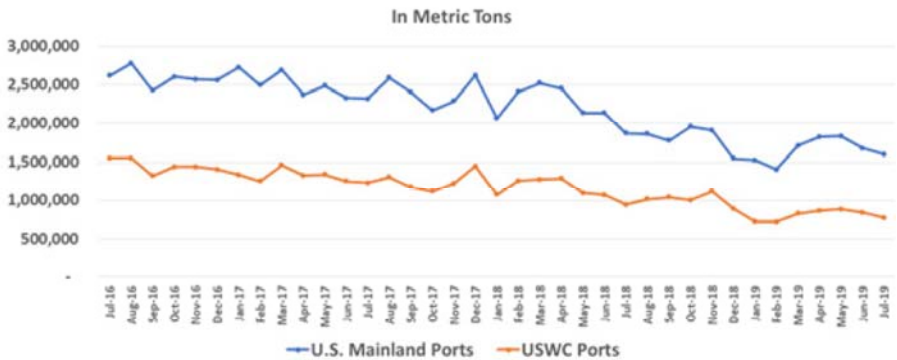


Exhibit B Containerized Export Tonnage from China: July 2016-July 2019
Source: U.S. Commerce Department



imported solar panels and washing machines. While that move did not single out shipments from China, Beijing responded with new tariffs on U.S. sorghum exports. By March, the tussle between America and China moved to the center ring when the U.S. formally charged China with unfair trade practices related to technology transfers and intellectual



Parsing the July 2019 Loaded TEU Numbers [Continued](#)

property protection and indicated the next step would involve higher tariffs on as much as \$60 billion in Chinese products.

Since then, things have not gone at all well.

Last July 6, the U.S. and China each imposed 25% tariffs on \$34 billion worth of the other's exports. Almost immediately, President Trump began raising the ante with threats to hit an additional \$200 billion in Chinese goods with a 10% tariff. China countered by threatening \$60 billion in U.S. shipments with new tariffs. Last September 24, both sides made good on those threats.

Understandably alarmed by the prospects of even higher tariffs covering an even broader array of Chinese goods entering the American market, U.S. importers then began bolstering their stateside inventories. As illustrated in Exhibit A, that was especially the case in the second half of last year when import tonnage from China rose to unprecedented levels, most noticeably in December. Then, with warehouses stuffed and with BCOs presumably weary of hearing mixed messages on bilateral trade relations, the pace of U.S. imports from China slowed sharply until the start of 2019's second quarter. Then eastbound transpacific spot rates, which had been trending generally lower since the start of the year, picked up briefly midway through the summer before rising again toward the end of August. Even so, rates to both the East and West Coast were well below last year.

As Exhibit B indicates, U.S. containerized exports to China followed a somewhat similar path. But Beijing has been more selective about targeting U.S. goods, concentrating on those items coming from regions which had supported Trump in 2016. Agricultural exports to China have taken an especially heavy hit. By contrast, high-value products that China needs, such as electronics components, aeronautical equipment, and pharmaceuticals, have generally escaped boosts in Chinese tariffs. These are items more commonly shipped by air than by sea. Not surprisingly, while the dollar value of U.S. containerized shipments to China was down by 21.3% in the first seven months of this year, the value of U.S. airborne exports to China has risen by 5.3%.

Now on to the July numbers.

Forecasters' expectations of an early peak importing season definitely failed to materialize in July at Southern California's maritime gateway. While the Port of Los Angeles posted a respectable 8.7% (+38,273 TEUs) increase over July of last year, that gain was almost entirely erased by a 9.9% (-34,386 TEUs) drop at the Port of Long Beach. Together, the two ports – which constitute the nation's busiest maritime gateway – saw the volume of inbound loaded TEUs edge up by just 0.5% (+3,887 TEUs).

With the Port of Oakland reporting a 7.5% (+6,297 TEUs) bump in inbound loads, the California ports collectively were up by 1.2% (+10,184 TEUs) from a year earlier. Elsewhere, however, the numbers from the Northwest Seaport Alliance Ports of Tacoma and Seattle were off by 6.0% (-7,820 TEUs). Accordingly, inbound loads through the five major USWC ports were up just 0.2% (+2,364 TEUs) ahead of last year's July.

The USWC numbers compare poorly with ports elsewhere in the country. On the East Coast, Jaxport reported a 19.7% (+5,345 TEUs) jump, while Virginia posted a 4.3% (+5,128 TEUs) gain and Savannah saw an 8.5% (+15,466 TEUs) bump. The Port of New York/New Jersey enjoyed a 4.6% (+14,879 TEUs) increase in inbound loads. Altogether, the nine U.S. East Coast ports we track boosted their inbound trades by 6.0% (+51,227 TEUs) over last July. The two Gulf Coast ports we monitor saw a combined 6.6% (+7,595 TEUs) jump year-over-year.

The two British Columbia ports we track had mixed results in July. At Vancouver, inbound loads were down by 0.4% (-591 TEUs), while Prince Rupert posted a 29.7% (+15,186 TEUs) gain from a year earlier. Combined, the two ports were up 6.8% (+14,595 TEUs).

Focusing now just on the sixteen mainland U.S. ports we track, import loads in July totaled 2,037,045 TEUs, an increase of 3.1% (+61,186 TEUs) from the same month in 2018. The Big Five USWC ports accounted for 1,003,332 loaded import TEUs for a 49.3% share, down from their 50.7% share in July of last year.



Parsing the July 2019 Loaded TEU Numbers Continued

Now looking at the containerized import traffic through the five U.S. and two Canadian ports on the Pacific Coast, inbound loads in July were up 1.4% (+16,959 TEUs) from a year earlier. The five USWC ports accounted for 81.4% of the inbound loaded TEUs along the Pacific Coast, down from their 82.3% share last July.

Export Traffic

As expected, outbound container traffic was not particularly robust in July. At the two San Pedro Bay ports, 14,745 fewer loaded TEUs (-5.1%) sailed abroad than in the same month a year earlier. The other major USWC ports fared better, though. Oakland (+10.2% or +7,079 TEUs) and the NWSA ports (+4.1% or +2,884 TEUs) both shipped more loaded containers than in July of 2018. Altogether, though, the five big USWC ports handled 4,782 fewer outbound loaded TEUs in July, a year-over-year dip of 1.1%.

Outbound trades were somewhat healthier among the USEC ports we track. Several did see significantly higher numbers of loaded export containers this July than in last. Those ports were Jaxport (+10.3%), Miami (5.8%), PNYNJ (+1.4%), South Carolina (+3.8%), and Maryland (+2.8%). Overall, however, the nine USEC ports we track saw outbound loaded numbers improve by 1.0% (+5,418 TEUS) from last July.

Exhibit 1	July 2019 - Inbound Loaded TEUs at Selected Ports					
	Jul 2019	Jul 2018	% Change	Jul 2019 YTD	Jul 2018 YTD	% Change
Los Angeles	476,438	438,165	8.7%	2,736,704	2,658,206	3.0%
Long Beach	313,350	347,736	-9.9%	2,127,160	2,339,990	-9.1%
San Pedro Bay Totals	789,788	785,901	0.5%	4,863,864	4,998,196	-2.7%
Oakland	90,598	84,301	7.5%	564,743	544,446	3.7%
NWSA	122,946	130,766	-6.0%	815,263	796,454	2.4%
USWC Totals	1,003,332	1,000,968	0.2%	6,243,870	6,339,096	-1.5%
Boston	12,714	14,322	-11.2%	85,912	82,380	4.3%
NYNJ	336,972	322,093	4.6%	2,183,034	2,079,661	5.0%
Maryland	48,807	46,199	5.6%	309,828	297,865	4.0%
Virginia	125,260	120,132	4.3%	798,936	749,927	6.5%
South Carolina	92,707	87,549	5.9%	613,115	573,565	6.9%
Georgia	197,341	181,875	8.5%	1,272,702	1,173,358	8.5%
Jaxport	32,505	27,160	19.7%	209,307	179,515	16.6%
Port Everglades	25,801	27,544	-6.3%	189,789	215,139	-11.8%
Miami	38,229	32,235	18.6%	253,330	237,975	6.5%
USEC Totals	910,336	859,109	6.0%	5,915,953	5,589,385	5.8%
New Orleans	12,315	11,188	10.1%	80,448	72,275	11.3%
Houston	111,062	104,594	6.2%	715,849	660,203	8.4%
USGC Totals	123,377	115,782	6.6%	796,297	732,478	1.1%
Vancouver	162,908	163,499	-0.4%	1,006,676	997,495	0.9%
Prince Rupert	66,277	51,091	29.7%	365,655	325,682	12.3%
BC Totals	229,185	214,590	6.8%	1,372,331	1,323,177	3.7%
US/BC Totals	2,266,230	2,190,449	3.5%	14,328,451	13,984,136	2.5%
US Total	2,037,045	1,975,859	3.1%	12,956,120	12,660,959	2.3%
USWC/BC	1,232,517	1,215,558	1.4%	7,616,201	7,662,273	-0.6%

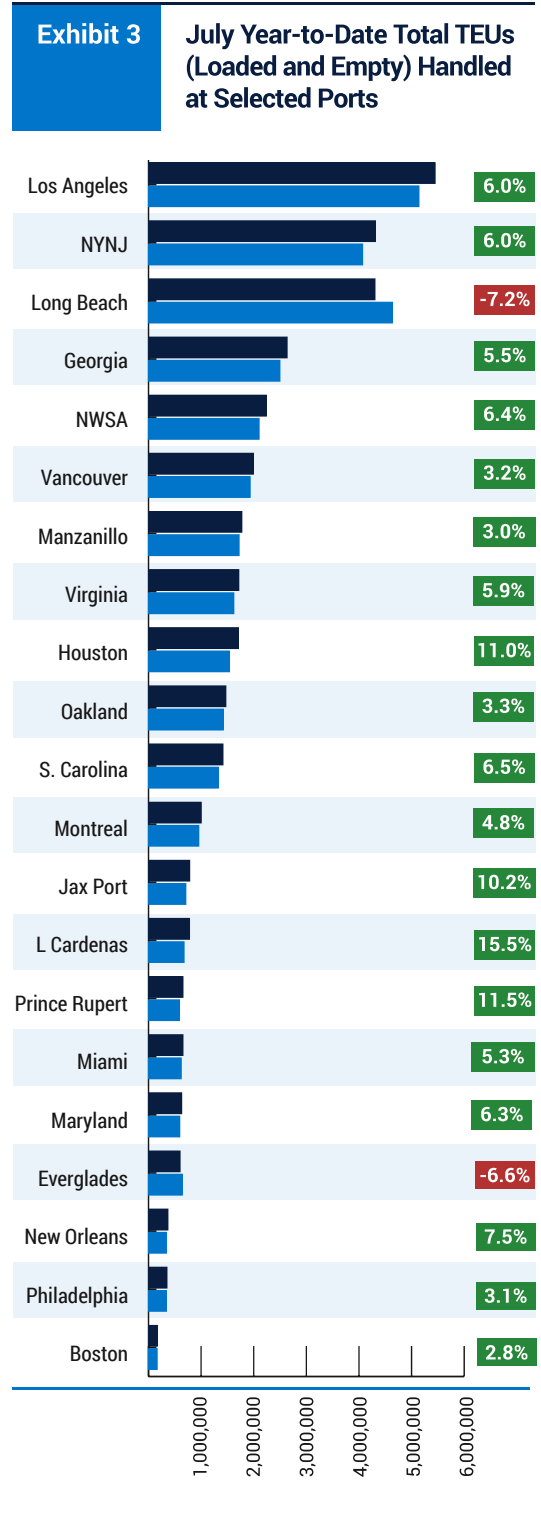
Source Individual Ports



Parsing the July 2019 Loaded TEU Numbers Continued

	July 2019 - Outbound Loaded TEUs at Selected Ports			July Year-to-Date Total TEUs (Loaded and Empty) Handled at Selected Ports		
	Jul 2019	Jul 2018	% Change	Jul 2019 YTD	Jul 2018 YTD	% Change
Los Angeles	161,340	167,992	-4.0%	1,070,020	1,120,273	-4.5%
Long Beach	111,654	119,747	-6.8%	843,878	932,964	-9.5%
San Pedro Bay Totals	272,994	287,739	-5.1%	1,913,898	2,053,237	-6.8%
Oakland	76,414	69,335	10.2%	540,065	522,012	3.5%
NWSA	73,828	70,944	4.1%	527,557	547,808	-3.7%
USWC Totals	423,236	428,018	-1.1%	2,981,520	3,123,057	-4.5%
Boston	6,418	6,887	-6.8%	46,617	48,133	-3.1%
NYNJ	118,015	116,441	1.4%	859,533	872,830	-1.5%
Maryland	19,175	18,649	2.8%	134,468	137,454	-2.2%
Virginia	80,955	82,853	-2.3%	574,805	591,903	-2.9%
South Carolina	72,126	69,492	3.8%	486,854	494,699	-1.6%
Georgia	117,790	118,871	-0.9%	878,422	882,353	-0.4%
Jaxport	41,165	37,313	10.3%	289,644	280,032	3.4%
Port Everglades	34,328	35,938	-4.5%	244,599	263,853	-7.3%
Miami	34,304	32,414	5.8%	241,205	231,973	4.0%
USEC Totals	524,276	518,858	1.0%	3,756,147	3,803,230	-1.2%
New Orleans	25,021	25,653	-2.5%	173,749	169,772	2.3%
Houston	104,470	89,513	16.7%	726,962	630,523	15.3%
USGC Totals	129,491	115,166	12.4%	900,711	800,295	12.5%
Vancouver	91,521	90,125	1.5%	673,589	643,212	4.7%
Prince Rupert	15,397	17,031	-9.6%	117,044	123,954	-5.5%
British Columbia Totals	106,918	107,156	-0.2%	790,633	767,166	3.1%
US/Canada Total	1,183,921	1,169,198	1.3%	8,429,011	8,493,748	-0.8%
US Total	1,077,003	1,062,042	1.4%	7,638,378	7,726,582	-1.1%
USWC/BC	530,154	535,174	-0.9%	3,772,153	3,890,223	-3.0%

Source: Individual Ports



■ 2019 YTD
■ 2018 YTD

Source: Individual Ports



Parsing the July 2019 Loaded TEU Numbers Continued

Along the Gulf Coast, Houston’s outbound box trade soared by 16.7% (+14,957 TEUs), but New Orleans slipped by 2.5% (-632 TEUs), leaving the Gulf Coast with a combined gain of 12.4% or +14,325 TEUs over last July.

The two British Columbia ports went in different directions. At Prince Rupert, outbound loads slumped by 9.6% (-1,634 TEUs), while Vancouver recorded a 1.5% (+1,396 TEUs) gain. The result was a slight 0.2% (-238 TEUs) fall-off in exports.

Looking solely at the sixteen U.S. mainland ports that we monitor, July’s container export trade increased 1.4% (+14,961 TEUs) from a year earlier. The Big Five USWC ports in July accounted for a 39.3% share of all loaded outbound TEUs shipped out of U.S. mainland ports, down from a 40.3% share a year earlier.

Focusing now on outbound loads from the seven major container ports on the Pacific Coast in the U.S. and Canada, export traffic declined by 0.9% (-5,020 TEUs) from last July. The USWC share of the Pacific Coast container export trade in July amounted to 79.8%, off slightly from 80.0% a year ago.

Totals to date. The 9,758,208 loaded and empty TEUs the two San Pedro Bay ports handled in this year’s first seven months were down 0.3% (-25,883 TEUs) from last year at this juncture. As a result, their collective share of total container traffic through the sixteen mainland U.S. ports we survey declined to 33.8% from 35.2% at this point in 2018.

Weights and Values. Nearly all discussions of container trade are denominated in TEUs. Here, though, we present two alternative metrics – the declared weight and value of the goods contained in those TEUs – in hopes of further illuminating recent trends in the container trade along the USWC.

Exhibit 4: USWC Ports and the Worldwide Container Trade. Exhibit 4 continues to plot the steady decline in the volume of containerized imports at USWC ports. The two San Pedro Bay ports saw their combined share of containerized import tonnage in July slide to 28.1% from 29.8% a year earlier. Similarly, the two experienced a parallel drop in the declared value of containerized imports to 35.8% from 37.1% last July. Oakland fared better, holding serve on its tonnage share while slightly

Exhibit 4 USWC Port Regions’ Shares of U.S. Mainland Ports Worldwide Container Trade, July 2019

	Jul 2019	Jun 2019	Jul 2018
Shares of U.S. Mainland Ports Worldwide Containerized Import Tonnage			
LA/LB	28.1%	27.3%	29.8%
Oakland	4.1%	4.1%	4.1%
NWSA	5.2%	5.2%	5.7%
Shares of U.S. Mainland Ports Worldwide Containerized Import Value			
LA/LB	35.8%	35.1%	37.1%
Oakland	3.7%	3.8%	3.6%
NWSA	6.9%	6.9%	6.8%
Shares of U.S. Mainland Worldwide Containerized Export Tonnage			
LA/LB	20.5%	21.5%	23.1%
Oakland	5.8%	6.0%	6.0%
NWSA	7.7%	7.9%	8.4%
Shares of U.S. Mainland Worldwide Conatinerized Export Value			
LA/LB	20.5%	20.7%	22.5%
Oakland	6.2%	6.0%	5.9%
NWSA	4.4%	4.5%	4.6%

Source: U.S. Commerce Department.

growing its value share. The NWSA ports lost tonnage share but saw their value share nudge up.

On the export side, the Southern California ports continued to lose market share, whether measured in tonnage or dollar value. Oakland’s shares diverged, with export tonnage down but export value up. The NWSA ports shares trended downward in both tonnage and value of exports.

Exhibit 5: USWC Ports and the East Asia Trade. Turning now to the July figures on containerized imports arriving at U.S. mainland ports from East Asia, we see that the Ports of Los Angeles and Long Beach saw their combined share of import tonnage edge lower to 44.8% from 45.3%, while their collective share of import value declined to 52.5% from 53.3%. Elsewhere along the coast, Oakland



Parsing the July 2019 Loaded TEU Numbers [Continued](#)

Exhibit 5 USWC Port Regions' Shares of U.S. Mainland-East Asia Container Trade, July 2019

	Jul 2019	Jun 2019	Jul 2018
Shares of U.S. Mainland Ports' East Asian Container Import Tonnage			
LA/LB	44.8%	44.2%	45.3%
Oakland	4.5%	4.8%	4.4%
NWSA	7.6%	7.7%	8.2%
Shares of U.S. Mainland Ports' East Asian Container Import Value			
LA/LB	52.5%	51.8%	53.3%
Oakland	4.1%	4.5%	4.0%
NWSA	9.8%	9.8%	9.5%
Shares of U.S. Mainland Ports' East Asian Container Export Tonnage			
LA/LB	35.7%	36.3%	37.5%
Oakland	9.2%	9.3%	8.8%
NWSA	13.2%	12.8%	13.7%
Shares of U.S. Mainland Ports' East Asian Container Export Value			
LA/LB	41.4%	41.1%	45.2%
Oakland	11.1%	11.0%	10.7%
NWSA	9.1%	8.6%	9.2%

Source: U.S. Commerce Department.

improved its East Asia import tonnage and value shares, while the NWSA ports saw their tonnage share drop but their value share increase.

On the export side, San Pedro Bay's share of containerized exports to East Asia declined significantly in both tonnage and value terms. Oakland's numbers improved, but NWSA's did not.

Who's #2?

It's now the Port of New York and New Jersey again. We do not have August's container counts from PNYNJ yet, but through the first seven months of the year, the East Coast gateway reported having handled 4,315,835 loaded and empty TEUs, ever so slightly more than the 4,307,415 TEUs handled at Long Beach. Neither port is close to topping the Port of Los Angeles from its status as the nation's busiest container port. LA handled 5,450,793 total TEUs through the year's first seven months.

First Glimpse at August's Numbers

The Ports and Los Angeles and Long Beach did their customary Mutt and Jeff routine in August, with LA posting a 4.1% (+17,040 TEUs) gain in import loads, while Long Beach sustained a 5.9% (-20,249 TEUs) drop. Together, the San Pedro Bay ports handled 3,209 (-0.4%) fewer inbound loads than in the same month a year ago. On the export side, outbound loads from the two ports were down 3.8% (-10,753 TEUs) from last August.

The Port of Oakland showed notable improvements over last August in both inbound loads (+3.1%) and outbound loads (+1.1%). At the NWSA ports of Seattle and Tacoma, import loads were down 2.6% but export loads edged higher by 0.9%. Further north, in British Columbia, Vancouver recorded major year-over-year increases in August, with import loads up 7.7% and export loads up 6.9% over last year. Even further north, Prince Rupert saw its inbound loaded traffic jump by 86.3% to 71,453 TEUs from 38,355 TEUs last August. Export loads meanwhile rose 6.2%.



Jock O'Connell's Commentary: Après la Chine

There's no question that trade between the world's two largest economies is a big deal. So there's no question that the trade fight President Donald Trump has chosen to pick with China is in search of an equally big deal. We may see one next month when American and Chinese officials have a sit-down in Washington. But, having been through this drill too many times and knowing just how complex the issues to be resolved are, I wouldn't encourage anyone to hold his or her breath while awaiting an agreement that is more than cosmetic.

Meanwhile, the matter of exactly how the Sino-American trade dispute has been affecting life on this side of the Pacific has been a subject of lopsided contention. On the proverbial one hand, virtually every serious economist and business organization (including such leftwing stalwarts as the U.S. Chamber of Commerce) have been tabulating the mounting cost of Trump's tariffs to American consumers and businesses. On the other hand, the president continues to maintain that it's the Chinese who are the ones paying the tariffs he has been imposing. And the president's hawkish trade advisor Peter Navarro has lately gone on air to insist there's no evidence that the tariffs are adversely affecting the U.S. economy. That, I suppose, makes him the Oedipus of this drama, the man who would pluck out his eyes rather than see the damage he has wrought.

In truth, tariffs affect different people and businesses in different ways. If you're among the cultists who eagerly pay exorbitant markups to own the latest iPhone, higher prices due to increased import duties will likely be sloughed off as a penalty for vanity. By contrast, the 75-year-old Pennsylvania small business-owner, who imports horse-drawn carts on behalf of his Amish neighbors, is more apt to see his company fail in the face of a new 25% levy on a product apparently no longer manufactured in the USA.

Of course, prominent among those most directly affected by the trade conflict with China are those who actually handle the trade. Indeed, if your personal welfare is in any way associated with the operations of U.S. seaports, especially those along the West Coast, another round of failed negotiations may make it feel like it's time to go to the mattresses.

For years now, the People's Republic of China has dominated maritime trade through the maritime gateways of the U.S. West Coast. And, despite steadily intensifying tensions between Washington and Beijing, the China trade still accounted for 50.5% of the \$177.76 billion in containerized imports that entered all USWC ports (including the so-called niche ports in California, Oregon, and Washington State) during the first half of this year.

To be sure, the impact of the inbound China trade varies from port to port. At the Los Angeles-Long Beach complex, 58.3% of the 24,408 million metric tons of containerized imports in this year's first half came from China, down from 59.2% a year earlier. The NWSA Ports of Seattle and Tacoma are somewhat less dependent on Chinese imports, which accounted for 48.5% of the 4,634 million metric tons of containerized imports that arrived at those ports during this year's first six months, down from 52.3% last year. Least reliant on China as an import provider is the Port of Oakland, where just 34.5% of the port's 2,282 million metric tons of import tonnage in this year's first half came from China, down from 39.9% a year earlier.

Still, as outsized a role China plays in the maritime trade passing through USWC ports, we mustn't lose sight of the fact that the China trade is not the only show in town. We do, after all, import goods from other nations. So who are the non-Chinese countries from which USWC ports receive containerized imports and have their rankings changed much since the Great Recession?

Exhibits A and B look at containerized import tonnage from the five leading non-China sources of containerized import tonnage in the first-half of each year from 2010 to 2019 at the Ports of Los Angeles and Long Beach and at the Northwest Seaport Alliance Ports of Seattle and Tacoma. Because the Port of Oakland boasts a somewhat unique import trade, **Exhibit C** will track that port's eight trading partners through those same years.

As Exhibit A shows, Japan, which was the second largest import source at the Los Angeles/Long Beach port complex in 2010, saw its share of total import tonnage through the Southern California gateway drop from 5.6% to 4.7% last year and to 4.2% in this year's first half. That



Commentary Continued

was the result of both the rise of competitors as well as the fact that Japan shipped 5.5% less containerized tonnage to LA/LB in the first-half of 2019 than it had in the same months of 2010.

South Korea followed Japan's pattern, seeing its share of imports decline from 5.4% in 2010 to 4.0% this year as the volume of its shipments dropped by 2.0%. Although Taiwan and Thailand both saw appreciable increases in their shipments to LA/LB (24.7% and 48.4%, respectively) between 2010 and 2019, the big winner was obviously Vietnam. With imports increasing by 170.8% from 2010, Vietnam's share of the containerized import trade at LA/LB soared from 2.9% in 2010 to 6.3% this year. All indications are that Vietnam will continue to see its share of the U.S. import trade rise, largely at China's expense.

Of interest should be several other nations that posted increases in containerized import tonnage at LA/LB that were nearly as impressive as the pace recorded by Vietnam, albeit from a smaller base. For example, import tonnage from India rose by 90.3%, while Spain (189.4%), Turkey (129.2%), and Cambodia (151.1%) more than doubled their shipments to LA/LB. Even eternally-imperiled France posted a remarkable 88.5% gain in import tonnage since 2010.

Up at the Northwest Seaport Alliance Ports of Tacoma and Seattle, the containerized import picture is somewhat different. China is the foremost player, although its share of import tonnage has steadily deteriorated from 63.6% in 2010's first-half to 48.5% this year. As for the second-tier importers at the NWSA ports, Japan has seen its share fluctuate, with a high of 10.2% in 2012 before landing at 8.6% this year.

Exhibit A

After China, The Next Five Exporting Nations to San Pedro Bay: 2010-2019

Source: U.S. Commerce Department

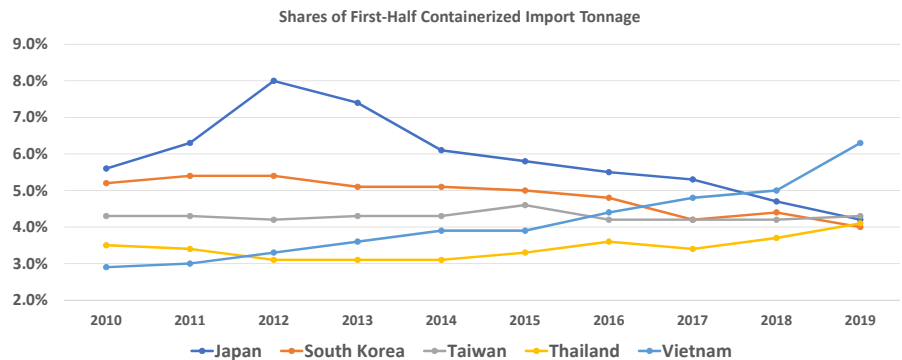
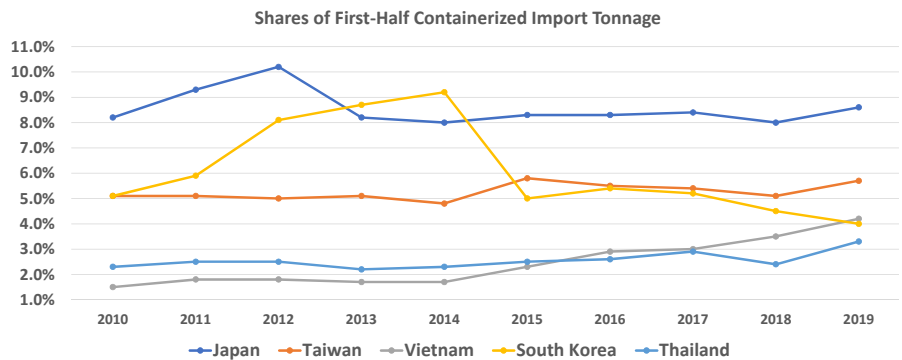


Exhibit B

After China, The Next Five Exporting Nations to NWSA: 2010-2019

Source: U.S. Commerce Department



Since 2010, first-half containerized tonnage from China has declined by 15.8%, while tonnage from Japan and Taiwan increased by 15.6% and 24.2%, respectively. Tonnage from South Korea, however, has fallen by 11.8%. Reflecting shifts in sourcing of imports and the migration of manufacturing into Southeast Asia, some of the fastest-growing shippers of containerized import tonnage through the NWSA since 2010 are Vietnam (196.7%), Thailand (58.8%), Indonesia (73.5%), Malaysia (56.3%), and India (239.8%).



Commentary Continued

The picture is more complicated at the Port of Oakland, where the unique nature of Northern California's import trade involves a wider variety of trading partners. Exhibit C (pardon the linguine of lines) shows that imports from India have risen fastest. Indeed, so far this year, India is Oakland's second largest importer (after China) with a 5.7% share, up from 1.7% in 2010. As might be expected, Vietnam's share of imports also jumped from 2.2% to 4.0%.

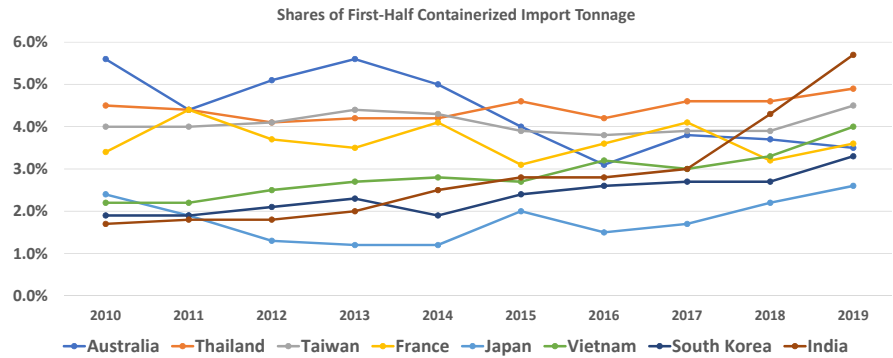
India's rise appears due to a recent surge in imports of soybean meal as well as ornamental stone. France's prominence rests largely on shipments of wines, both bottled and in bulk. In that vein, the sharp dip in Australia's import share starting in 2013 pretty much coincides with the time I began substituting the Aussie plonk we had been inflicting on our guests with inexpensive Chilean wines. In contrast to the San Pedro Bay ports and the NWSA ports, where the two top containerized imports by weight are furniture products and automotive components, Oakland's two leading imports by weight are empty wine bottles and wine.

From a historical perspective, certainly one of the more remarkable overall trends involves the diminishing role of Japan in the USWC containerized import trade. In tonnage terms, its share of

Exhibit C

After China, The Next Five Exporting Nations to Oakland: 2010-2019

Source: U.S. Commerce Department



coastwide import tonnage declined from 5.7% to 4.8%. So? Well, those of us who were doing trade back in the 1980s will recall that Japan's economic rise had unnerved American officials every bit as much as China's rapid emergence as an economic rival has caused consternation in Washington today.

The reaction of U.S. leaders to Japan's rise then was understandable. After all, members of the Greatest Generation, who had fought an actual war against Japan four decades earlier, still held influential positions in our nation's political and business leadership. So it is with a somewhat bemused sense of irony that I conclude this commentary by noting that today mighty Japan ships less containerized tonnage to USWC ports than does Vietnam, a nation my Boomer generation remembers as keenly as the draft lottery numbers we were assigned in 1969. (Mine was 105.)

Disclaimer: The views expressed in Jock's commentaries are his own and may not reflect the positions of the Pacific Merchant Shipping Association.



Political Polarization in the Northwest

By Jordan Royer
Vice President, Pacific Merchant Shipping Association

It is no secret that we are living in politically polarized times. Public policy positions are judged adequate or not largely by which side proposes or opposes them. The distrust and animosity between the Republican Administration and the Blue State of Washington is resulting in uncertainty and confusion for industries operating here – particularly those in the trade community. The perception and/or the reality of gutting of federal environmental standards is providing Democratic leaders and regulators in Washington State license for regulatory expansion into the federal realm. It also makes it more difficult for government and industry to collaborate on common sense regulations and projects to improve environmental performance while continuing to be competitive with other port gateways.

Tacoma provides an example of some of the challenges we face. While Tacoma has historically not experienced political controversy on the scale of Seattle, a battle is now brewing over a liquefied natural gas (LNG) facility to fuel ships. The LNG facility was part of the Clean Air Strategy of the ports as well as the Governor's environmental "Maritime Blue" initiative. State and local regulators encouraged Puget Sound Energy to partner with TOTE Maritime (a vessel line with service between Tacoma and Alaska) to switch to LNG propulsion because of the environmental benefits.

Four years ago, Governor Jay Inslee signed tax incentive legislation to build the facility and said this:

"This may be something that we will look back at and perhaps (take) note," Inslee, a Democrat, said at the conclusion of the Legislature's session in mid-March. "This is the first time a tax incentive will be tied to concrete carbon-emission reductions and includes other real accountability measures to ensure taxpayers receive maximum return on their investment."

And Jessica Finn Coven, state director for Climate Solutions, said: *"I'm very pleased they are looking at ways to*

significantly reduce their greenhouse gases. That should be applauded."

Source: Tacoma News Tribune

But that was then and this is now. The Governor now opposes the project even though his Department of Ecology has permitted it. The Puget Sound Clean Air Agency has issued two extensive environmental reviews that show it is beneficial to the environment and human health. But a battle now rages over the once popular project with port industrial businesses and the Tacoma Port Commission on one side and the Puyallup Tribe and environmental activists on the other. It has made the port commission races for two open seats this year highly competitive for the first time in many years.

It has also exposed plenty of irony which is becoming a hallmark of our political times. While the Puyallup Tribe opposes the LNG facility because of GHG emissions, they own and operate seven gas stations in Pierce County. They are also building what will be one of the largest casinos in the county which will utilize natural gas provided by Puget Sound Energy.

In Seattle, where political dysfunction is at its zenith, an outgoing councilmember is pushing a package of proposals under a Seattle Green New Deal. Included are things like a ban on all new natural gas hookups, a 24-cent tax on home heating oil, and a 100% ban on natural gas and heating oil by 2030. But again, there is a fair amount of irony here: the Councilmember admits he uses natural gas to heat his home and to cook. He feels bad about it though.

The Washington State Department of Ecology has been urging people to switch to natural gas for many years. Wood burning has been a major problem in Puget Sound, creating air quality issues and leading to being out of compliance with EPA standards. The Puget Sound Clean Air Agency offers incentives for homeowners to convert to natural gas.



Political Polarization in the Northwest *Continued*

It wasn't very long ago that the maritime industry, non-governmental groups, ports and regulators collaborated on initiatives to reduce air emissions while promoting family wage waterfront jobs. Great examples of that work are in the Puget Sound Maritime Air Emissions Inventories. The latest inventory in 2016 provided an update to the 2005 baseline and 2011 inventories. The three successive inventories demonstrated steady and significant reductions in NOx, SOx, Diesel Particulate Matter as well as greenhouse gases.

One of our strategies was to push the adoption of MARPOL ANNEX VI at the International Maritime Organization which led to the development of the North America Emissions Control Area (ECA). The ECA has significantly reduced sulfur content of fuels from a maximum of 3.5% down 35 fold to 0.1% inside 200 miles. The worldwide sulfur reduction in fuels used anywhere at sea will be implemented at the end of this year and will lead to significant additional reductions.

While we hope to continue this kind of collaboration on these and other issues like stormwater runoff, freight mobility, and measures to improve the competitiveness of the PNW Gateway, we are concerned that political dysfunction threatens the progress we have made together.

The chaos and government agencies working at cross purposes make it almost impossible to get support for common sense solutions to environmental challenges. The breakdown of trust and the discounting of science if it doesn't fit a rigid ideological orthodoxy are a threat to our economic well being and ability to work together. The collaboration of the last decade between industry, regulatory agencies, non-profits, the ports and others has led to tangible environmental improvements. The political environment that allowed that to occur is no longer there.



Interested in membership in PMSA?

Contact Laura Germany for details at: lgermany@pmsaship.com or 510-987-5000.

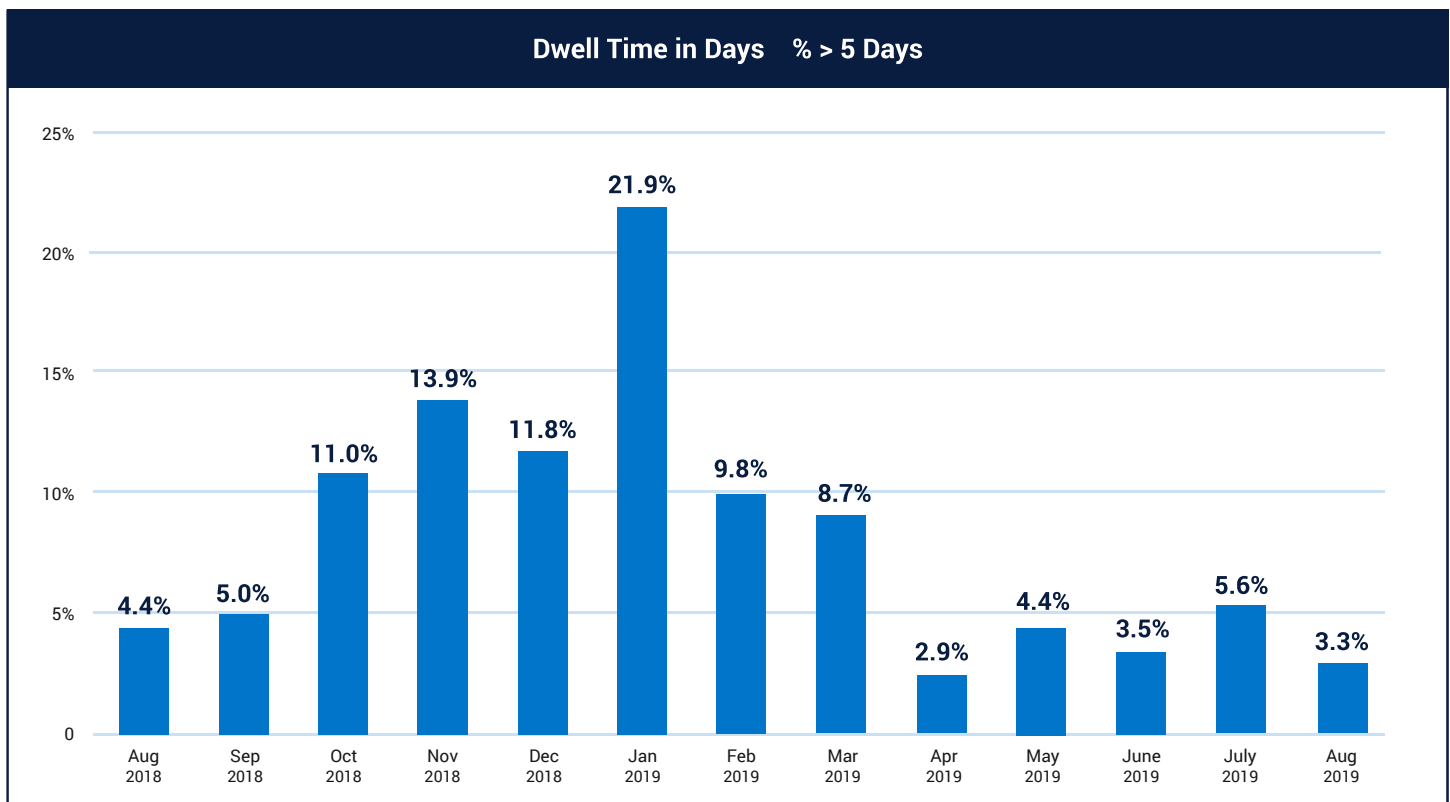
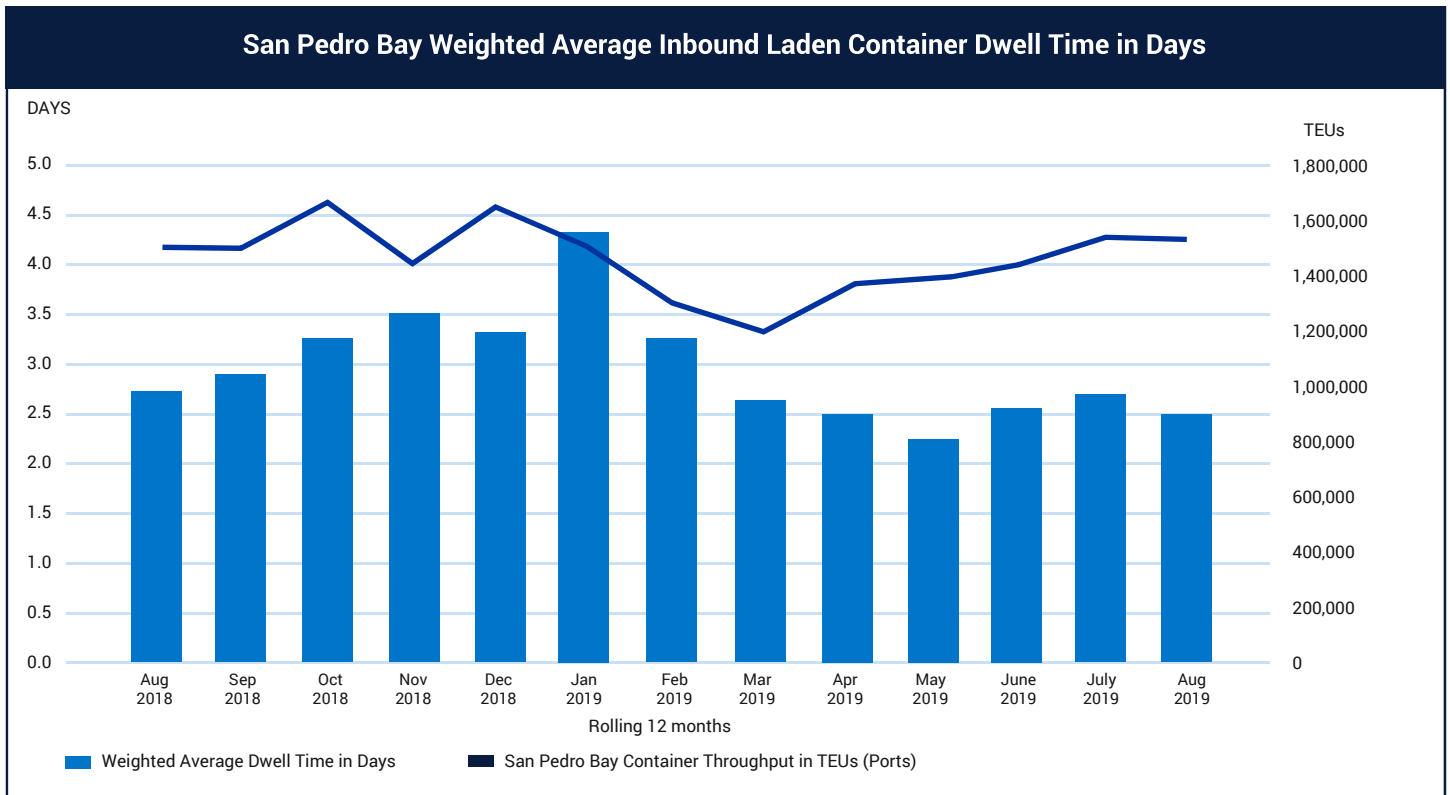
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August Dwell Time Numbers Are Down





Around the Docks

Satsop Business Park Westport Marina Coastal Innovation Zone Bowerman Airport PGH Pilotage Services Friends Landing & Sterling Landing

PGH Mission: To best utilize our resources to facilitate, enhance and stimulate international trade, economic development and tourism for the region.

Infrastructure Improvements

Celebrate Bowerman Airport reopening October 8th

Pilots, you can once again file your flight plan for Bowerman Airport. Following a required two-month closure prompted by a critical drainage project, Bowerman Airport is now open and ready for air traffic.

“The Port invites our community and our project partners to join us in celebrating with a ribbon cutting and refreshments Tuesday, October 8th, at 3pm at Bowerman Airport in Hoquiam,” shared Port Commission President Stan Pinnick. “We want to thank the aviation community for their patience during the project. We are confident these improvements will benefit Bowerman Airport users for many years to come.”

The drainage project included the installation of new catch basins and drain pipe, repaired grade between the runway and taxiway, repairs to the Segmented Circle and electrical improvements, including new runway lights. The project was completed by local contractor Rognlin’s, Inc.



Bowerman Airport
Coastal Washington's Only Jet-Capable Airport
A Facility of the Port of Grays Harbor

RIBBON CUTTING

PLEASE JOIN US TO CELEBRATE
THE COMPLETION OF
THE BOWERMAN AIRPORT
DRAINAGE PROJECT - PHASE 4

TUESDAY, OCTOBER 8, 2019
3:00PM

RIBBON-CUTTING & REFRESHMENTS

BOWERMAN AIRPORT
1600 AIRPORT WAY
HOQUIAM, WA 98550

Partnerships for a Stronger Economy

College Forestry program completes first self-harvest at Satsop Business Park



Grays Harbor College Forestry students participate in the harvest of 4 acres of forestland at the Satsop Business Park. This was the program's first-time participating in the logging of forestland at the Park.

A long-standing partnership between the Satsop Business Park and Grays Harbor College's Forestry Program saw an exciting new first when they completed their first self-logging harvest at the Park earlier this month.

Forestry program students participated in the unit layout, GPS boundary and map making, timber marking, as well as log loading and hauling. Students were assisted by staff and local industry professionals for the contracting, timber cutting and equipment training necessary for the harvest.

“We congratulate the Grays Harbor College Forestry Program on finding yet another way to get their students the hands-on experience they need to be successful in this important field,” said Port Commissioner Phil Papac. “We are proud to partner with such a forward thinking institution and applaud the instructors who were able to bring in local industry experts that jumped at the chance to help these students learn.”

The Grays Harbor College Forestry Program offers 2 and 4 year degrees. The program currently has 60 students enrolled.

Fall is for fun at Friends Landing



Whether you're walking, camping, fishing, or picnicking, Friends Landing has something for everyone this fall.

"Fall is a great time to visit Friends Landing," shared Manager of Business Development at the Satsop Business Park Alissa Shay. "The campground is open and accepting reservations through November 15th. The boat launch is a buzz with boating activity and Lake Quigg and the Chehalis River offer plenty of fishing opportunities for all ages. And don't forget about our 1.7 mile loop track around Lake Quigg for a nice walk with your four-legged friend or our new playground equipment for the kids."

For more information or to make your camping reservation, visit friendslanding.org.

WDFW hosting "Intro to Coho Fishing" at Westport Marina

The Washington State Department of Fish & Wildlife (WDFW) will be hosting "Intro to Coho Fishing" on Saturday, October 5th from 12-3pm at the Westport Marina's Float 6.

This all-ages event will cover the basics of fishing for coho salmon. So grab your fishing license and fishing gear and bring the whole family out to Westport for a day of fun!

"We are thrilled WDFW will be hosting this exciting event at the Westport Marina. We hope folks will take advantage of this family-friendly event that will show you how to fish for coho right from the Marina's docks," stated Westport Marina Business Manager Molly Bold. "Make a day of it and check out all of the great shops and restaurants located in the Marina District."



WDFW will show you how to fish for coho salmon right off the Westport Marina's docks on Saturday, October 5th from 12-3pm.

Calendar

September 29	CSAV <i>Rio Grande</i> @ T4
October 1	Special Commission Meeting, PGH Offices @ 9am
October 2	<i>Tiwai Point</i> @ T2
October 6	<i>Indian Bulker</i> @ T2
October 8	PGH Commission Meeting, PGH Offices @ 9am Bowerman Airport Ribbon Cutting, 3pm
October 13	<i>CMB Jordaens</i> @ T2
October 15	CSAV <i>Rio Nevado</i> @ T4
October 19	<i>Kapta Mathios</i> @ T2



Around the Docks

is a publication of the

Port of Grays Harbor

On Washington's Pacific Coast

It is available online at

PortofGraysHarbor.com

To join our mailing list contact

Amy Carlson at acarlson@portgrays.org

Intro to Coho Fishing

When:

Saturday, October 5th
12-3pm

Where:

Westport Marina - Float 6

What to Bring:

- Fishing license (Fish WA, combination, or saltwater)
- Salmon Catch Record card (ask for this when purchasing license)
- Fishing rod and reel - 8-10' medium action rod and spinning reel
- 15-20 lb test monofilament fishing line (Maxima Ultragreen)
- Cooler or fish bag to transport fish
- Salmon net (optional)
- Bait will be provided!