



STATE OF WASHINGTON BOARD OF PILOTAGE COMMISSIONERS

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

Summer 2024



Announcements

Puget Sound Licensures
CONGRATULATIONS
to
Captains George
Fleischfresser and Billie
Sturgell
for their licensures in the
Puget Sound
Pilotage District!

2024 Marine Pilot Exam Wrap-up

The 2024 Washington State Marine Pilot Exam process concluded at the June 20 BPC meeting with the adoption of the 2024 final ranked training program waiting list (right).

Congratulations to those who made it onto the list! And for those that didn't, we hope you will consider trying again in the future!

The Written Exam was conducted virtually on April 8, 2024. Twenty aspirants who Successfully passed the Written Exam were then invited to participate in the Simulator Evaluation the week of April 22, with 13 successfully completing the entire exam process.

#	Captain	District
1	Ryan Campbell	PS or GH
2	Derek Britton	PS or GH
3	Lucas Shuler	PS or GH
4	Richard Boullion	PS or GH
5	Daniel Bolton	PS
6	Jason Woodworth	PS or GH
7	Drew Butterfield	PS or GH
8	Nick Ahrens	PS or GH
9	Samuel Anderson	PS or GH
10	Darius Rogers	PS or GH
11	Christopher Adams	PS or GH
12	Christian Omdal	PS
13	Conor Sullivan	PS or GH

In 2024, the BPC implemented several changes to the exam process:

- Introduction of a public-facing Aspirant Handbook
- Exam content outline and blueprint posted to BPC website
- Virtual live proctoring of the Written Exam
- Remote Proctoring Guideline provided to eligible aspirants
- One-on-one meetings with psychometric consultant available to aspirants for any concerns related to exam process

The BPC's exam consultant, Dainis & Co., conducted a Job Task Analysis (JTA) with the participation of actively working and retired marine pilots to develop a comprehensive overview for the role of a Washington State Pilot. They then used the JTA as the foundation for the exam development.

The exam process is a heavy lift for the BPC. We would like to acknowledge the contributions of the committees, Board members, staff, consultants, and most importantly, the pilots! Pilots are the subject matter experts and their participation in the exam process is vital to the building the list of qualified candidates.

THANK YOU ALL!



From left: BPC Chair Sheri Tonn, Captain Fleischfresser, and Lindsey Howard. And Captain Fleischfresser with BPC Training Program Manager Jolene Hamel at the May 2024 meeting.



Above: Captain Sturgell along with his family virtually attending the June 2024 meeting. And left: Captain Sturgell.



Farewell to Captain Laird Hail

The BPC wishes to take a moment to honor Captain Laird Hail, recently-retired Director of the Puget Sound Vessel Traffic Service (VTS) at Coast Guard Sector Puget Sound. As a Coast Guard Academy graduate, Captain Hail spent 26 years in the Coast Guard in command of various Coast Guard Cutters. After officially retiring from the Coast Guard, he moved into his role at the VTS.



Image courtesy of Bremerton-Olympic Peninsula Council League of the US.

Captain Hail has been a valuable partner of the pilots, the Canadian Coast Guard, and the BPC in the safe navigation of vessels in the Salish Sea. He has been a regular at our monthly meetings for many years, bringing vital information regarding our state's waters. Many thanks to Captain Hail!

New VTS Director Genaro Villegas joined our August meeting to introduce himself. We welcome him and look forward to our continued partnership with VTS.

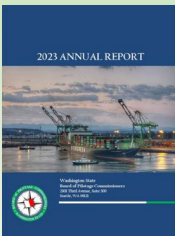
Number of Pilots

In April, the BPC began the process of determining the number of pilots in the Puget Sound Pilotage District. At the request of the Board, the Pilot Safety Committee (PSC) analyzed 5 years of pilot assignment data, quantifying the number of licensed pilots, the amount of Not Fit for Duty time, the number of on-watch assignments, the number of training days, and the number of upgrade trips – all the things that take up pilots' time. The group voted to recommend a Target On-Watch Assignment Level (TAL) of 123 assignments per pilot per year to align with the BPC's stated goal of limiting off watch assignments to a rate of 5% or less per year. In June, the Board unanimously voted to set the TAL at 123 assignments per pilot per year, which does not include any callbacks.

In August, the Board considered the BPC Staff Recommendation, which was based on staff review of the submittals and rebuttals. The recommendation was to increase the authorized number of pilots to 60, based on available data, trends in assignment levels, and expected retirements (both mandatory and elective). After dissemination of the data and discussion, the Board then voted to increase the Authorized Number of Pilots for the Puget Sound Pilotage District from 56 to 60 and for the PSC to investigate comp day usage, potentially developing safeguards and guidelines – 7 in favor and 2 opposed. Detailed information of this process can be found at <https://pilotage.wa.gov/number-of-pilots.html> and <https://pilotage.wa.gov/2024---2025.html>.

2023 BPC Annual Report

The [2023 BPC Annual Report](#) is now available! Our Annual Reports are a great way to learn about the important work we do throughout the year as well as general information about Washington State Pilotage. Learn about our exam, training, and licensing process and DEI initiatives. Our reports also contain financials for both districts. Do you have a comment about the reports? Let us know at PilotageInfo@wsdot.wa.gov.



Have you noticed? We've refreshed our logo!



Before



After

The BPC Pilotage Quarterly is a publication of the Board of Pilotage Commissioners. It is available online at www.pilotage.wa.gov. To join our distribution list, email PilotageInfo@wsdot.wa.gov, or call (206) 515-3904.

District Snapshots

Puget Sound



Retirements:

Captain Kearns – July
Thank you for your service!

License Upgrades to Unlimited:

Captain McGrath – April
Captain Seamans – June
Well done, Captains!

Training Program:

Currently training are Captains Michelson, Wood, and Sabbath.

Captain Shuler will begin training September 1.
Captains Britton, Boullion, and Woodworth will begin training on October 1.

Grays Harbor



Training Program:

Captain Ryan Campbell will begin training in Grays Harbor by May 1, 2025.





WA State Board of Pilotage Commissioners Industry Update

September 19, 2024 Meeting

Arrivals Up 9 in August 2024 to August 2023 Comparison

✚ Containers up 9	✚ Car Carriers down 2
✚ Bulkers down 2	✚ Tankers up 2
✚ General & Other up 3	✚ ATB's down 4
✚ Cruise/Passenger up 4	✚ RoRo's down 1

August Arrivals in Bottom Half of 10 Year History of August Arrivals

As suggested in our update last month it is helpful to look at longer-term trends. If one looks back 10 years, there were 6 years when the number of August arrivals were equal to or greater than the 238 arrivals this past August. If one removes the COVID years (2020 and 2021) then arrivals in August of 2024 was only greater than one of the remaining years.

Daily Assignment Average

This year the daily arrival average ranges from 6.26 in January to 8.23 in June with the differentiation being cruise. When doubling these daily averages to account for departures, the range becomes 12.52 to 16.46. PSP activity reports YTD indicate a daily assignment average of 21.2 through July. That means that 7 assignments per day (on average) are shifts (including 2nd pilots) or cancelations which typically involve less bridge hours (piloting) than a typical arrival or departure. This daily average picture compares to the average of 26.7 pilots scheduled for watch each day per the PSP watch schedule provided during the UTC proceedings.

PMSA Perspectives on Pilotage Service and Corrections to the 065 Proceedings

Counter to what was stated at the 065 proceeding, PMSA has never stated that pilots should perform one assignment for each duty day. There is ample evidence of PMSA positions regarding workload dating back to the 149 TAL level including support for improved rest rules and other safety standards/programs relevant to pilotage (ladders, port state control, VTS, SOC's, etc.). There is an expectation that service should also be efficient and thus the efficiency-based recommendations PMSA has submitted many times including as part of the recent 065 proceedings. Again, counter to what was stated during the proceedings, efficiency-based recommendations are fully consistent with the Pilotage Act which very specifically calls for efficiency in the language. Given the importance of documenting these clarifications, PMSA will submit a letter regarding statements made at those proceedings to ensure the record correctly reflects the facts regarding PMSA positions.

Husky Received 16,592 TEU Maersk Vessel - South Harbor's Largest Ever

Potential Strike Actions Canadian Rail or ILA on East and Gulf Coasts

Given the submission date is more than a week before the BPC meeting, there is likely to be more up to date status on these potential actions. Given PMSA can't attend this September BPC meeting, we include the coverage below and will provide any late breaking news we might have to the NWSA to include in their update.

Rail container dwells in Seattle-Tacoma still high, but relief in sight

Ari Ashe, Senior Editor Bill Mongelluzzo, Senior Editor | Sep 6, 2024, 2:13 PM EDT

Imports in the Pacific Northwest gateway will remain elevated through October, but BNSF and UP say they are positioned to handle the inland point intermodal traffic that is generated. The port congestion and elevated rail container dwell times that have been a fact of life in the Pacific Northwest for weeks appear to be peaking and some relief is expected later this month. Until then, however, shippers will be forced to contend with delays in the movement of intermodal containers to inland destinations. Rail container dwell times at marine terminals in the Northwest Seaport Alliance (NWSA) of Seattle and Tacoma have doubled in recent weeks as intermodal container moves spiked amid peak season imports.

Retailers shifted some discretionary import volumes to the Pacific Northwest gateway because of concerns over strike threats by Teamsters Union rail workers in Canada and by East and Gulf coast dockworkers amid the coming expiration of their contract at the end of this month. US imports from Asia increased almost 51% in July 2024 from July 2023, according to PIERS, a Journal of Commerce sister company within S&P Global. The import surge strained the capacity of the western railroads and terminal operators in the NWSA. "No mode can accommodate that kind of volatility without disruption," rail industry analyst Lawrence Gross, president and founder of Gross Transportation, told the Journal of Commerce last week.

Rail container dwell times at SSA Marine's three terminals in Seattle are now six days, up from the normal three to four days, because the terminals worked five ad hoc vessels on services that had been scheduled to call in Tacoma, according to an SSA spokesperson. "As a result, SSA's average rail volume has doubled in the past month," the spokesperson said. Dwells for BNSF Railway containers at the Husky Terminal in Tacoma this week are averaging five to six days, while Union Pacific (UP) containers are averaging four-day dwells, said Dustin Stoker, president of Husky Terminal. Rail container dwells of no more than two to four days are necessary to prevent congestion from building at West Coast marine terminals, according to port managers. Husky's import volumes continue to increase even though the terminal has not received any extraloader ships or vessels diverted from other terminals, Stoker said. Rather, it's just a matter of increased volumes being carried on scheduled vessel calls, he said.

Trans-Pacific carriers have launched or re-instated 10 services to the West Coast this year, including three services to the Pacific Northwest, in part due to the threatened labor strikes in Canada and the US East and Gulf coasts....Import volumes have nearly peaked Terminal operators say import volumes will likely remain at current levels for the next few weeks as shipments that left Asia at the end of August arrive at the Pacific Northwest gateway. Although import volumes are expected to remain elevated through October, imports have likely peaked, and pressures on West Coast ports and the western railroads should begin to ease somewhat later this month, Gross said...

Ocean carriers, the ports and terminal operators continue to share advance information on freight volumes, and all segments of the supply chain are operating fluidly, Gabriel said. "The broader supply chain has been a pleasant surprise," he said. UP says it is successfully handling the current surge of intermodal freight in Seattle-Tacoma and continues to work closely with terminal operators and the port authority as the railroad handles near-record volumes, a UP spokesperson told the Journal of Commerce. "Union Pacific's August 2024 volumes that moved through the PNW port complex were the highest since 2012," the spokesperson said.



Preliminary July 2024 TEU Numbers

The **West Coast Trade Report** monitors 24 North American container ports, nineteen in the United States, three in Canada, and two on Mexico's Pacific Coast. A few other U.S. container ports (notably including the Ports of Wilmington in Delaware and North Carolina, and the Port of Mobile in Alabama) choose not to make their TEU statistics public. Port Miami has lately been unable to supply the statistics we have requested and so we have delisted the Florida gateway, hopefully temporarily. The ports we track, save the Port of New York/ New Jersey, usually but not always post their latest TEU tallies in time for our publication date. The TEU tallies here are not estimates but the actual numbers the respective ports are releasing.

What are other trade analysts expecting to see in July? The National Retail Federation's Global Port Tracker (NRF/GPT) is looking for a 22.1%

year-over-year surge in inbound loads to 2.16 million TEUs at the thirteen U.S. container ports it monitors, while Descartes Global anticipates July's inbound volume at all U.S. ports (2,556,180 TEUs) will be up 16.8% over the previous July and up 16.3% over pre-pandemic July 2019.

Here are the July 2024 TEU numbers the nation's busiest container ports are reporting.

The **Port of Los Angeles** had a very busy July, with inbound loads totaling 501,281 TEUs, up 37.6% from a year earlier and 5.2% higher over pre-pandemic July 2019. Outbound loads (114,889) were up 4.1% year-over-year but remained down 28.8% from July 2019. Total Year-to-Date container moves through the San Pedro Bay gateway through July (5,671,091) represented a 4.0% gain over the first seven months of 2019.

Across the street at the **Port of Long**

Beach, inbound loads (435,081) surged by 60.5% from the previous July and by a whopping 38.8% over July 2019. Outbound loads (104,834) were up 16.3% year-over-year but were still 6.1% short of the 111,654 outbound loads the port reported in July 2019. Total container traffic through the port YTD through July (5,174,002) was up 20.0% year-over-year as well as up 20.1% over the same period in 2019.

Collectively, the two San Pedro Bay ports recorded an imposing 47.4% year-over-year bump in inbound loads in July to 936,362 TEUs from 635,294 a year earlier. Outbound loads in July (219,723) saw a noteworthy 9.6% gain from a year earlier. Total container moves through the two ports YTD (10,845,093) were up 11.1% over the first seven months of 2019.

The San Francisco Bay Area's **Port of Oakland** handled 80,135 inbound

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Partial Tallies

Continued

loads in July, a modest 2.6% gain over a year earlier. July's volume was also down 11.5% from the 90,598 inbound loads the port had discharged in July 2019. Outbound loads at the Northern California gateway (59,362) were up modestly by 2.3% year-over-year but down 22.3% from July 2019. Total container traffic through the port so far this year (1,320,245) was 10.4% below the volume recorded in the first seven months of 2019.

Up in Washington State, the **Northwest Seaport Alliance Ports of Tacoma and Seattle** discharged 110,304 inbound loads in July, up 24.4% year-over-year but down 10.4% from the volume recorded in July 2019. Outbound loads in July (36,940) were off by 1.8% from a year earlier and fully half the volume the ports handled in July 2019. Total container moves YTD (1,822,489) were down by 18.7% from the same period in 2019.

Altogether, the five major U.S. West Coast container ports reported 1,126,801 inbound laden TEUs in July, a 40.5% boost over the previous July and an 12.3% improvement over July 2019. Outbound loads at these same ports in July (316,025) were up 6.7% from a year earlier but down 25.3% from July 2019.

North of the border, year-over-year comparisons between this July and July 2023 would be misleading given that a strike by longshore workers suppressed traffic through the ports of British Columbia for several days last July. For the record, though, the

Port of Vancouver handled 169,164 inbound loads in July, up 3.8% over July 2019. Outbound loads (60,745) were down by 33.6% from July 2019. Total container traffic through Canada's largest port through the first seven months of 2024 (2,076,769) was up 4.0% from five years earlier.

At North America's northern most Pacific Coast port, the **Port of Prince Rupert**, the 33,744 inbound loads in July represented a 22.1% increase over-a-year earlier but remained well shy of the 66,277 inbound loads the port had handled in July 2019. Outbound loads (10,965) jumped 42.6% over July 2023 but well below the 15,397 TEUs that sailed from the port five years earlier. Total container traffic YTD amounted to 468,944 TEUs, up 8.8% from the preceding July but far below the 659,398 TEUs the port had handled in the first half of 2019.

Back East, the **Port of Virginia** posted a modest 3.8% year-over-year increase in inbound loads to 146,926 TEUs, its highest volume in July since 2022. The gain in inbound loads was 17.3% over July 2019. Outbound loads (92,564) at the Mid-Atlantic gateway were the fewest of any month this year but the most of any previous July. Still, this July's outbound volume was up 14.5% from July 2019. Total YTD container traffic through the port (2,100,151) was 22.1% higher than in the same period five years ago.

Meanwhile, the **Port of Charleston** continues to see surprisingly meager

growth in its overall container numbers. To be sure, outbound loads in July (114,434) were up 6.2% year-over-year, but outbound loads (51,729) were down 3.9% from a year ago. Total container traffic YTD (1,464,383) was up just 2.9% from the same period a year earlier and was only 3.3% more than the 1,417,959 total TEUs the South Carolina port handled back in the first seven months of 2019.

Along the Gulf Coast, **Port Houston** saw the arrival of 157,565 laden TEUs in July, down 5.2% from a year earlier but up 41.9% from July 2019. Outbound loads in July (112,607) were off by 4.3% year-over-year but up 7.8% from July 2019. The Texas port handled 2,423,474 loads and empties in this calendar year through July, a 10.0% bump over last year and a 40.8% gain over the same period in 2019.

July tallies from the Port of New York/New Jersey, the Port of Savannah, and Port Miami were unavailable by our publication deadline.



FOR THE RECORD

Complete June 2024 TEU Statistics

The five major U.S. West Coast container ports we track collectively handled 1,075,746 inbound loads in June, a 21.9% bump over the preceding June and up 15.3% from June 2019. Outbound loads (341,037) were up 11.8% year-over-year but down 15.1% from June 2019.

Here is how the larger ports we track fared in June, in their own numbers.

In Southern California, the **Port of Los Angeles** recorded 428,753 inbound loads in June, down 1.5% from a year earlier but up 8.2% from June 2019. Outbound loads (122,515) rose 13.4% year-over-year but remained 12.1% below the 396,307 outbound loads reported in June 2019. Total container traffic through the nation's busiest container port in this year's first half (4,731,491) was 4.2% higher than in the first six months of pre-pandemic 2019.

The **Port of Long Beach** had its fourth busiest month ever in June, with total container moves (loads and empties) amounting to 842,446 TEUs. Inbound loads (419,698) were up 53.0% from a comparatively sluggish June 2023 and were 26.6% higher than in June 2019. Outbound loads (98,300) rose 4.0% from a year earlier but remained 26.6% below the volume recorded five years earlier. YTD, total TEU traffic through the Southern California gateway (4,291,626) was up 16.4% from the first half of 2019.

Up at the San Francisco Bay Area's **Port of Oakland**, June produced some deceptively impressive figures. Inbound loads (84,040) jumped by 26.8% from a year earlier, but June 2023 was the lowest June for imports the port had seen since 2020. As it was, inbound loads

were up just 3.9% from pre-pandemic June 2019. Outbound loads (66,540) meanwhile rose by 22.9% from a lackluster June 2023 but were down by 11.2% from June 2019. Through this year's first half, total container moves (1,135,778) though the Northern California port were down 9.5% from the same period in 2019.

We also note that the State of Oregon's **Port of Portland** continues to move some container traffic. June 2024 saw a 16.0% year-over-year bump in container traffic to 7,660 TEUs from 6,006 TEUs the previous June. However, the Columbia River port's total TEU volume in the second quarter (22,005) was down from 25,849 TEUs in this year's first quarter and from 30,533 in last year's second quarter. So far this calendar year, the port has handled a total of 47,854 inbound and outbound loads, down 24.6% from this point last year. By comparison, Maine's Port of Portland has handled 21,520 total TEUs so far in this calendar year.

In the Pacific Northwest, the **Northwest Seaport Alliance Ports of Tacoma and Seattle** managed 129,789 import loads in June, a 42.5% jump year-over-year as well as a 14.6% increase over June 2019. Export loads (51,656) were up 12.6% from a year ago but just 0.6% ahead of the volume seen in June 2019. Total container moves YTD through the two Washington State ports (1,557,762) were up 13.8% from the first half of 2019.

Across the border in British Columbia, the **Port of Vancouver's** 152,912 inbound loads in June exceeded last

June's total by 20.0%, while edging up just 4.3% over June 2019. Outbound loads (67,573) in June were up 3.7% year-over-year but down 33.6% from June 2019. Total container traffic through the Canadian port in the first half of 2024 (1,769,093) exceeded the volume in the same period in 2019 by 4.3%.

Back on the Atlantic Coast, the **Port of New York/New Jersey** handled 413,833 inbound loads in June, an increase of 17.8% from a year earlier and a gain of 37.2% over June 2019. Outbound loads at the East Coast's busiest container gateway in June (124,801) were up 12.7% year-over-year but still just 1.7% above the volume recorded in June 2019. Total first-half container traffic (4,210,653) represented a 15.3% expansion over the same period in 2019.

The **Port of Virginia** reported 124,991 inbound loaded TEUs in June, a very modest 0.5% gain over a year earlier but a 10.9% increase from June 2019. Outbound loads (95,262) rose by 15.6% year-over-year and 24.5% from the sixth month of pre-pandemic 2019. Total container traffic through the Mid-Atlantic Coast gateway through the first half of this year (1,792,540) was up 23.2% over the same period in 2019.

At South Carolina's **Port of Charleston**, inbound loads in June amounted to 105,883, a 10.5% increase from the previous June and a 14.2% gain over June 2019. Outbound loads (62,377) were up 3.9% from a year earlier but were down 13.5% from June 2019. Total container moves during the first-half of this year



June 2024 TEU Numbers

Continued

(1,240,576) were up just 2.7% from the same period in 2019.

Georgia's **Port of Savannah** discharged 226,987 inbound loads in June, a 25.8% year-over-year bump that also represented a 34.5% increase over June 2019. Outbound loads, meanwhile, amounted to 120,366 TEUs, up 8.0% from a year earlier but just 0.9% ahead of June 2019's volume. Total container traffic in the year's first-half (2,701,136) was 19.9% higher than in the same period five years earlier.

On the Gulf Coast, **Port Houston** handled 153,778 inbound loads, a 4.9% gain from a year earlier but a massive 46.2% increase over June 2019. Outbound loads through the Texas port (114,728) were up 10.6% year-over-year but just 7.8% over June 2019. Total container traffic through the first half of 2024 (2,098,117) represented a 12.9% increase from the same period a year ago but a 43.6% expansion over the total volume in the first six months of 2019.

Please note that **Port Miami** no longer appears in our coverage of the nation's containerized trade as the Florida maritime gateway port officials have been unable to provide its TEU tallies to us.

As **Exhibit 1** reveals, the U.S. ports we monitor reported having handled 2,232,303 inbound loads in June, a 15.6% increase from a year earlier as well as a 20.1% increase over pre-pandemic June 2019. The surge in inbound loads some forecasters had anticipated for May came a month later as U.S. West Coast (USWC) ports saw a 21.9% gain in June from a year earlier. The 1,075,746 inbound loads they handled in June represented 48.2% of all inbound loads nationally in June, up sharply from 45.7% share a year earlier. U.S. East Coast (USEC) ports, meanwhile,

Exhibit 1

June 2024 Inbound Loaded TEUs at Major North American Ports

	June 2024	June 2023	June 2019	Change from 2023	Change from 2019
Los Angeles	428,753	435,307	396,307	-1.5%	8.2%
Long Beach	419,698	274,325	331,617	53.0%	26.6%
San Pedro Bay Total	848,451	709,632	727,924	19.6%	16.6%
Oakland	84,040	66,295	80,895	26.8%	3.9%
NWSA	129,789	91,089	113,295	42.5%	14.6%
Hueneme	7,746	9,595	5,080	-19.3%	52.5%
San Diego	5,720	6,050	5,836	-5.5%	-2.0%
USWC Total	1,075,746	882,661	933,030	21.9%	15.3%
Boston	12,242	8,626	13,874	41.9%	-11.8%
NYNJ	413,833	351,430	301,708	17.8%	37.2%
Philadelphia	36,524	30,326	24,856	20.4%	46.9%
Maryland	6,881	48,921	38,839	-85.9%	-82.3%
Virginia	124,991	124,338	112,664	0.5%	10.9%
So Carolina	105,883	95,831	92,707	10.5%	14.2%
Georgia	226,987	180,369	168,799	25.8%	34.5%
Jaxport	34,664	25,642	33,461	35.2%	3.6%
Port Everglades	31,164	24,316	22,463	28.2%	38.7%
USEC Total	993,169	889,799	809,371	9.3%	16.8%
New Orleans	9,610	11,200	11,673	-14.2%	-17.7%
Houston	153,778	146,636	105,159	4.9%	46.2%
USGC	163,388	157,836	116,832	3.5%	39.8%
Vancouver	152,859	135,052	137,495	13.2%	11.2%
Prince Rupert	36,408	34,289	57,754	6.2%	-37.0%
British Columbia Total	189,267	169,341	195,249	11.8%	-3.1%
L Cardenas	64,068	59,887	47,958	7.0%	33.6%
Manzanillo	145,028	133,506	115,596	8.6%	25.5%
Mexico Pacific Coast	209,096	193,393	163,554	8.1%	27.8%
U.S. Totals	2,232,303	1,930,296	1,859,233	15.6%	20.1%

Source Individual Ports



June 2024 TEU Numbers

Continued

saw their collective share of the nation's inbound container trade decline to 44.5% from 46.1% in June 2023 and from 43.5% in June 2019.

Contrary to claims published elsewhere, the nation's Top Ten container ports recorded 2,040,018 inbound loads in June, a 17.2% bump over June 2023.

On the export side of the box trade ledger, **Exhibit 2** shows that the U.S. ports we track handled 975,249 outbound loaded TEUs in June, with U.S. West Coast ports holding a 35.0% share of the trade, up from 31.4% a year ago. U.S. East Coast ports, meanwhile, held a 51.3% share of the nation's outbound loads in June, down from a 52.2% share last June. The nation's Top Ten container ports reported 856,545 outbound loads in June, an increase of 11.2% over the previous June but still down 4.5% from June 2019, when outbound loads at the Top Ten container ports totaled 897,064 TEUs.

Exhibit 3 establishes that the North American ports we monitor handled 32,289,792 loaded and empty TEUs in the first half of this year. That was up 11.3% from a year earlier and 10.5% higher than the total handled in the first half of 2019. U.S. ports handled 26,331,697 total TEUs in the first half, an increase of 12.8% from the previous year and up 10.0% than in the first half of 2019. **Exhibit 3** also establishes that the Port of Los Angeles and the Port of Long Beach were the North America's two busiest container ports during the first half of 2024. A year earlier, the Port of New York/New Jersey (PNYNJ) had edged out the Port of Long Beach

Exhibit 2

June 2024 Outbound Loaded TEUs at Major North American Ports

	June 2024	June 2023	June 2019	Change from 2023	Change from 2019
Los Angeles	122,515	108,050	139,318	13.4%	-12.1%
Long Beach	98,300	94,508	133,833	4.0%	-26.6%
San Pedro Bay Total	220,815	202,558	273,151	9.0%	-19.2%
Oakland	66,540	54,138	74,901	22.9%	-11.2%
NWSA	51,656	45,891	51,964	12.6%	0.6%
Hueneme	1,496	1,944	1,270	-23.0%	17.8%
San Diego	530	584	298	-9.2%	77.9%
USWC Total	341,037	305,115	401,584	11.8%	-15.1%
Boston	4,602	4,292	7,366	7.2%	-37.5%
NYNJ	124,801	110,695	122,663	12.7%	1.7%
Philadelphia	7,869	7,027	7,374	12.0%	6.7%
Maryland	9,956	17,811	20,127	-44.1%	-50.5%
Virginia	95,262	82,414	76,535	15.6%	24.5%
So Carolina	62,377	59,485	72,126	4.9%	-13.5%
Georgia	120,366	111,104	119,295	8.3%	0.9%
Jaxport	38,553	41,738	38,424	-7.6%	0.3%
Port Everglades	36,601	30,707	34,705	19.2%	5.5%
USEC Total	500,387	465,273	498,615	-7.5%	-0.4%
New Orleans	19,097	19,672	25,898	-2.9%	-26.3%
Houston	114,728	103,726	106,429	10.6%	7.8%
USGC	133,825	123,398	132,327	8.4%	1.1%
Vancouver	67,573	65,149	101,715	3.7%	-33.6%
Prince Rupert	11,566	10,603	15,254	9.1%	24.2%
British Columbia Total	79,139	75,752	116,969	4.5%	-32.3%
L Cardenas	4,982	4,488	19,569	11.0%	-74.5%
Manzanillo	28,997	51,744	64,338	-44.0%	-54.9%
Mexico Pacific Coast	33,979	56,232	83,907	-39.6%	-59.5%
U.S. Totals	975,249	893,786	1,032,526	9.1%	-5.5%

Source Individual Ports



June 2024 TEU Numbers

Continued

for the Number Two position. In 2019, Long Beach overtook PNYNJ for that slot. Among the major North American ports, all but the Port of Montreal and, for understandable reasons, the Port of Baltimore, recorded year-over-year gains in total container traffic in the first half. Compared to the volumes they had reported during the first half of pre-pandemic 2019, the San Pedro Bay Ports of Los Angeles and Long Beach together achieved a 9.7% increase in total container traffic. However, the Port of Oakland and the Northwest Seaport Alliance both fell well short of the volumes they had recorded during the first half of 2019. As a result, the five major USWC ports collectively handled 3.8% or 430,667 more loaded and empty TEUs in this year's first half than they had five years earlier.

Container Contents Weights and Values

Exhibit 4 and **Exhibit 5** display the U.S. West Coast ports' shares of the nation's containerized trade through the mainland U.S. ports against which USWC ports compete for discretionary cargo. These June 2024 data are derived from import/export documents shippers file with U.S. Customs and Border Protection. For a broader perspective, we compare the most recent month for which data are available with the same month in the preceding year, in pre-pandemic 2019, and a decade earlier. For those who are inclined to add up the numbers, the USWC totals in these two exhibits include international container traffic moving through smaller West Coast ports like San Diego, Hueneme, and Everett in addition to the container

Exhibit 3

June 2024 YTD Total TEUs at Major North American Ports

	June 2024	June 2023	June 2019	Change from 2023	Change from 2019
Los Angeles	4,731,491	4,137,379	4,538,639	14.4%	4.2%
Long Beach	4,291,626	3,732,676	3,685,635	15.0%	16.4%
NYNJ	4,210,653	3,740,344	3,652,841	12.6%	15.3%
Georgia	2,701,136	2,375,409	2,252,228	13.7%	19.9%
Houston	2,098,117	1,858,375	1,461,409	12.9%	43.6%
Manzanillo	1,935,710	1,734,942	1,512,284	11.6%	28.0%
Virginia	1,792,540	1,580,449	1,454,453	13.4%	23.2%
Vancouver	1,769,093	1,554,904	1,695,377	20.0%	4.3%
NWSA	1,557,762	1,396,574	1,806,731	11.5%	-13.8%
South Carolina	1,240,575	1,225,957	1,207,417	1.2%	2.7%
Oakland	1,135,778	1,012,154	1,254,985	12.2%	-9.5%
Lazaro Cardenas	1,111,075	833,996	662,060	33.2%	67.8%
Montreal	737,464	759,184	859,410	-2.9%	-14.2%
JaxPort	674,079	640,575	669,706	5.2%	0.7%
Port Everglades	551,158	514,933	522,238	4.3%	3.4%
Philadelphia	419,882	364,083	296,494	15.3%	41.6%
Maryland	404,753	382,405	550,083	5.8%	-26.4%
Prince Rupert	294,644	548,848	536,520	-46.3%	-45.1%
New Orleans	258,731	237,457	316,050	9.0%	-18.1%
Boston	131,424	109,471	148,822	20.1%	-11.7%
Hueneme	120,809	127,888	65,418	-5.5%	84.7%
San Diego	73,438	78,058	59,633	-5.9%	23.1%
Portland, Oregon	47,854	63,106	0	-24.2%	∞
North American Totals	32,289,792	29,009,167	29,208,433	11.3%	10.5%
U.S. Ports Total	26,331,697	23,743,736	23,929,219	12.8%	10.0%



June 2024 TEU Numbers

Continued

figures from the USWC Big Five ports.

The numbers here confirm a decided shift of U.S. containerized trade back toward America's West Coast ports. However, we warn that these recent gains in market share by USWC ports are likely to dissipate once the threat of a dockworkers strike along the East and Gulf Coast is lifted and once the Houthi blockade of the Suez Canal is neutralized. Given shifts in worldwide manufacturing, right now could be the highwater mark for the USWC ports' shares of the nation's containerized maritime trade.

Exhibit 4 shows a substantial year-over-year boost in the USWC share of all containerized import tonnage flowing into mainland U.S. ports in June. The Ports of Los Angeles and Long Beach actually exceeded the share they held in pre-pandemic June 2019. However, on the export side of the trade ledger, the five major USWC ports saw a significant fall-off in their collective share of containerized export tonnage from last June.

Exhibit 5 focuses on the USWC shares of U.S. containerized trade involving trading partners in East Asia. Again, the numbers indicate that the Ports of Los Angeles and Long Beach are capturing a larger share of the containerized import tonnage from East Asia. Oakland saw its import tonnage shares edge up slightly from a year earlier, while the Northwest Seaport Alliance Ports of Tacoma and Seattle enjoyed a more appreciable gain. As for export tonnage, this June very nearly mirrored last June's distribution of shares.

New Wine Bottle Import Tariffs

Wine bottle manufacturers in China, Chile and Mexico are looking at new U.S. tariffs that may range as high as 218.15% as the result of Countervailing Duty and Antidumping investigations by the U.S. Commerce Department. To the extent higher duties distort trade, the logistical impact will be felt at border crossings with Mexico and at U.S. West Coast ports, which handled 71.1% of glass wine bottle shipments to the U.S. from China during the first half of this year. **Exhibit 6** reveals the breakdown over the past ten years. As Mexico has emerged as an ever-larger supplier of glass wine bottles, the role of Chinese

Exhibit 4 Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, June 2024

		Jun 2024	Jun 2023	Jun 2019	Jun 2014
Import Tonnage	USWC	38.5%	35.0%	38.4%	44.1%
	LA/LB	29.0%	26.4%	27.5%	31.5%
	Oak.	3.4%	3.0%	4.2%	4.6%
	NWSA	4.4%	3.9%	5.2%	6.2%
Import Value	USWC	43.4%	40.8%	46.4%	52.4%
	LA/LB	33.9%	32.2%	35.1%	40.7%
	Oak.	3.2%	2.7%	3.8%	3.9%
	NWSA	5.3%	4.7%	6.9%	7.1%
Export Tonnage	USWC	30.2%	32.3%	36.7%	42.1%
	LA/LB	18.6%	19.7%	21.7%	25.6%
	Oak.	5.7%	5.6%	6.0%	6.5%
	NWSA	5.3%	5.6%	7.9%	8.8%
Export Value	USWC	25.9%	26.7%	32.1%	36.6%
	LA/LB	16.4%	17.9%	20.8%	25.0%
	Oak.	6.0%	5.5%	6.0%	5.8%
	NWSA	3.0%	2.9%	4.5%	5.0%

Source: U.S. Commerce Department

Exhibit 5 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, June 2024

		Jun 2024	Jun 2023	Jun 2019	Jun 2014
Import Tonnage	USWC	57.6%	54.0%	57.2%	66.0%
	LA/LB	45.7%	43.1%	44.3%	49.6%
	Oak.	3.9%	3.8%	4.8%	4.9%
	NWSA	6.9%	6.0%	7.7%	9.6%
Import Value	USWC	65.4%	61.5%	66.7%	73.8%
	LA/LB	52.7%	49.6%	51.8%	58.8%
	Oak.	3.9%	3.4%	4.5%	4.2%
	NWSA	8.0%	7.2%	9.8%	10.1%
Export Tonnage	USWC	52.5%	52.5%	58.9%	68.8%
	LA/LB	33.3%	33.2%	36.5%	44.1%
	Oak.	8.6%	8.7%	9.3%	9.4%
	NWSA	9.5%	9.3%	12.8%	14.3%
Export Value	USWC	54.4%	56.3%	62.1%	69.9%
	LA/LB	34.7%	38.1%	41.4%	49.2%
	Oak.	11.5%	11.1%	10.9%	9.9%
	NWSA	7.1%	6.4%	8.6%	9.9%

Source: U.S. Commerce Department



June 2024 TEU Numbers

Continued

manufacturers has not only fallen off, but the trade has also been rechanneled south, with the San Pedro Bay ports emerging as the preferred point-of-entry. That shift stands out because most of America’s wine is produced in Northern California, a region more immediately in the hinterland of the Port of Oakland.

Shipping Fresh Idaho Potatoes to Japan

Japan has long to be loath to accept fresh potato imports from the United States. That has long been a source of irritation to potato growers and their friends in Idaho, where one in every five potatoes is exported.

Perhaps oddly, Japan is already the leading overseas market for frozen U.S. potatoes, the kind used to make French fries and potato chips. But political pressure from Japanese potato growers has kept fresh potatoes out of the country, despite decades of negotiations and the absence of a compelling, science-based justification for the ban.

Data from the U.S. Department of Agriculture show that U.S. potato exports hit a record \$2.1 billion in sales in 2022, the latest year for which the USDA has comparable statistics. According to the National Potato Council, exports of fresh potatoes to Japan could add another \$150 million to that total.

The U.S. already exports fresh potatoes to countries in the same general neighborhood as Japan, including South Korea, Taiwan, Hong Kong, Singapore, Indonesia, the Philippines, Malaysia, and Thailand.

Exhibit 6 U.S. Port Shares of Glass Wine Bottle Imports from China

Source: U.S. Commerce Department

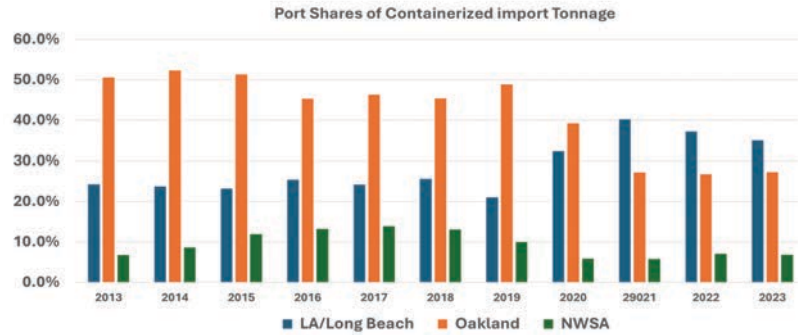
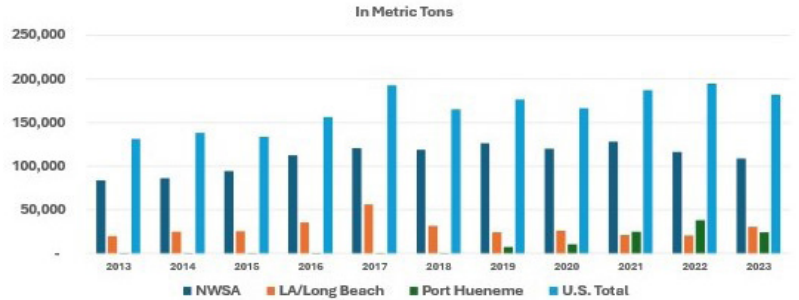


Exhibit 7 Ports Handling U.S. Fresh Potato Exports

Source: U.S. Commerce Department



Opening Japan to Idaho potato exporters would also presumably benefit the Northwest Seaport Alliance Ports of Tacoma and Seattle, which currently handle the majority of fresh potato exports going to overseas markets (see Exhibit 7).

California Nuts

Almonds, pistachios, and walnuts rank among California’s Top Five agricultural exports by value.

We Make Cargo Move



The Port OF Hueneme



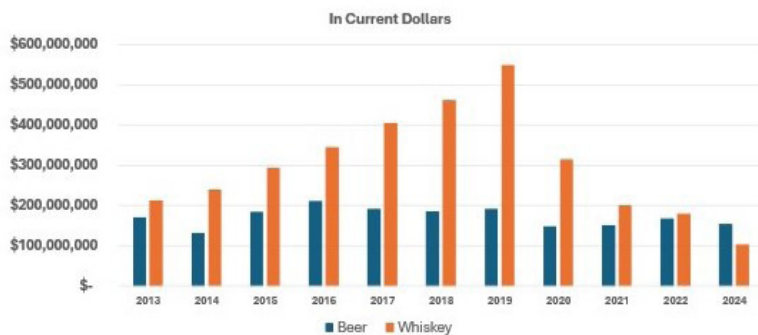
June 2024 TEU Numbers

Continued

Exhibit 8

U.S. Imports of Alcoholic Beverages from Ireland

Source: U.S. Commerce Department



Other than the overland trade to Canada and Mexico (and a <10.0% share diverted to ports on the East and Gulf Coasts), virtually the state’s tree nut export trade moves through the Ports of Oakland, Long Beach, and Los Angeles. Here’s how exports are faring in the current crop year, which began last September 1 for pistachios and walnuts and on August 1 for almonds.

Almond exports for the 2023-24 crop year which ended on July 31 totaled 1,963,916,713 pounds, a 6.3% gain over the 2022-23 crop year. 73.0% of California almonds were exported in the just concluded crop year. Spain, Germany, the Netherlands, the United Arab Emirates, Turkey, and Morocco were the chief destinations.

Through July, pistachio exports this year have totaled 882,319,358 pounds, up 45.5% from this point last year and 68.1% above the volume exported in the previous crop year. So far this year, 79.2% of the crop has been exported. Only a fraction (4.7%) of pistachio shipments are going to Canada and Mexico. Germany and Turkey each have been importing more California pistachios than are our two immediate neighbors. Spain, India, and Vietnam also rank among the top overseas markets for California’s pistachios.

California Walnut Board numbers show that exports of inshell walnuts in the 2023-24 crop year were up 33.3% through July to 308,439,000 pounds, while exports of shelled walnuts rose by 22.4% to 321,085,000 pounds. All but 5.1% of inshell walnuts were shipped abroad, while 57.2% of shelled walnuts were exported. Germany, Spain, Japan, and South Korea are currently the leading foreign markets for California walnuts.

In the first half of this year, U.S. Commerce Department statistics indicate that, in tonnage terms, the Port of Oakland handled 65.4%

of all exports of tree nuts, while the Ports of Los Angeles and Long Beach collectively handled an even 25.0%. The remaining 8.7% of the trade sailed from Port Houston, the Port of Virginia, and the Port of Savannah.

Sourcing Diversification

There’s been much speculation as to which North American seaports might benefit the most from shippers’ efforts to diversify sourcing away from China. Along now comes an interesting report from the San Francisco Bay Area Council’s Economic Institute declaring that the “worldwide shift of production is fully underway as companies with global operations diversify their sourcing and work to manage risk. A trend for several years, this has become a flow.”

The report attributes the shift to “less hospitable environment in China and tensions in US-China relations” but also a desire to “reduce dependence on any one country (a problem laid bare by China’s pandemic shutdowns) and a desire to bring production closer to home.”

India, Mexico, and Southeast Asia are cited in the report as the principal beneficiaries of this exercise in resourceful resourcing. According to the Institute, India offers a huge potential market and a deep base of engineers. Vietnam is culturally similar to China, with low costs but a friendlier attitude toward the United States. Mexico features a young working-class population as well as a strong technical workforce. It also enjoys the added benefit of being a partner in the USMCA – the US-Mexico-Canada Agreement – which provides a more secure legal setting for trade and investment. It further has the advantage of the shortest and most secure supply lines possible (a truck across the border) and “a symbiotic binational manufacturing process that also supports jobs in the United States”.

What does this imply for the future of container traffic through those U.S. West Coast



June 2024 TEU Numbers

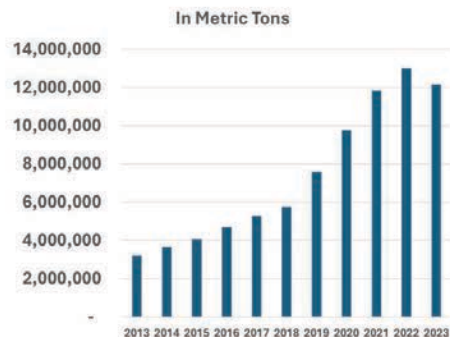
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Exhibit 9

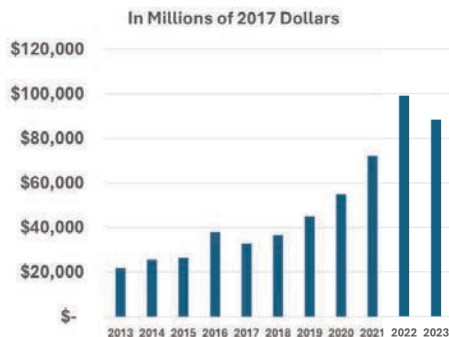
U.S. Containerized Imports from Vietnam

Source: U.S. Commerce Department

Tonnage



Real Value



factory in County Mayo. So far this year, 45.0% of all imported artificial joints have come from Ireland.

In case some of you were wondering about other exports for which Ireland is known, we have thrown in **Exhibit 8**, which relates the rise and decline in U.S. imports of Irish beverages in the past decade. COVID-19's impact on bars and social drinking could not be more manifest. But hold on! Presumably because Irish bars and households across the U.S. are stocking up for what promises to be a fairly turbulent presidential election, whiskey imports from Ireland in the first half of this year are up 28.9% over the same period last year, while imports of Irish stouts and lagers have risen 22.3%. *Sláinte!*

Moving back to the original topic, Vietnam is frequently cited as a leading beneficiary of the diversification of manufacturing operations outside of China (although ownership often involves Chinese parties). Let's compare two sets of numbers: the amount of containerized tonnage shipped from Vietnam to U.S. ports over the past ten years and the real dollar value of U.S. imports from Vietnam in that same period. As **Exhibit 9** shows, the run-up in containerized tonnage (and the number of TEUs) shipped to U.S. ports from Vietnam exceeded the pace with which the value of those shipments grew.

ports which have hitherto served as America's primary gateways for trade with China?

Before calculating which ports will gain or suffer from the diversification of supply chains, a couple of statistics might be in order. Most importantly, while international merchandise trade data are most commonly expressed in dollars, growth in the value of imports from any given do not necessarily correlate with any increase in the number of TEUs used to transport those goods to U.S. markets.

Here are three useful numbers to keep in mind. In dollar terms, 29.0% of America's merchandise imports through the first half of this year came from Mexico and Canada, and 89.8% of that trade was shipped overland in trucks and by rail. Another 26.1% of the U.S. merchandise import trade so far this year was airborne. Ships calling at U.S. seaports brought

in 44.2% of all imported goods, while containerized shipments accounted for 31.7% of all merchandise imports.

Dollar value numbers can be quite misleading when trying to anticipate the number of TEUs that might show up at American ports. Consider, for example, that the ninth largest source of U.S. merchandise imports is -- in dollar terms -- that industrial behemoth Ireland (population: 5.13 million). The "Old Sod" currently ranks between Taiwan (population: 23.57 million) and India (1.42 billion) as the source of the \$46.579 billion in merchandise the U.S. imported in this year's first half. But the majority of that trade (80.1%) is airborne. Indeed, only China ranks higher than Ireland in terms of the value of airborne shipments to the United States.

Ireland's chief exports are high-value, low-weight pharmaceuticals and medical products. Most of the world's supply of Botox comes from a single

JOCK O'CONNELL'S COMMENTARY

Where Did the Export Containers Go?

GDP = Consumption + Investment + Government Spending + Net Exports

That's the basic formula for calculating gross domestic product, the measure by which nations (and states like California) are often ranked economically. For the past 33 years, the number for America's "Net Exports" has been negative because the value of the goods and services (but chiefly goods) we import has far exceeded the value of goods and services we export.

Keep that in mind while I digress.

A few years ago, while addressing a business luncheon in the town of Firebaugh about the virtues of exporting, I was accosted by a woman who was much aggrieved at not being able to water her front lawn every day. Firebaugh is one of those small (2020 population: 8,090) agricultural communities that dot the landscape in Fresno County, America's leading county in terms of the value of its agricultural output.

Farming is on every Firebaugh resident's mind. So, understandably for a region perennially flirting with drought, is water. The challenge hurled at me from the back row was not therefore entirely unexpected: Why should California be growing a crop, over 70% of which is exported, that uses lavish amounts of the local water supply?

The questioner was referring to almonds, long California's most valuable agricultural export and yet a commodity that reportedly slurps

up an extravagant share of the San Joaquin Valley's precious supply of irrigation water.

My answer that day was the answer economists have been giving since, well, forever: Exports – namely goods sold abroad or even in the next county over – result in a transfer of wealth from buyers to sellers, from importers to exporters. Those shiny coins a Babylonian merchant paid for a mina of Egyptian grain increased Egypt's supply of money, which could then be used to build imposing tombs or, more practically, to import wine from Sicily.

That's also why, when determining a nation's gross domestic product, modern accountants add the value of exports but subtract the value of imports.

Now, back before the nation's seaports were swamped by a pandemic-induced surge in consumer imports and before the average American began paying attention to our maritime trade, some economists valued seaports not just as gateways for imported merchandise but as vital conduits for exported goods. In the past few years, though, we seem to have acquired a mindset that prompts us to celebrate what we consume over what we produce. Especially as the COVID-19 plague gave rise to a flood of inbound TEUs, America's mainstream media all but abandoned reporting on the trade that makes us rich in favor of the trade that increases our indebtedness to the rest of the world.

To be sure, the business of exporting does periodically attract the attention of public officials and editorial writers, usually in times of economic turmoil. Recall that toward the end of the Great Recession, President Obama used the 2010 State of the Union message to announce a National Export Initiative to double U.S. exports in five years. More recently, there was that scuffle a couple of years ago over whether U.S. farm exports were being unfairly thwarted because shipping lines were quickly repatriating empty containers to factories overseas, where they could be refilled with the goods American consumers were demanding. That episode, spurred in part by some amazingly bad data coupled with dubious math, led to congressional action to restrict the latitude shipping lines might otherwise enjoy in running their businesses.

However, contrary to popular memory, the volume of containerized shipments from most major U.S. ports had peaked in advance of the plague. Indeed, at the nation's busiest container port, the Port of Los Angeles, outbound loads reached their zenith in 2012 at 2,159,949 TEUs, while the Port of Long Beach hit its highwater mark for outbound loads in 2013 at 1,704,924 TEUs. That same year saw the Port of Oakland record its all-time high in outbound loads at 1,014,792 TEUs. The Northwest Seaport Alliance reached its peak in 2016 at 984,481 TEUs.

Back East, the situation was more mixed, reflecting the rapid rise of



Commentary

Continued

containerized trade through Atlantic Coast ports following the opening of the expanded Panama Canal. Outbound loads at the Port of New York/New Jersey had topped out at 1,621,264 in 2011. The Port of Virginia achieved its best year for outbound loads just last year at 1,101,620. But even that was just a smidge over its previous high of 1,034,526 back in 2014. Savannah saw its highest level of containerized exports at 1,470,372 on the eve of the pandemic in 2019. That was the same year in which the volume of outbound laden TEUs reached its all-time high at 816,962 at the Port of Charleston.

Along the Gulf, Port Houston has been the rare major U.S. port to have seen a near steady increase in its outbound loads, with last year seeing its highest volume ever at 1,888,004 TEUs. (Through the first half of this year, outbound loads from the Texas port are up by 14.4%.) At the other Gulf Coast port that makes its container statistics publicly available, outbound loads at the Port of New Orleans peaked at 254,320 TEUs in 2016. Last year, the port handled 230,906 outbound loads. In the first half of this year, the volume has jumped by 12.3%.

As **Exhibits A** and **Exhibit B** attest, the fall-off in containerized export tonnage has not been equitably distributed across the nation's ports but has been especially pronounced along the West Coast.

The Port of Los Angeles, while reporting a 30.2% year-over-year uptick in outbound loads during the first seven months of this year, remained 15.8%

Exhibit A

U.S. Containerized Export Tonnage by Coast: 2003-2023

Source: U.S. Commerce Department

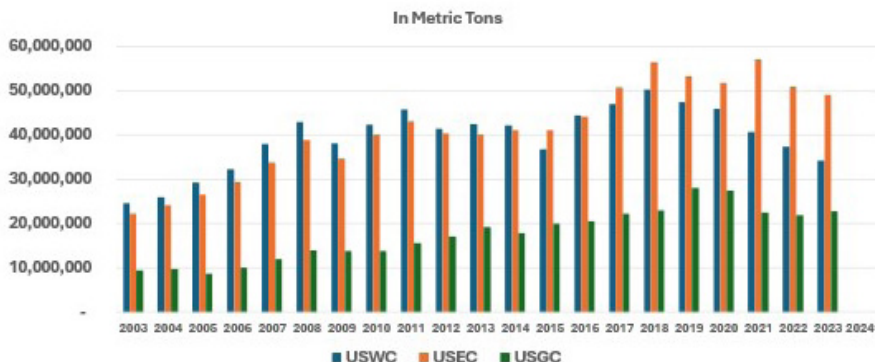
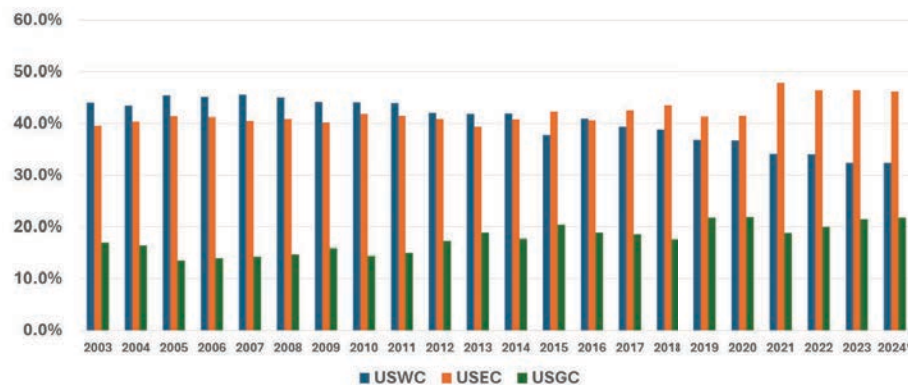


Exhibit B

Coastal Shares of U.S. Containerized Export Tonnage

Source: U.S. Commerce Department



below the export volume recorded in the same period in 2019 and 27.0% below the first seven months of 2012, the port's best year for outbound loads. Even with a 15.5% year-over-year bump in outbound loads in the first six months of this year, 33.1% fewer laden TEUs sailed from the Northwest Seaport Alliance Ports of Tacoma and Seattle than in the same period in 2016.

The decline of outbound loads from West Coast ports is clearly reflected in **Exhibit B**, which displays the shift in shares of the U.S. containerized

export trade over the past two decades.

Exhibit C depicts the fall-off of outbound laden TEUs at the principal U.S. West Coast ports.

The Port of Oakland perhaps offers the most curious case of declining exports. For many years, the San Francisco Bay Area's chief maritime trade gateway boasted that it routinely exported more than it imported, largely because its status as a last port-of-call for freighters leaving the U.S. gave shippers of agricultural



Commentary

Continued

commodities and other time-sensitive goods a faster path to Asian markets. However, as **Exhibit D** reveals, the preeminence of outbound loads at Oakland ended almost a decade ago.

To be sure, there has been an uptick in this year's traffic in outbound loads from USWC ports. But those year-over-year gains nonetheless left the ports well short of the volumes they had achieved five years ago. The Ports of Los Angeles and Long Beach collectively show a 7.1% year-over-year increase in outbound laden TEUs during the first seven months of this year. Yet that leaves the two ports 17.4% shy of the volume of outbound loads they handled during the same months in 2019. Similarly, the Port of Oakland reported a 12.2% year-over-year bump in outbound loads during this year's first half. But that was 13.0% below the volume five years earlier. Meanwhile, the Northwest Seaport Alliance recorded a 15.5% year-over-year gain in outbound loads during the first half of this year that still left the Ports of Tacoma and Seattle 22.1% shy of the number of laden outbound TEUs they had shipped in the same months of 2019.

Maintaining that positive momentum in rebuilding the export trade from USWC ports will not be made any easier by tariff increases being imposed by the Biden-Harris administration, not to mention the more draconian tariffs being promised by the Republican presidential candidate.

Exhibit C Outbound Containerized Trade at USWC Ports

Source: Individual Ports

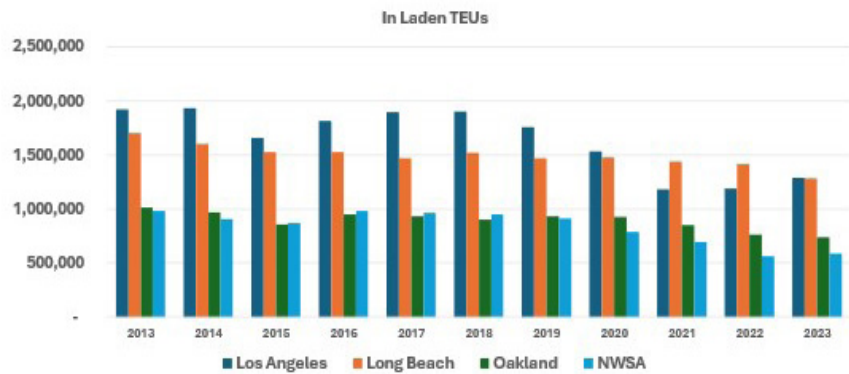
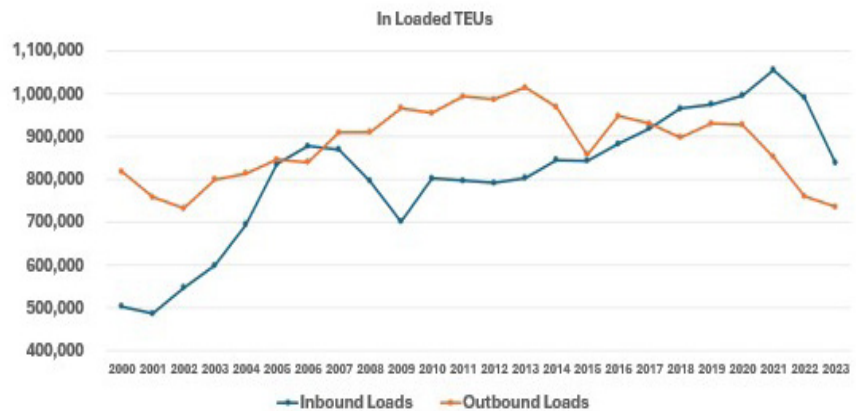


Exhibit D Oakland's Shift from Export Dominance: 2000-2023

Source: Port of Oakland



Recapturing the previous volumes of export TEUs from USWC ports will necessitate a truly herculean effort that does not appear to be the cards the ports have been dealt.

Jock's comments do not necessarily reflect the views of the Pacific Merchant Shipping Association.



West Coast Ports Provide National Supply Chain Resilience, Unless We Allow Cargo Caps to Limit System Capacity

By Mike Jacob, President, Pacific Merchant Shipping Association

The nation's largest port complex – the Ports of Los Angeles and Long Beach – just handled their highest import volumes of any month since the peaks of the pandemic. And, yet despite container totals that looked like some of the all-time monthly highs of 2021, our marine terminal operations in Southern California are working without lines of ships offshore, chassis shortages, spikes in detention and demurrage, and massive jumps in container dwell times at the terminals.

The difference is resilience. And our system's resiliency exists in capacity and flexibility.

The global volatility that has driven this latest surge in containers on the West Coast has its roots in many causes, including the long shadows cast by the rebuilding of long vessel strings avoiding the Red Sea and shippers mitigating the impact of potential labor issues with rail intermodal in Canada and the ILA-USMX in the Atlantic and Gulf by creating an

early peak season. These global risks have made the two San Pedro Bay Ports and the two Northwest Seaport Alliance Ports attractive gateways for discretionary cargoes. As a result, the Ports of Los Angeles and Long Beach saw an incredible 47.4% year-over-year jump in July imports in 2024 to 936,362 TEUs compared to 635,294 in 2023. In the Pacific Northwest, the Ports of Seattle and Tacoma saw a 24.4% jump in year-over-year imports in July 2024 compared to July 2023.

What can we take away from the fact that, despite seeing similar total volumes to 2021 in these dramatic swings from year to year, that in 2024 our marine terminals are handling these volumes without much drama, routinely making these transactions look like any other day at the office?

It's resilience. System resiliency is a measure of how flexible the intermodal supply chain is to these types of shocks – how effectively, how quickly, and how seamlessly disruptions can be absorbed and cargo re-routed.

In 2024, the flexibility of our West Coast Ports to absorb relatively large swings in volumes is a demonstration of total system resiliency. In 2021, the capacity for the system to provide flexibility was practically non-existent.

To optimize our trade economy, where goods flow to end points through the intermodal supply chain, shippers find the "best" pathway that meets their needs in terms of rates, reliability, travel time, and other factors, and typically multiple gateways are available that demonstrate these potential pathways. But add in geo-political uncertainties, like wars, pandemics, or labor issues, and certain gateways might get turned "on" or "off" for shippers in the short-term.

In 2021, we didn't have adequate intermodal relief valves for disruptions.

In 2024, the West Coast marine terminals ARE both the nation's primary trade gateway and our national relief valve.



Making Tracks

Our Pier B On-Dock Rail Support Facility will increase throughput, lower emissions, lessen traffic impacts and move cargo faster and more efficiently.



Port of **LONG BEACH**
THE PORT OF CHOICE



West Coast Ports

Continued

For the national intermodal supply chain to maintain this flexibility, and thus the resiliency to address uncertainty, we need to ensure that US West Coast gateways remain robust and viable alternatives. It does not take much of an imagination to see beyond the Baltimore bridge incident that even one accident can require temporary alterations of freight patterns.

The fact is that West Coast Ports' capacity is what provides gateway flexibility for the intermodal supply chain. This underscores the importance of avoiding any artificial constraints that could hinder trade flexibility and efficiency. The biggest threat to our system's current resiliency in this respect, would be the imposition of cargo caps by air quality regulators on this infrastructure; for example, an Indirect Source Rule imposed on the Ports of Los Angeles and Long Beach, which would take existing physical capacity and render it illegal to utilize at certain emissions thresholds.

In 2021, resiliency suffered for lack of options when resources became constrained during the pandemic; in the crisis carriers and cargo owners were left without the ability to find a secondary available terminal, vessel, chassis, motor carrier, distribution center or warehouse. In 2024, the Ports of Los Angeles and Long Beach are providing resiliency to the entire system by providing carriers and

cargo owners with all of these options in the face of global geopolitical unrest. But, imagine if we had artificially constrained our options here in California with local cargo caps in 2023, as previously proposed (but not adopted) by our air district - we would now be fighting a losing battle for supply chain resiliency in 2024, with one hand tied behind our back, legally prohibited from providing a surge of new terminal capacity for cargo. This would not have just damaged the Southern California economy but sabotaged the resiliency of our national intermodal system in the process.

It is imperative for the health of our supply chain and the economy that relies on it, that we maintain our resiliency, and the flexibility upon which it relies. One key lesson from the pandemic is that our national economy suffers when we underinvest in capacity beyond the daily demands of our supply chain infrastructure. Let's not forget that lesson so soon after the steep price we just paid to learn it.

NUMBER OF THE MONTH

15.3%

PERCENT INCREASE OF JUNE 2024 INBOUND LOADS VS. JUNE 2019 AT THE BIG 5 USWC PORTS

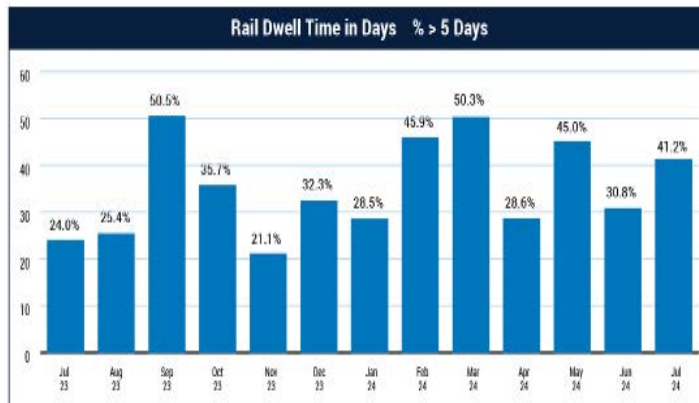
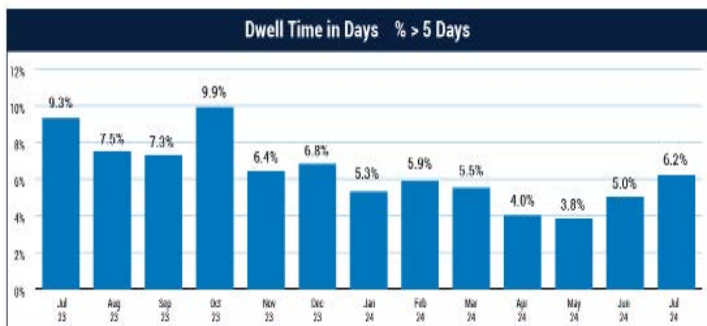
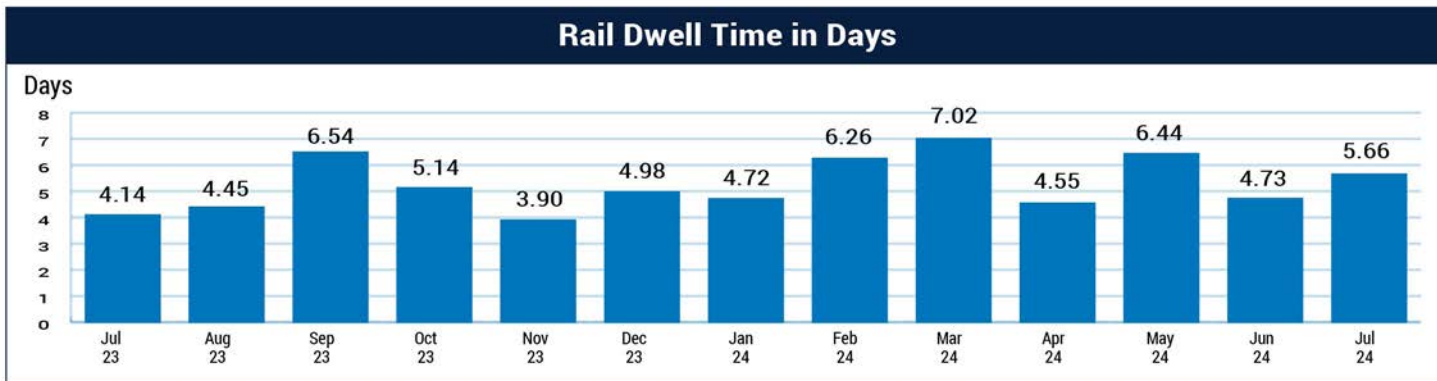
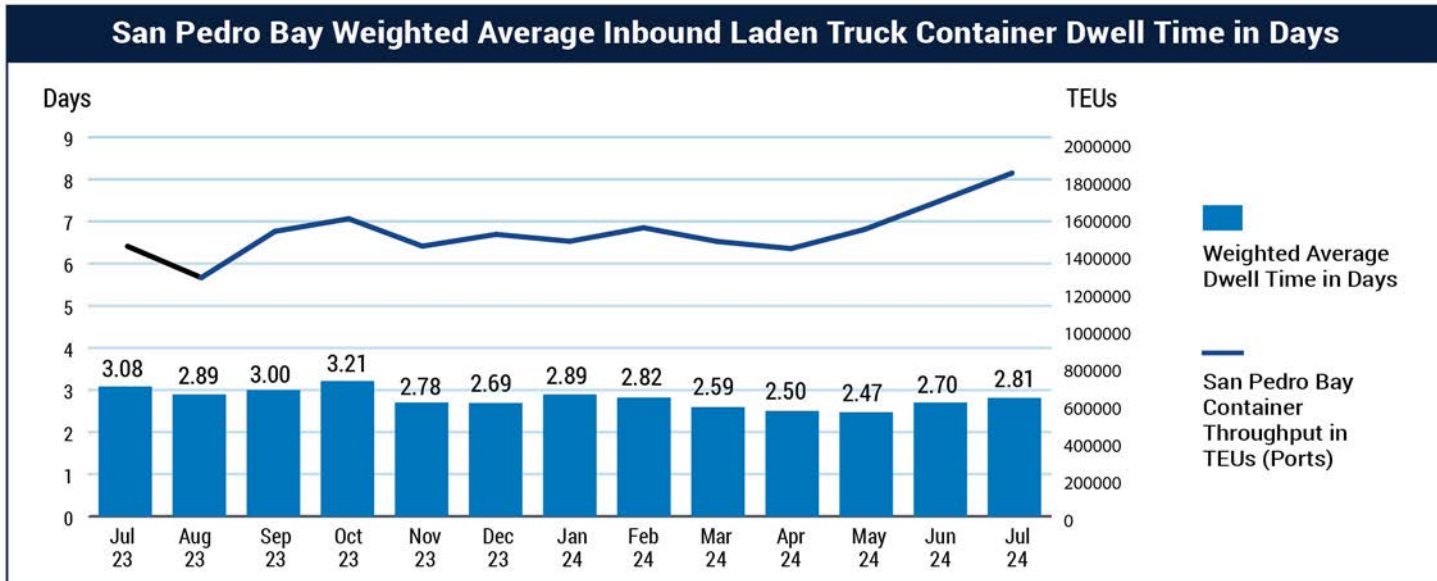
SOURCE: INDIVIDUAL U.S. PORTS

California Assembly Panel's New Report on the State's Ports

This comprehensive 52- page report comes from the State Assembly's Select Committee on Ports and Goods Movement and was released by the panel's chair, Mike A. Gipson, on July 31. In describing the myriad economic benefits of maintaining competitive ports, the report also delves into the numerous challenges the state's ports face. It pretty much covers the waterfront. It is available at: <https://scpgm.assembly.ca.gov/system/files/2024-08/chairs-report-on-the-select-committe-on-ports-and-goods-movement.pdf>



Container Dwell Time for July Remains Steady



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*September 2024 Board of Pilotage Commissioners Meeting
NWSA report notes*

August numbers

- Total TEU volumes increased **30.1%** for the month and are up **14.1%** YTD.
- Breakbulk volumes decreased **19.3%** for the month and are down **3.8%** YTD.
- Auto units increased **24%** for the month and are up **10.2%** YTD.
- Intermodal lifts increased **55.4%** for the month and are up **21.9%** YTD.

July numbers

- Total TEU volumes increased **12.7%** for the month and are up **11.7%** YTD.
- Breakbulk volumes decreased **28.5%** for the month and are down **1.7%** YTD.
- Auto units increased **0.7%** for the month and are up **7.5%** YTD.
- Intermodal lifts increased **55.2%** for the month and are up **17.2%** YTD.

General

- 25 ad-hoc vessels anticipated through September.
- 61 void vessels anticipated through October – we were at about 190 voids through the same period last year.

Service and Operations Notes

Autos

- 35,517 automobiles were handled in the gateway in August, a new monthly record.
- Volumes year-to-date are 7.3% ahead of last year.
- Terminal 46 has now received over 11,000 autos.

Container terminal details

General

T5

- MSC's CLX: The best performing service, minimal average delay, still only service without a void all year – good story to tell our Latin America/Med shippers
- MSC's Chinook: Still significantly off schedule, however, no voids schedule through October but average vessel size trending lower

T18

- Swire Shipping's EB Service: No voids through October, on time performance much better past 6 weeks vs. prior 6-week period

- Swire Shipping/UWL's Sun Chief Express: On time performance has slipped this year, though getting better last couple voyages
- ANL/Hapag/Maersk's PCX/WSN(PNW)/PANZ: Consistent and on time fortnightly service
- CMA's Columbus PNW: good on time performance last 4 of 5 voyages, one void in September
- SM Line's PNS: Expected to call T18 through October now, FPOC SEA now before VAN, no voids

T30

- OOCL's PNW1: On time but has structural void every six weeks
- COSCO's CPV: Schedule shows it'll transition to fortnightly service already from end of September

PCT

- Evergreen's ANP: Last 4 of 7 voyages it changed from FPOC TIW to VAN instead, one void in September and one in October

Husky

- THEA's PN2: Multiple FPOC call changes due to arrival metering, two voids in September looks like sliding from schedule delays
- THEA's PN3: Two new voids, also looks like sliding caused by schedule delays
- Maersk's TPX: Despite the above delayed THEA services, arrived within 5 hours proforma ETA last 7 voyages, no voids through October, and stable transit from PUS <12 days

WUT

- THEA's PN1: Consistent, weekly service but significantly off proforma, looks like 1 void caused by vessels sliding from schedule delays
- THEA's PN4: Two new voids, also looks like sliding caused by schedule delays

Other notes

VOIDS

Significant jump since last month due to THEA voids, but still lower than last 3 years.

Port Month	2018	2019	2020	2021	2022	2023	2024
January	1	1	6	6	35	24	6
February	2	3	8	9	36	26	7
March	9	10	19	25	37	26	14
April	3	5	6	21	29	17	4
May	2	4	7	22	26	19	5
June	1	5	8	20	33	17	6
July	0	2	3	22	28	17	4
August	3	2	1	18	30	22	2
September	2	2	1	35	43	12	10
October	2	3	0	36	36	10	3
November	5	9	3	38	21	8	0
December	0	13	3	49	32	10	0
Grand Total	30	59	65	301	386	208	61

AD HOCS

CMA, Maersk MSC, Swire all added on ad hoc.

Port Month	2018	2020	2021	2022	2023	2024
January	0	0	4	4	2	3
February	2	0	6	5	0	0
March	0	0	12	7	2	3
April	0	1	10	6	3	2
May	0	0	6	6	3	5
June	0	0	11	6	2	7
July	0	0	6	4	3	0
August	0	1	3	4	3	1
September	0	2	5	4	8	4
October	1	1	5	2	2	0
November	0	1	6	3	1	0
December	1	4	7	2	4	0
Grand Total	4	10	81	53	33	25

PUGET SOUND PILOTAGE DISTRICT ACTIVITY REPORT PAGE 1

Aug-2024

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:	678	Cancellations:	14		
Total ship moves:	664	Cont'r:	167	Tanker:	207
				Genl/Bulk:	78
				Other:	212
Assignments delayed due to unavailable rested pilot:	23	Total delay time:	50.75	hours	
Assignments delayed for efficiency reasons:	12	Total delay time:	25.75	hours	
Billable delays by customers:	51	Total delay time:	121		
Order time changes by customers:	122				
2 pilot jobs:	38	Reason:	PSP GUIDELINES FOR RESTRICTED WATERWAYS		
Day of week & date of highest number of assignments:	FRI 8/2, SAT 8/10, SAT 8/17, FRI 8/30				28
Day of week & date of lowest number of assignments:	MON 8/5				15
Total number of pilot repositions:	130	Upgrade trips	14	YTD	133
3 consecutive night assignments:	50	YTD	340		

Callback Days/Comp Days

	Starting Total	Call Backs (+)	Used (-)	Burned (-)	Ending Total
Licensed	2601	67	69		2599
Unlicensed	85			5	80
Total	2686				2679
On watch assignments	607	Call back assignments	71	CBJ ratio	10.47%

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
1-Aug	31-Aug			Upgrade Assignments On Duty	BOZ(2), SID
1-Aug	31-Aug			Upgrade Assignments Off Duty	CAS(2), HAM, KRI(2), MEL, MOO(2), NIN, SID, SCS
					* On Watch Off Watch ** paired to assign.
					3 11

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

Start Dt	End Dt	City	Group	Meeting Description	Pilot Attendees
1-Aug	8-Aug	Seattle	PSP	Administrative	GRK(7off)
1-Aug	1-Aug	Seattle	PSP	Joint Rate/Boat Committees	COR*, MAN*, MCG*, ROU
1-Aug	1-Aug	Seattle	USACE	ACOE/NWSA	LOB**, STA**
1-Aug	1-Aug	Seattle	PSP	Harbor Safety/Duwamish	GRK, HUP
1-Aug	1-Aug	Seattle	PSP	Outreach	RID
5-Aug	5-Aug	Seattle	BPC	VEC	ANT
5-Aug	5-Aug	Seattle	PSP	Transportation	BOS, KLA, MYE

Start Dt	End Dt	City	Group	Meeting Description	Pilot Attendees		
6-Aug	6-Aug	Seattle	PSP	BOD, ED	GRK, HAM, HUP*, KLA, MCG, MYE		
6-Aug	7-Aug	Seattle	PSP	PMI, BETA Testing/Crowley	MAN(2off)		
8-Aug	15-Aug	Seattle	PSP	Administrative	KLA(3on*, 4off)		
9-Aug	9-Aug	Seattle	PSP	Rate Committee	GRK, KLA*, KNU, MCG		
12-Aug	12-Aug	Vancouver BC	PSP	Port Optimization, Wartsila, Marex	SEA*		
12-Aug	18-Aug	Seattle	BPC	Pilot Safety	ANA, SCR**		
14-Aug	14-Aug	Seattle	PSP	Pilot Boat	COR**, MAN, MCG, ROU*, SEM*		
14-Aug	14-Aug	Seattle	BPC	TEC	ANT, BEN, KNU*		
14-Aug	14-Aug	Seattle	PSP	Harbor Safety	KAL		
14-Aug	14-Aug	Seattle	BPC	BPC PREP	ANT, BEN, KLA, KNU*, SCR*		
15-Aug	15-Aug	Seattle	BPC	BPC	ANT*, BEN, KNU*, SCR*		
15-Aug	22-Aug	Seattle	PSP	Administrative	GRK(7on*)		
19-Aug	19-Aug	Seattle	PSP	Outreach	BOZ, NIN		
20-Aug	20-Aug	Seattle	PSP	Administrative, Data Analysis	KNU*, MCG*		
21-Aug	21-Aug	Port Angeles	PSP	Outreach	VON**		
22-Aug	28-Aug	Seattle	PSP	Administrative	KLA(7on*)		
22-Aug	22-Aug	Bellevue	PSP	Outreach	VON*		
23-Aug	23-Aug	Tacoma	PSP	Safety, PTA YM Plum	MEL**		
23-Aug	23-Aug	Port Angeles	PSP	Outreach	VON**		
27-Aug	27-Aug	Seattle	PSP	Rate Committee	GRK*, KNU, KLA*, MCG*		
28-Aug	28-Aug	Seattle	BPC	Trainee Orientation	ANT*, BEN*		
28-Aug	28-Aug	Seattle	PSP	Pilot Boat	COR, MAN**, ROU, SEM		
29-Aug	31-Aug	Seattle	PSP	Administrative	GRK(3on*)		
29-Aug	29-Aug	Seattle	PSP	BOD	GRK*, HAM, HUP, MCG		
29-Aug	29-Aug	Seattle	PSP	Outreach	ANT*, KLA*, RID*		
30-Aug	30-Aug	Seattle	PSP	BC Pilots	ANA**, GRD, GRK*		
					* On Watch	Off Watch	** paired to assign.
					47	49	9

Safety/Regulatory

Outreach

Administrative

C. Other (i.e. injury, not-fit-for-duty status, COVID risk)

Start Dt	End Dt	REASON	PILOT

Trailing 12 months revenue assignments

7,684

Call back job ratio during the last 12 months (Sep 2023-Aug 2024) **13.16%**.

Puget Sound District Activity Report Dashboard

2024 August

Last modified
09/11/2024

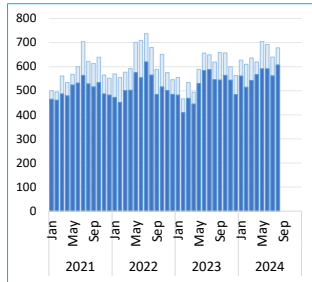
Licensed Pilots
Including President
57

Capt Sturgell was licensed August 15 after
authorized number of pilots increased to 60.

PS District
Trainees
3

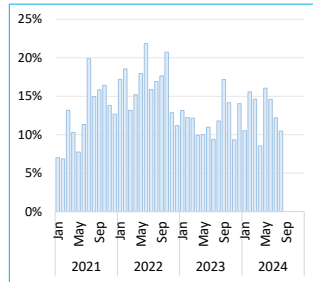
2 on stipend
1 off stipend

Monthly Total
Assignment Count
678

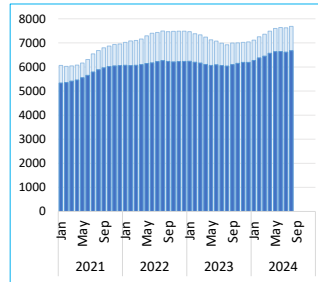


607 On-Watch (dk blue), 71 Off-Watch (lt blue)

Monthly Off-Watch
Assignment Percentage
10%

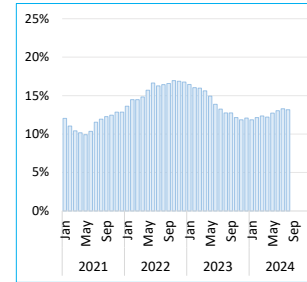


Trailing 12 Total
Assignment Count
7684



6674 On-Watch (dk blue), 1010 Off-Watch (lt blue)

Trailing 12 Off-Watch
Assignment Percentage
13%



Licensed Pilots w/o Pres **56**
Pilots NFFD whole month **0**
Available Pilots **56**

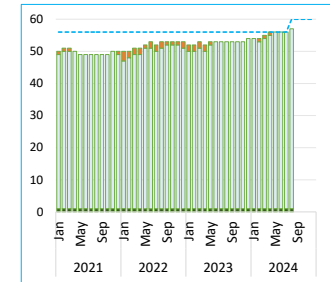
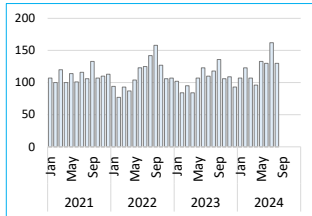
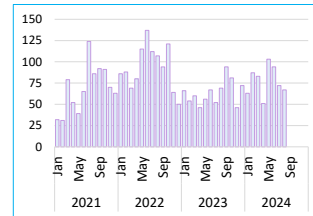


chart also includes president (1 pilot)

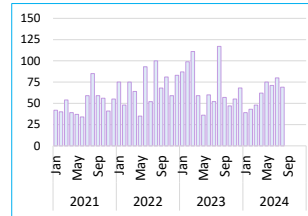
Repositions
130



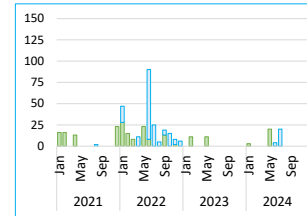
Comp Days Earned
(Callbacks)
67



Comp Days Used
(Licensed Pilots)
69

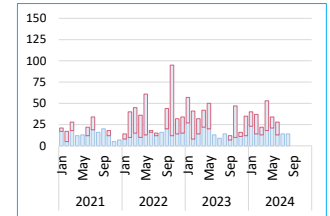


COVID Days* **0**
NFFD Days* **0**



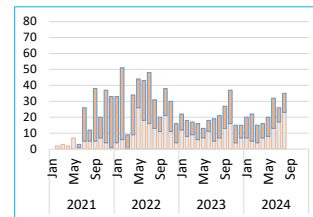
count of NFFD & Covid days if
pilot(s) not NFFD whole month

Training Days **0**
Upgrade Trips **14**



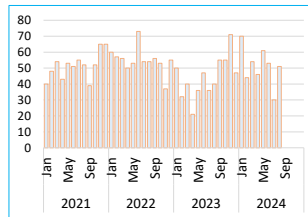
training days (red) stacked
on upgrade trips (blue)

Pilot Delays (Count)
combined total
35

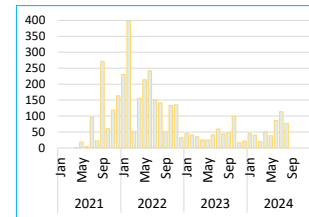


efficiency delay counts stacked on top
of pilot shortage delay counts on bottom

Billable Delays (Count)
by Customers
51

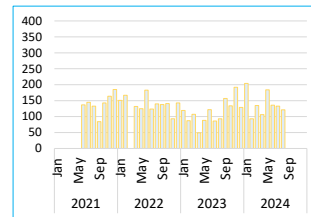


Pilot Delay Hours
(Pilot Shortage & Efficiency)
76.5 hrs



total pilot delay hours (not separated into
efficiency & pilot shortage components)

Billable Delay Hours
by Customers
121 hrs





An AVERAGE DAY for America's Maritime Pilots

Every day pilots belonging to the American Pilots' Association (APA)¹ guide massive container, tank, cruise, and all other manner of commercial ships through narrow, winding, and congested waterways into and out of port. This 24 hour a day / 365 days a year work pilots do – where one miscalculation could mean disaster – is critical to keeping our Nation's stores stocked, hospitals equipped, factory output moving, fuel supplies replenished, and military equipment deployed.

Since pilots quietly perform their duties while maintaining an astonishing 99.9% safety record and this service is provided at no cost to taxpayers, pilots' vital work often goes unnoticed by the public. This work, however, has an enormous impact on all Americans.

On an AVERAGE DAY APA-member pilots:

- ❁ Make the dangerous transfer to and from ships **780 times**;
- ❁ Pilot **540 large commercial ships** in confined waterways;
- ❁ Move **4,750,000 tons of cargo valued at \$4.9 billion**; and
- ❁ Transport **41,000 cruise ship passengers**



¹ The American Pilots' Association (APA) has been the national association of professional maritime pilots since 1884. Virtually all of the more than 1,200 State-licensed pilots working in the coastal ports and approaches of the United States, as well as all of the U.S. registered pilots operating in the Great Lakes system under authorization by the Coast Guard, belong to APA member pilot groups. These pilots handle well over 90 percent of all large ocean-going vessels moving in international trade in the waterways of the United States. The role and official responsibility of these pilots is to protect the safety of navigation and the marine environment in the waters for which they are licensed. For more visit: www.americanpilots.org

Port of Grays Harbor

Pilotage Report

September 19, 2024

Pilotage Activity

The export loading operation at Terminal 2 took a two-week scheduled outage to do some much needed maintenance in August. So, there were only a total of 5 arrivals in August (2 dry bulkers, 1 liquid bulker and 2 RoRo)'s for a total of 12 jobs. Year to date, through August, there have been a total of 71 arrivals for a total of 189 jobs.

The September schedule is expected to pick back up again with 8 arrivals scheduled so far: 2 liquid bulkers, 1 logger and 5 dry bulkers.

Terminal Dredging

Summer Season 2024 Terminal Maintenance dredging was completed on August 10th at Terminals 2 and 4 where 13,749 cubic yards and 4,835 cubic yards of material were removed respectively.

We received approval to call for bids for 2025 Terminal Maintenance Dredging. Over the Spring and Summer Seasons we plan to dredge all 4 terminals and remove an estimated volume of 130,000 cubic yards of material.

We have not dredged Terminal 3 since 2018 due to the barge activity at the berth. So, we will be interested to see how much material has accumulated at the berth and how much needs to be removed.