Port of Grays Harbor

Pilotage Report

August 15, 2024

Pilotage Activity

There were 11 arrivals in July (3 dry bulkers, 4 liquid bulker, 1 logger and 3 RoRo) for a total of 27 jobs. Year to date, through July, there have been a total of 66 arrivals for a total of 177 jobs.

The August schedule is looking steady with 5 arrivals schedule so far: 1 liquid bulker, 2 dry bulkers, and 2 RoRo's.

Maintenance

The AGP dry bulk export loading facility at Terminal 2 will be down for 2 weeks in August for a planned maintenance shutdown.

Terminal Dredging

The pre-dredge meeting was held with all applicable agencies and the contractor on July 24th. Minor changes were needed to the dredge and disposal workplan after the meeting and those were revised and resubmitted by the 26th. Our Site Use Authorization has been approved and signed by DNR. The last remaining step is performing a pre-dredge survey of the terminals, which is scheduled for August 6th. The preliminary start date for dredging is still planned for August 12th to coordinate with the planned shutdown at Terminal 2.

PGH 2024

Port of Grays Harbor | Pursuing Progress, Together

Press Release:
August 1, 2024
Contact: Kayla Dunlap, Director of Government & Public Affairs
kdunlap@portgrays.org or 360-533-9590

For Immediate Release

Port welcomes Soy Transportation Coalition to celebrate farmer contribution to Terminal 4 Expansion Project

Aberdeen, WA – On Tuesday, the Port of Grays Harbor welcomed dozens of farmer-members of the Soy Transportation Coalition to celebrate the contribution of $1.3 million to the Terminal 4 Expansion & Redevelopment Project. The generous contribution from the Iowa Soybean Association, the Kansas Soybean Commission, the Nebraska Soybean Board, the North Dakota Soybean Council, the South Dakota Soybean Research and Promotion Council, the Soy Transportation Coalition and the United Soybean Board was announced in late-fall 2022, following the Port's PIDP award.

Recognizing the benefits to American soybean farmers, the contribution helped offset pre-engineering, design and site development costs for the transformational Terminal 4 Project which will add 40,000 feet of additional rail within its Marine Terminal Complex, a new fendering system and a stormwater collection and treatment facility at T4 and create more than 30 acres of additional cargo laydown area to support future operations at Terminal 4A.

"This contribution aided this transformative project during a critical point," shared Executive Director Leonard Barnes. "But this project isn't just about Grays Harbor. This project is about all of you—the farmers—and the transportation of a global food source. And we can't thank you enough for having the confidence in AGP, our Port, and this project to step up and be willing to play such a role."

“It was an easy decision to invest in this project, as the movement of soymeal to global markets benefits farmers near and far,” explained Soy Transportation Coalition Executive Director Mike Steenhoek. “Partnerships like these will continue to pay dividends well into the future for everyone involved.”

The Port’s Project will support AGP’s second commodity export facility to be constructed at Terminal 4B resulting in increased ag exports generating additional vessel calls and more than 80 full-time, family-wage jobs.

“Over the years, AGP has developed a very strong relationship with customers in Southeast Asia,” explained AGP Chairman of the Board Lowell Wilson. “This project at the Port will significantly improve speed, capacity, and product availability for the benefit of our current and future customers. In short, the work being done here will ensure the direct link from the farmer to the international customer grows ever stronger.”

“The financial contribution the Soy Transportation Coalition and the supporting Associations have committed to this important infrastructure project does not go unnoticed by the Port and our community,” stated Port Commission President Phil Papac. “We are incredibly proud of the role the Port plays in exporting the crops that you grow, that AGP processes, and that help feed millions of people throughout the world.”

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 Pilotage Services, numerous public waterfront access facilities, and 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

The Port Commissioners and Executive Director are presented with a ceremonial check from the Soy Transportation Coalition and members of its supporting associations for the Terminal 4 Expansion & Redevelopment Project

Members of the Soy Transportation Coalition from throughout the U.S. joined AGP Board members and staff, along with ILWU Local 24 representatives and Port Commissioners and staff to celebrate their contribution to the T4 Project

PUGET SOUND PILOTAGE DISTRICT ACTIVITY REPORT

Jul-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:	640			Cancellations:	13				
Total ship moves:	627	Cont'r:	158	Tanker:	198	Genl/Bulk:	81	Other:	190
Assignments delayed due to unavailable rested pilot:			17			Total delay time:	92.75	hours	
Assignments delayed for efficiency reasons:			9			Total delay time:	21	hours	
Billable delays by customers:			30			Total delay time:	133		
Order time changes by customers:			138						
2 pilot jobs:	36	Reason:	PSP GUIDELINES FOR RESTRICTED WATERWAYS						
Day of week & date of highest number of assignments:			Sunday, 7/7/24				36		
Day of week & date of lowest number of assignments:			Monday, 7/22/24				12		
Total number of pilot repositions:	162	Upgrade trips	15	YTD	119				
3 consecutive night assignments:	41	YTD	290						

Callback Days/Comp Days

	Starting Total	Call Backs (+)	Used (-)	Burned (-)	Ending Total
Licensed	2609	72	80		2601
Unlicensed	99			14	85
Total	2708				2686

On watch assignments	**562**	**Call back assignments**	**78**	**CBJ ratio**	**12.19%**

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-Jul	31-Jul			Upgrade Assignments On Duty	HAM(1), GAR(1), MOO(1)
1-Jul	31-Jul			Upgrade Assignments Off Duty	BOS(3), EKE(3) GAR(1), MCN(1), MEL(1), SID(2)

* 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-Jul	4-Jul	Seattle	PSP	Administrative	KLA(3on*)
4-Jul	18-Jul	Seattle	PSP	Administrative	GRK(14on*)
5-Jul	5-Jul	Seattle	PSP	Administrative	HAM*, KLA
9-Jul	10-Jul	Seattle	PSP	Administrative	HAM(2on*), KLA(2off)
8-Jul	8-Jul	Seattle	BPC	BPC	BEN
11-Jul	11-Jul	Seattle	PSP	Rate Committee	GRK*, KLA, KNU, MCG
16-Jul	16-Jul	Seattle	PSP	Outreach	BOS
16-Jul	16-Jul	Seattle	BPC	BPC-Prep	ANT, BEN, KLA, KNU*

Start Dt	End Dt	City	Group	Meeting Description	Pilot Attendees
17-Jul	17-Jul	Port Angeles	PSP	Outreach, Educational, Legislative	BOZ, NIN
17-Jul	17-Jul	Seattle	BPC	TEC	ANT, BEN, KNU*
17-Jul	17-Jul	Seattle	PSP	Outreach	MAN
17-Jul	17-Jul	Seattle	BPC	OTSC	BOU**
18-Jul	18-Jul	Seattle	BPC	BPC	ANT, BEN, BOU, KNU*
18-Jul	18-Jul	Everett	PSP	Outreach	COL*, RID*
19-Jul	19-Jul	Seattle	PSP	Rate Committee	GRK, KLA*, KNU*, MCG*
19-Jul	20-Jul	Seattle	PSP	Administrative	GRK (2off)
19-Jul	19-Jul	Port Angeles	PSP	Outreach, Educational, Legislative	NIN
22-Jul	22-Jul	Seattle	PSP	UTC	KLA*, MCG*
22-Jul	31-Jul	Seattle	PSP	Administrative	KLA(10on*)
23-Jul	23-Jul	Seattle	PSP	BOD	GRK, KLA*, HUP*, MCG*, MYE*
23-Jul	23-Jul	Grays Harbor	BPC	BPC	BEN**
24-Jul	24-Jul	Port Angeles	PSP	Outreach, Legislative	NIN
29-Jul	29-Jul	Seattle	BPC	OTSC	BOU

					* On Watch	Off Watch	** paired to assign.	
					45	26	2	

PUGET SOUND PILOTAGE DISTRICT ACTIVITY REPORT PAGE 2

Safety/Regulatory

Outreach

Administrative

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

Start Dt	End Dt	REASON	PILOT	
4-Jul	5-Jul	COVID risk	HOA	2
4-Jul	13-Jul	COVID risk	COL	10
9-Jul	16-Jul	COVID risk	ROU	8

Number of assignments during the 12 months prior to setting the number of pilots at 56 at the July 2019 065 hearing.

7,101

Number of assignments during the last 12 months (Aug 2023-Jul 2024).

7,625

Call back job ratio during the last 12 months (Aug 2023-Jul 2024) **13.29%.**

Puget Sound District
Activity Report Dashboard

2024 July

Last modified 08/12/2024

Licensed Pilots Including President

56

On July 4 Capt. Kearns retired and Capt. Fleischfresser was licensed

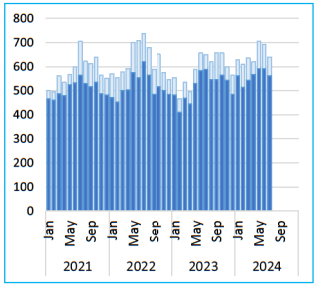
PS District Trainees

4

3 on stipend
1 off stipend

Monthly Total Assignment Count

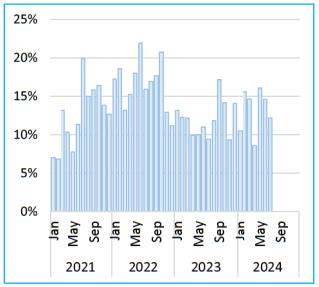
640



562 On-Watch (dk blue), 78 Off-Watch (lt blue)

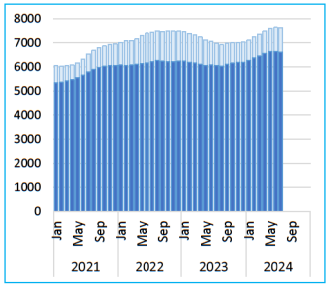
Monthly Off-Watch Assignment Percentage

12%



Trailing 12 Total Assignment Count

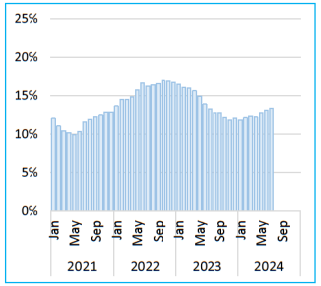
7626



6613 On-Watch (dk blue), 1013 Off-Watch (lt blue)

Trailing 12 Off-Watch Assignment Percentage

13%



Licensed Pilots w/o Pres **55**

Pilots NFFD whole month **0**

Available Pilots **55**

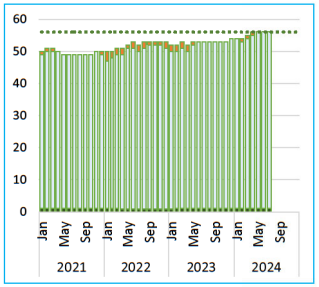
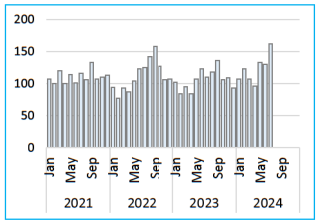


chart also includes president (1 pilot)

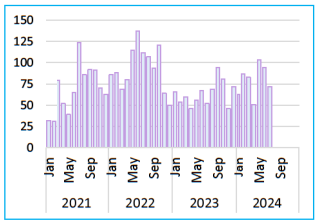
Repositions

162



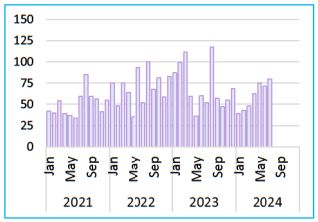
Comp Days Earned (Callbacks)

72



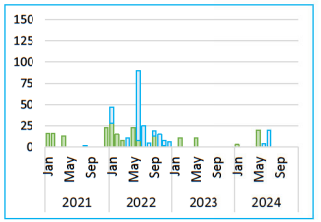
Comp Days Used (Licensed Pilots)

80



COVID Days* **20**

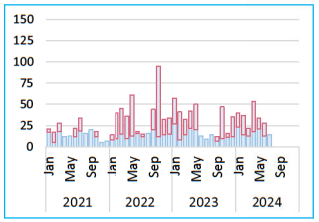
NFFD Days* **0**



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

Training Days **0**

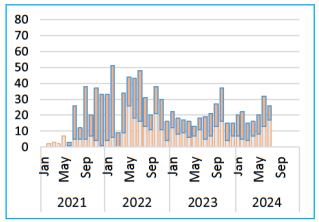
Upgrade Trips **14**



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

Pilot Delays (Count) combined total

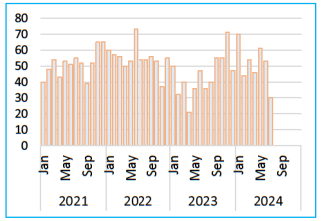
26



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

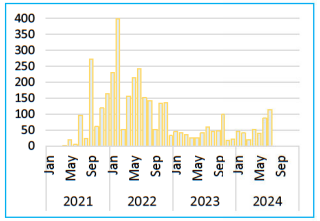
Billable Delays (Count) by Customers

30



Pilot Delay Hours (Pilot Shortage & Efficiency)

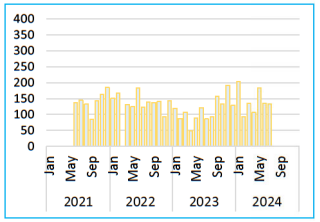
113.75 hrs



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

Billable Delay Hours by Customers

133 hrs



PACIFIC MERCHANT SHIPPING ASSOCIATION

WA State Board of Pilotage Commissioners Industry Update

August 15, 2024 Meeting

Arrivals Up 10 in July 2024 to July 2023 Comparison

- Containers up 5
- Bulkers up 1
- General & Other even
- Cruise/Passenger down 5
- Car Carriers up 2
- Tankers up 8
- ATB's down 2
- RoRo's up 1

YTD Arrivals More than 2023 But Less than 2022

As suggested in our update last month it is helpful to look at longer-term trends by vessel type. Container & bulker arrivals have dropped significantly compared to 2021 and 2022 while cruise & tankers rebounded from 2021. There are 22 fewer arrivals YTD than 2022. The chart essentially shows the cyclical nature of vessel arrivals though the long term arrival trend is down (Marine Exchange).

YTD Thru July	2021	2022	2023	2024
BULK	201	202	123	173
CONTAINER	551	476	432	457
GENERAL	45	59	46	56
OTHER	25	37	24	24
PASSENGER	24	188	167	160
RO/RO	63	67	62	66
VEHICLES	126	101	156	156
SUBTOTAL	**1035**	**1130**	**1010**	**1092**
PETROL TANKER	210	255	230	290
ATB	92	105	84	86
SUBTOTAL	**302**	**360**	**314**	**376**
PUGET SOUND TOTAL	**1337**	**1490**	**1324**	**1468**

Daily Arrival Volumes

This year daily arrivals averaged over 6 during non-cruise season and around 8 during cruise season. Daily arrivals fell between 5 and 10 on twenty-four days with most of the remaining seven days at either 4 or 11. The number of days with a lot of arrivals or very few continues to trend down as there are significantly fewer days with more than 10 arrivals than there used to be. This means fewer arrival surge day assignment challenges.

Stormwater Proposed Permit Threatens Gateway Terminals

Excerpt from Stakeholder Comments on Proposed Permit

Washington companies that export manufactured and agricultural commodities take advantage of infrastructure developed and maintained by revenues generated by discretionary import cargo from Asia. The companies that make decisions about where that discretionary cargo goes do so based on cost, productivity, and regulatory certainty. If terminals must be fully or partially closed in the future due to an expanded scope of the ISGP, they are very able to call on ports in Canada and up and down the West Coast and the Panama Canal to reach their destinations in the Midwest and South. ***This will in turn limit the number of ships and containers available to Washington's exporters resulting in greater cost and limiting access to foreign markets.***

All this disruption would be for little if any ecological benefit, as most of these areas are already regulated under municipal NPDES permits. Likely results of requiring ISGP coverage on wharfs and subsequent wharf reconstruction include:

- *Enormous cost of reconstructing wharfs that do not currently have the means to sample or capture stormwater for treatment, previously estimated at over $1.1M per acre;*
- *Potential for daily penalties from Ecology or a citizen plaintiff during construction due to being "out of compliance" until completion;*
- *Reduced port capacity during construction;*
- *Reduced work at marine terminals during construction;*
- *Diversion of ships and cargo to ports outside Washington that might not return;*
- *Increased operating costs to manage stormwater not faced by operations outside Washington*

NWSA Managing Directors Action Item - Litigation Funding To Challenge Permit at Supreme Court

August 7, 2024 Action Item

Dual Action NWSA and Port of Tacoma: litigation direction to file a petition for writ of certiorari of the Ninth Circuit's decision in Puget Soundkeeper Alliance v. Port of Tacoma et al., and authorize the NWSA to fund such effort in an amount up to $250,000 in related additional legal and defense costs.

News Concerning Potential Strike Actions for Canada West Coast Ports, Canadian Rail or ILA on East and Gulf Coasts

Instead of providing news article summaries here per our normal update, we will provide a verbal briefing since we submit this update 8 days before the BPC meeting. There will likely be more up to date news at that time. As for ship calls and cargo changes in the PNW, we are not seeing that in the available data right now and we'll talk further with our members and coordinate an update with the NWSA for the August 15 BPC meeting.

PMSA

West Coast Trade Report

July 2024

Partial June TEU Numbers

The ***West Coast Trade Report*** monitors 25 North American container ports, twenty in the United States, three in Canada, and two on Mexico's Pacific Coast. All ports we track save the Port Authority of New York/New Jersey post their latest TEU tallies in time for our publication date. 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.

What are other trade analysts expecting to see in June? In a July 9 press release, the National Retail Federation's Global Port Tracker (NRF/GPT) projected that inbound loads arriving in June at the thirteen U.S. ports it monitors would amount to 2.1 million TEUs, up 14.5% year-over-year. Descartes Systems Group (DSG) anticipates that container import volumes would grow by 10.4% from June 2023 to 2,297,979 TEUs. (Note that DSG data apply to all U.S. ports, not just those surveyed by the NRF/GPT.)

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 slowest 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.

In the Pacific Northwest, the **Northwest Seaport Alliance Ports of Tacoma and Seattle** handled 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

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Partial Tallies
Continued

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%.

The five U.S. West Coast 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.

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.

On the Gulf Coast, **Port Houston** handled 153,778 inbound loads, a 4.9% gain from a year earlier but a whopping 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 volume handled in the first six months of 2019.

FOR THE RECORD
Complete May 2024 TEU Statistics

On July 9, the National Retail Federation/Global Port Tracker (NRF/GPT) reported that the thirteen U.S. mainland ports it monitors handled 2.08 million TEUs in May, a 7.5% increase from a year earlier. Although the NRF/GPT statement describes May as "the latest month for which final numbers are available", it then concedes its tally includes "estimates for the ports of New York and New Jersey, which have not reported TEU counts for May".

For the record, the May TEU statistics for the Port Authority of New York/New Jersey were posted on the Port Authority's website on July 10. By comparison, the Ports of Los Angeles and Long Beach had each published their May statistics about three weeks earlier. Incorporating the actual TEU data supplied by the largest East Coast maritime gateway, a total of 2,091,723 inbound loads arrived at the thirteen ports tracked by NRF/GPT in May, a year-over-year gain of 8.2%.

A month earlier, on June 10, the NRF/GPT had issued a mixed bag of estimates. On the one hand, it expected that the U.S. ports it covers would handle 2.09 million inbound loaded TEUs in May, for an 8.3% bump from a year earlier. But then it went on to state that "Imports of containerized goods at U.S. ports are booming, with particularly strong growth on the West Coast." Similarly, Descartes Systems Group (DSG) expected a "robust" 11.9% year over year bump in inbound loads at U.S. ports in May. DSG further reported that, while Los Angeles would see inbound loads slip by 6.3%, the volume at Long Beach was expected to surge by 13.1%. In the end, neither source proved especially prescient about West Coast volumes.

PMSA's ***West Coast Trade Report*** monitors the monthly TEU numbers at 25 North American ports, twenty in the United States, three in Canada, and two in Mexico. Here's what those ports – including the Port Authority of New York/New Jersey – have reported about the container traffic they saw in May. We do not issue complete tallies until all the ports we track have posted their monthly TEU counts.

As **Exhibit 1** reveals, the U.S. ports we monitor reported handling 2,192,921 inbound loads in May, a 6.2% increase from a year earlier as well as a 10.5% increase over pre-pandemic May 2019. However, U.S. West Coast (USWC) ports saw very little gain. The 930,057 inbound loads they handled in May represented 43.0% of all inbound loads nationally in that month, down from a 45.6% share a year earlier. Inbound loads through USWC ports edged up a mere 0.2% from May 2023 and by 0.9% from May 2019. U.S. East Coast (USEC) ports, meanwhile, increased their collective share of the nation's inbound container trade to 48.9% from 47.1% in May 2023 and from 46.8% in May 2019.

On the export side of the trade ledger, **Exhibit 2** shows that the U.S. ports we track handled 997,271 outbound loaded TEUs in May, with USEC ports holding a 50.3% share of the trade

May 2024 TEU Numbers
Continued

while 34.3% sailed from USWC ports. The USWC share this May was down from a 38.2% share in May 2019.

As for individual ports, the **Port of Los Angeles** handled 390,663 inbound loads in May, a 4.5% fall-off from a year earlier. However, outbound loads (125,963) leapt by 23.8% from last May but remained 24.8% below the level in May 2019. Total container traffic YTD through May (3,903,734) was 3.4% higher than in the same months in pre-pandemic 2019.

At the neighboring **Port of Long Beach**, inbound loads in May amounted to 345,271 TEUs, which was also down 4.5% year-over-year. Outbound loads (100,885) plummeted by 21.1% from the previous May and were 16.3% lower than in the same month five years earlier. Total TEU volume through the San Pedro Bay gateway through May (3,448,181) was up 14.6% from the first five months of 2019.

While the two busiest West Coast container ports hardly supplied evidence of strong import growth, the **Port of Oakland** did realize a 12.9% gain in inbound loads from a year earlier. Still, outbound loads from the Northern California port in May (61,931) were off by 2.4% from a year earlier and so remained 20.7% below the export volume the port had handled in May 2019. Total TEU traffic YTD (942,720) was up 10.1% from last year and off by 10.3% from 2019.

Meanwhile, the **Northwest Seaport Alliance Ports of Tacoma and Seattle** reported 103,556 import loads in May, a sharp 32.5% jump over a year ago. Still, that left the two Washington

Exhibit 1

May 2024
Inbound Loads at Major North American Ports

	May 2024	May 2023	May 2019	Change from 2023	Change from 2019
Los Angeles	390,663	409,150	427,789	-4.5%	-8.7%
Long Beach	345,271	361,661	290,568	-4.5%	18.8%
San Pedro Bay Total	**735,934**	**770,811**	**718,357**	**-4.5%**	**2.4%**
Oakland	80,039	70,887	85,970	12.9%	-6.9%
NWSA	103,556	78,151	111,730	32.5%	-7.3%
Hueneme	10,528	7,968	5,557	32.1%	89.5%
San Diego	6,006	6,050	5,836	-0.7%	2.0%
USWC Total	**930,057**	**927,817**	**921,614**	**0.2%**	**0.9%**
Boston	11,101	11,215	11,436	-1.0%	-2.9%
NYNJ	413,833	351,430	340,680	17.8%	21.5%
Philadelphia	35,961	31,434	27,001	14.4%	33.2%
Maryland	3,201	43,866	49,342	-92.7%	-93.5%
Virginia	153,701	129,203	119,592	19.0%	28.5%
So Carolina	91,204	99,130	88,009	-8.0%	3.6%
Georgia	233,675	188,728	185,265	23.8%	26.1%
Jaxport	45,280	33,053	30,022	37.0%	50.8%
Port Everglades	28,212	27,205	25,619	3.7%	10.1%
Miami	41,717	44,354	37,943	-5.9%	9.9%
USEC Total	**1,057,885**	**959,618**	**914,909**	**10.2%**	**15.6%**
New Orleans	10,407	9,592	12,994	8.5%	-19.9%
Houston	164,572	139,745	107,126	17.8%	53.6%
USGC	**174,979**	**149,337**	**120,120**	**17.2%**	**45.7%**
Vancouver	157,588	142,999	130,769	10.2%	20.5%
Prince Rupert	47,769	42,557	57,578	12.2%	-17.0%
British Columbia Total	**205,357**	**185,556**	**188,347**	**10.7%**	**9.0%**
L Cardenas	59,620	50,953	56,231	17.0%	6.0%
Manzanillo	137,235	128,698	110,219	6.6%	24.5%
Mexico Pacific Coast	**196,855**	**179,651**	**166,450**	**9.6%**	**18.3%**
U.S. Totals	**2,162,921**	**2,036,772**	**1,956,643**	**6.2%**	**10.5%**
Top Ten	**1,976,514**	**1,828,085**	**1,756,729**	**8.1%**	**12.5%**
GPT 13	**2,091,723**	**1,932,697**	**1,850,313**	**8.2%**	**13.0%**

Source Individual Ports

May 2024 TEU Numbers
Continued

State ports 7.3% shy of the volume handled in May 2019. Outbound loads (51,607) similarly jumped by 20.8% year-over-year but even then remained 26.8% below the level set in May 2019. Total TEU moves through the NWSA ports so far this year (1,235,446) were 21.4% below the volume handled five years earlier.

Elsewhere on the Pacific Coast, British Columbia's **Port of Vancouver** recorded 157,588 inbound loads in May, up 10.2% from last year. Further north, the **Port of Prince Rupert** recorded a 12.2% year-over-year gain in inbound loads from 42,557 to 47,769 TEUs this May. Back on the U.S. side of the border, Oregon's struggling **Port of Portland** saw the arrival of 3,324 inbound loads in May, a 39.9% fall-off from a year earlier.

Along the East Coast, the **Port Authority of New York/New Jersey** processed 413,833 inbound loads in May, a year-over-year jump of 17.8% and well over what independent analysts had been anticipating. Outbound loads (124,801) were up 12.7% from the previous year but down 5.7% from May 2019. Through the first five months of the year, total loads and empties (3,501,676) were up 15.1% over the same period in 2019.

Moving south, the **Port of Virginia** handled 153,701 inbound loads in May, up 19.0% year-over-year. Outbound loads (98,687) in May were up 12.1% from both May 2023 and May 2019. Total TEU moves YTD through the Mid-Atlantic Coast gateway (1,496,566) were up 4.1% over the same months in 2019.

Exhibit 2

May 2024
Outbound Loads at Major North American Ports

	May 2024	May 2023	May 2019	Change from 2023	Change from 2019
Los Angeles	125,963	101,741	167,457	23.8%	-24.8%
Long Beach	100,885	127,870	120,577	-21.1%	-16.3%
San Pedro Bay Total	**226,848**	**229,611**	**288,034**	**-1.2%**	**-21.2%**
Oakland	61,931	63,475	78,070	-2.4%	-20.7%
NWSA	51,607	42,713	70,541	20.8%	-26.8%
Hueneme	1,564	1,522	1,389	2.8%	12.6%
San Diego	509	584	298	-9.2%	70.8%
USWC Total	**342,459**	**337,905**	**438,332**	**1.3%**	**-21.9%**
Boston	5,273	5,604	6,853	-5.9%	-23.1%
NYNJ	124,801	110,695	132,315	12.7%	-5.7%
Philadelphia	7,549	7,587	6,734	-0.5%	12.1%
Maryland	1,916	18,772	19,134	-89.8%	-90.0%
Virginia	98,687	88,044	88,065	12.1%	12.1%
So Carolina	48,965	55,201	71,399	-11.3%	-31.4%
Georgia	120,664	116,247	126,895	3.8%	-4.9%
Jaxport	35,774	50,382	42,180	29.0%	-15.2%
Port Everglades	36,085	31,443	35,805	14.8%	0.8%
Miami	22,072	24,133	35,357	-8.5%	-37.6%
USEC Total	**501,786**	**508,108**	**564,737**	**-1.2%**	**-11.1%**
New Orleans	21,336	17,997	27,757	18.6%	-23.1%
Houston	131,690	109,220	116,693	20.6%	12.9%
USGC	**153,026**	**127,217**	**144,450**	**20.3%**	**5.9%**
Vancouver	71,350	63,897	95,220	11.7%	-25.1%
Prince Rupert	13,220	10,909	19,458	21.2%	-32.1%
British Columbia Total	**84,570**	**74,806**	**114,678**	**13.1%**	**-26.3%**
L Cardenas	5,708	3,905	24,104	46.2%	-76.3%
Manzanillo	33,018	28,640	66,223	15.3%	-50.1%
Mexico Pacific Coast	**38,726**	**32,545**	**90,327**	**19.0%**	**-57.1%**
U.S. Totals	**997,271**	**973,230**	**1,147,519**	**2.5%**	**-13.1%**
Top Ten	**865,193**	**815,206**	**972,012**	**6.1%**	**-11.0%**

Source Individual Ports

May 2024 TEU Numbers
Continued

The **Port of Charleston** saw 91,204 inbound loads in May, an 8.0% fall-off from May 2023 but a 3.6% improvement over May 2019. Outbound loads (48,965) were down 11.3% from a year earlier and 31.4% below May 2019. Total TEU traffic YTD through the South Carolina port (1,022,460) was 1.5% ahead of the port's total volume in the same period five years earlier.

At the **Port of Savannah**, 233,675 inbound loads arrived in May, a 23.8% bump over the same month a year earlier and a 26.1% rise over inbound loads in May 2019. Outbound loads (120,664) at the Georgia gateway were up 3.8% year-over-year but down 4.9% from May 2019. Total container traffic YTD (2,247,008) was up 18.9% from the first five months of 2019.

On the Gulf Coast, **Port Houston** handled 164,572 inbound loads in May, 17.8% more than in the same month a year earlier and 53.6% more than in May 2019. Outbound loads at the Texas port (131,690) were up 20.6% year-over-year but just 12.9% ahead of May 2019. Total TEUs YTD (1,758,960) represented a 45.4% jump over the same period five years ago.

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 May 2024 data are derived from import/export documents shippers file with U.S.

Exhibit 3 Total YTD TEU Traffic at Major North American Ports

	May 2024	May 2023	May 2019	Change from 2023	Change from 2019
Los Angeles	3,903,734	3,304,344	3,773,862	18.1%	3.4%
NYNJ	3,501,676	3,115,832	3,041,814	12.4%	15.1%
Long Beach	3,448,181	3,125,600	3,008,468	10.3%	14.6%
Georgia	2,247,008	1,993,584	1,890,322	12.7%	18.9%
Houston	1,758,960	1,542,392	1,209,921	14.0%	45.4%
Manzanillo	1,606,682	1,422,952	1,242,957	12.9%	29.3%
Virginia	1,496,566	1,316,451	1,215,124	13.7%	4.1%
Vancouver	1,467,270	1,269,742	1,409,784	15.6%	4.1%
NWSA	1,235,446	1,142,116	1,572,029	8.2%	-21.4%
South Carolina	1,022,460	1,022,666	1,007,011	-0.02%	1.5%
Oakland	942,720	856,327	1,051,254	10.1%	-10.3%
Lazaro Cardenas	910,891	672,436	533,154	35.5%	70.8%
Montreal	616,504	629,880	716,682	-2.1%	-14.0%
JaxPort	563,779	536,552	559,387	5.1%	0.8%
Port Everglades	456,843	438,007	443,339	4.3%	3.4%
Miami	451,533	460,845	473,834	-2.0%	-4.7%
Philadelphia	344,807	300,364	246,370	14.8%	40.0%
Prince Rupert	333,496	317,540	454,406	5.0%	-26.6%
Maryland	270,004	453,233	453,248	-40.4%	-40.4%
New Orleans	220,212	193,457	263,431	13.8%	-16.4%
Boston	106,968	92,507	120,460	15.6%	-11.2%
Hueneme	105,130	108,857	55,810	-3.4%	88.4%
San Diego	61,595	66,439	59,633	-7.3%	3.3%
Portland, Oregon	40,194	56,500	20	-28.9%	∞
U.S. Ports Total	**22,177,816**	**20,126,073**	**20,445,337**	**10.2%**	**8.5%**

Source Individual Ports

May 2024 TEU Numbers
Continued

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 figures from the USWC Big Five ports.

Exhibit 4 shows a very modest year-over-year boost in the USWC share of all containerized import tonnage flowing into all mainland U.S. ports. Oakland was the only exception. On the export side, the five major USWC ports collectively increased their tonnage share from a year earlier, even if the San Pedro Bay ports did not.

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 slightly smaller share of the containerized import tonnage from East Asia. Oakland saw its import tonnage shares slip from a year earlier, while the Northwest Seaport Alliance Ports of Tacoma and Seattle enjoyed an appreciable gain. As for export tonnage, all major USWC ports but Oakland saw significant year-over-year gains in their shares of U.S. containerized export shipments to East Asia.

Yes, We Have Bananas

The banana, specifically the Cavendish variety, is America's favorite fresh fruit. So sayeth the U.S. Department of Agriculture. To be sure, when including fruits that have been processed into juices, we do consume more apples and oranges. Still, for fruits that come in their own individual packaging, bananas top the popularity list. On average, we consume 13.2 pounds of bananas a year. According to Statistica, 63% of respondents in a 2022 poll reported they had purchased bananas in the past year, as opposed to 58% who bought apples and 52% who purchased grapes.

Yet, few of the bananas eaten in this country are grown here. Commercial production of bananas does occur in Hawaii, Florida, and Puerto Rico, and several other regions of the country reportedly grow bananas but almost entirely

Exhibit 4 USWC Ports' Shares of of Worldwide Containerized Trade via U.S. Mainland Ports, May 2024

		May 2024	May 2023	May 2019	May 2014
Import Tonnage	**USWC**	**34.8%**	**34.6%**	**38.6%**	**44.0%**
	LA/LB	25.6%	25.6%	27.6%	30.9%
	Oak.	3.2%	3.4%	4.0%	4.6%
	NWSA	4.4%	3.7%	5.6%	6.6%
Import Value	**USWC**	**40.1%**	**40.9%**	**45.5%**	**52.3%**
	LA/LB	30.7%	31.9%	34.8%	40.1%
	Oak.	3.0%	2.9%	3.5%	4.1%
	NWSA	6.1%	6.0%	7.8%	9.1%
Export Tonnage	**USWC**	**32.7%**	**32.5%**	**36.0%**	**42.5%**
	LA/LB	20.4%	20.7%	22.0%	25.6%
	Oak.	5.4%	5.4%	6.1%	6.3%
	NWSA	6.1%	5.5%	7.7%	9.8%
Export Value	**USWC**	**27.0%**	**27.8%**	**31.4%**	**35.9%**
	LA/LB	17.7%	18.8%	20.7%	23.9%
	Oak.	5.5%	5.1%	6.0%	5.9%
	NWSA	3.3%	3.0%	4.2%	5.5%

Source: U.S. Commerce Department

Exhibit 5 USWC Ports' Shares of Containerized Trade with East Asia via U.S. Mainland Ports, May 2024

		May 2024	May 2023	May 2019	May 2014
Import Tonnage	**USWC**	**53.2%**	**53.1%**	**57.4%**	**65.7%**
	LA/LB	41.9%	42.1%	44.4%	48.3%
	Oak.	3.6%	3.9%	4.6%	4.7%
	NWSA	6.8%	5.7%	7.9%	10.4%
Import Value	**USWC**	**61.8%**	**61.5%**	**65.9%**	**73.5%**
	LA/LB	48.7%	49.3%	51.7%	57.8%
	Oak.	3.6%	3.5%	4.0%	4.4%
	NWSA	8.3%	6.9%	9.6%	10.4%
Export Tonnage	**USWC**	**56.2%**	**54.5%**	**58.1%**	**69.2%**
	LA/LB	36.0%	35.2%	36.3%	43.8%
	Oak.	8.2%	8.4%	9.2%	8.7%
	NWSA	10.7%	9.8%	12.5%	15.7%
Export Value	**USWC**	**57.2%**	**58.0%**	**64.4%**	**69.9%**
	LA/LB	38.2%	39.4%	43.5%	47.9%
	Oak.	10.8%	9.7%	11.1%	9.9%
	NWSA	7.5%	7.1%	8.7%	11.0%

Source: U.S. Commerce Department

May 2024 TEU Numbers
Continued

for local markets. For the most part, though, we source our bananas abroad.

So, we thought we would look at where those bananas come from, how they get here, and which U.S. ports handle the bulk of the import trade.

As with increasing types of internationally tradeable commodities, maritime shipments of bananas have been migrating from being loaded in bulk into the refrigerated holds of ships to refrigerated containers. As **Exhibit 6** indicates, the percentage of imported bananas traveling in containers rather than in bulk has increased from 57.7% in 2013 to 87.2% last year to 88.7% in the first five months of this year.

The transition to containerization has been particularly intense at the two gateways through which the vast majority of banana imports into West Coast ports arrive. As **Exhibit 7** displays, containerization has long been the norm for banana imports at the Port of San Diego but the shift to total containerization has been more recent at the Port of Hueneme.

Exhibit 8 shows the five ports which collectively account for a great majority of the entire nation's banana imports.

Finally, **Exhibit 9** displays the leading sources of America's banana imports over the past decade.

Exhibit 6 Shift to Containerization in U.S. Banana Imports

Source: U.S. Commerce Department

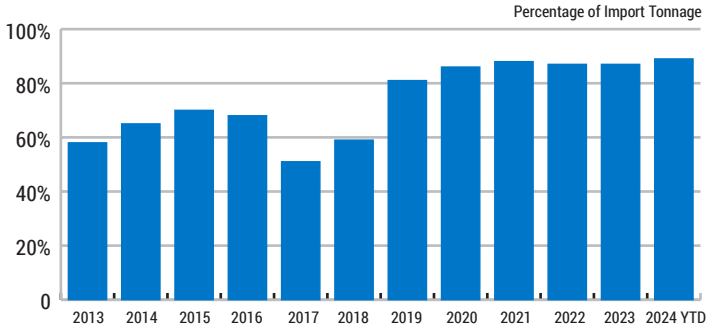


Exhibit 8 Top Five Ports of Entry for U.S. Banana Imports

Source: U.S. Commerce Department

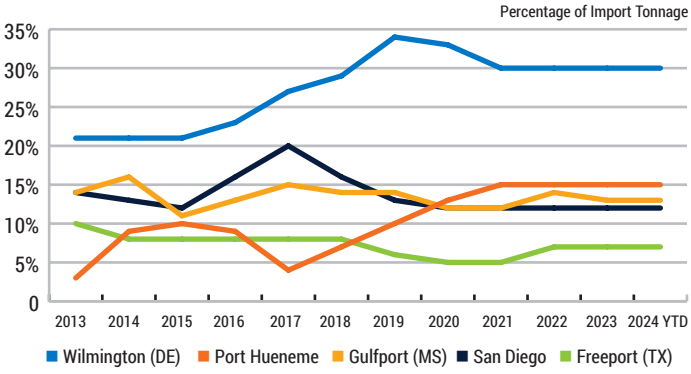


Exhibit 7 Containerization of Banana Imports via California Ports

Source: U.S. Commerce Department

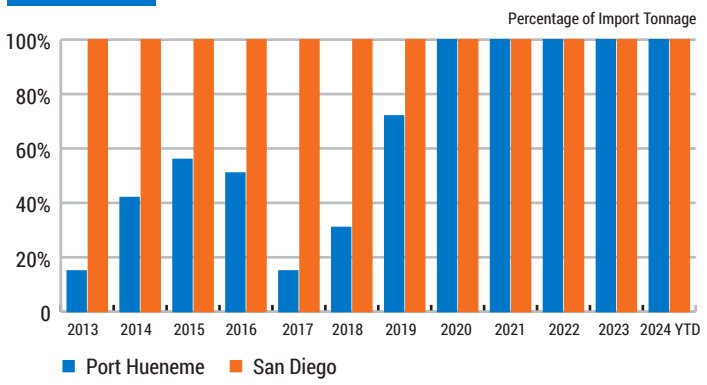
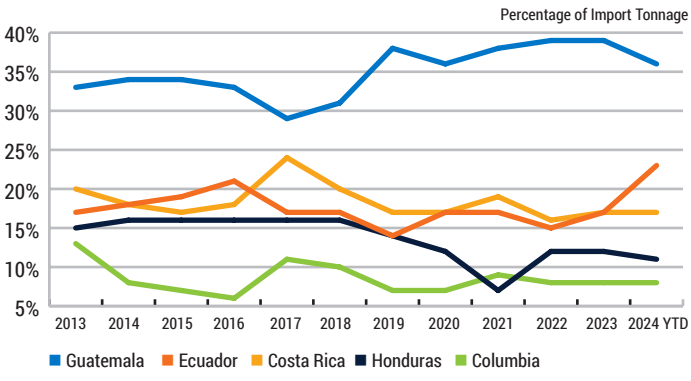


Exhibit 9 Top Sources of U.S. Banana Imports

Source: U.S. Commerce Department



JOCK O'CONNELL'S COMMENTARY

The Latest Suez Crisis

Talk about asymmetrical standoffs. On one side are the naval and air forces of the world's most advanced economic, technological, and military powers. On the other side are the Houthis, one of a number of desert tribes competing for control of Yemen, a country which ranks among the world's poorest and least developed. Yet it is the latter who have caused a trillion-dollar disruption of the world's maritime trade with missile and drone attacks that have lately expanded in scope to include Israel. Meanwhile, all those hugely expensive warships and military aircraft have been unable to guarantee safe passage for commercial shipping through the Red Sea and Suez Canal.

So much for Freedom of the Seas.

Making the situation all the more irksome is that the United States Navy traces its origin to Thomas Jefferson's decision to safeguard the young nation's merchant shipping against state-sponsored pirates operating off the Barbary Coast in the Mediterranean. So in the very early 19th century, a collection of armed sloops and schooners led by Commodores Edward Preble and Stephen Decatur successfully took the battle to the shores of Tripoli. And, if the admirals in the Pentagon need any further reminding of that noble heritage, the fleets they currently command include a brace of guided missile destroyers named *Preble* and *Decatur*.

The broad contours of the current standoff in the Red Sea are uncomfortably familiar. The Houthis are a Zaydi Shiite movement based in North Yemen that has been fighting Yemen's Sunni-majority government since 2004 and just about anyone else for even longer. Officially, they are known as Ansar Allah, and they are deadly serious about their theological beliefs. Since last fall, their advocacy for the Palestinian cause has reportedly won them new respect among young people throughout the Arab and Muslim world, much in the way Che Guevara was once celebrated in the West.

I think I first heard about the Houthis a half-century ago while I was living in London and researching my dissertation on economic constraints on British foreign and defense policy. Back then, even the Labour Government elected in October 1964 could not escape the shadow of Winston Churchill's soaring rhetoric about Britain's preeminence in global affairs. It was commonly embraced as a matter of national self-identity that their island nation rightfully deserved a seat at the top table of international diplomacy. But, as the 20th century wore on, it was becoming more and more apparent at the Ministry of Defense that the cost of maintaining a military capability commensurate with the nation's foreign policy aspirations was increasingly beyond Britain's financial means.

That was a difficult pill for official London to swallow. While the implications for the military forces were most manifest in steadily diminishing defense budgets, the broader, less easily defined implications for foreign policy took time to filter through to the Foreign Office and even longer to

Commentary
Continued

reach Downing Street. So it was that a Labour Government that came to office in late 1964, intent on continuing Britain's far-flung military commitments, came around to announcing in January 1968 that it would be abandoning the nation's historic security role in the vast region known colloquially as "East of Suez."

Among the numerous epiphanies experienced by that government was the realization that maintaining two aircraft carriers and a modest fleet of ballistic missile submarines (albeit armed with American warheads) might merit the respect of the Russians and Chinese but had almost no practical value in policing the remnants of empire, including a strategic foothold at Aden on Yemen's south coast that local hostility was making increasingly untenable.

Ever since the Houthi attacks on shipping in the Red Sea began last fall, the question dominating maritime conferences and blogs is not whether Western weaponry would eventually prevail but rather when the Houthis would decide to stand down. Since they explicitly linked their attacks on Western shipping to the conflict in Gaza, the more optimistic pundits expect the attacks to cease once a diplomatic solution is reached between Israel and Hamas.

That, unfortunately, overlooks a larger set of dynamics driving these attacks. Three questions in particular point toward a much less sanguine scenario in the Red Sea.

First, why should the Houthis stop merely because peace is restored in Gaza? In other words, did the outbreak of fighting in Gaza simply provide a convenient pretext for attacks on Red Sea shipping that had already been planned?

Second, why would the Houthis surrender the unprecedented power they now enjoy and return to simply being an irritant to Saudi interests in the Middle East?

Third, would their sponsors permit them to stand down?

The Yemeni tribe is a proxy for Iran, which has numerous fish to fry in its troubled relationship with the West. As we have lately learned, the Iranian leadership has put Donald Trump on its hit list. And hackers associated with Iran have long been involved in cybercrimes aimed at disrupting America's infrastructure, its financial system, and its communications networks. One incident involved compromising the controls operating the Bowman Dam in Rye, New York. Just this April, the U.S. Treasury sanctioned two Iranian companies and four individuals engaged in "malicious cyber activity" that targeted more than a dozen American businesses and government entities.

A July 10th report from the U.S. Defense Intelligence Agency (DIA) documents the assistance the Houthis have been getting from Iran as well as U.S. and allied efforts to interrupt that flow of arms. Critical components of missiles that have been seized have been found to share near-identical features with Iranian missile systems. Between 2015 and 2024, the U.S. and its partners have interdicted at least 20 Iranian smuggling vessels, seizing ballistic, cruise, and surface-to-air missile components, antitank guided missiles, unmanned aerial vehicles, and other illicit weapons destined for the Houthis. The DIA calculates the Houthis have used Iran-supplied weapons to conduct more than 100 land- and sea-based attacks across the Middle East, the Red Sea, and the Gulf of Aden.

The economic damage Iranian rockets fired by the Houthis can inflict serves the broader interests of Tehran in a way that avoids direct confrontation with American and allied forces.

Similarly, the standoff between the Houthis and the U.S. Navy offers U.S. adversaries around the world a low-risk means of testing their latest offensive weaponry and tactics against the defensive capabilities of America's naval forces. We can only imagine how much Russian and Chinese naval intelligence have already gleaned from observing how the U.S. Navy responds to attacks by rockets and, increasingly, by unpiloted drones.

Ultimately, the whole dismal situation in the Red Sea should serve as a potent reminder to Western governments—and to the world's shipping industry—that Freedom of the Seas can be maintained only with very substantial investments and occasional sacrifices. As we are seeing, a long cherished concept we thought we were defending is no longer the normal state of affairs.

Jock's views are his own and do not necessarily reflect those of PMSA.

The High Price of Our Container Market Share Decline

By Mike Jacob, President, Pacific Merchant Shipping Association

Anecdotally, we are all familiar with the benefits of trade. They are direct and personal, as well as broad and regional. When containers are moved through our West Coast ports, jobs for individuals are created, and the economy and tax revenues grow. But, when these containers bypass our ports and instead go to competitors, like those in Houston, Savannah, or British Columbia, they take these jobs, and their economic activity and tax revenues with them.

One of the most pervasive and consistent trends facing West Coast seaports since 2006 has been our loss of containerized market share to these competitors. While ports across North America were growing their market share at our expense and logging double- and triple-digit rates of growth, even after accounting for the impacts of the Great Recession and the pandemic, total container volumes lagged in our portion of the transpacific trade.

Specifically, after 17 years, when compared to 2006, volumes in 2023 at the Ports of Los Angeles and Long Beach grew only 6% or roughly at a compound annual growth rate of just over 0.3% per year. When comparing 2006 to 2019 volumes, taking out the boom and bust of the pandemic container cycle, the compound annual growth rate for the San Pedro Bay ports was still just under 0.7% per year. By contrast, the Port of Savannah from 2006 to 2019 grew at a 113% clip, and through 2023 by 128%, at a compound annual growth rate of 5% -- that's 7x faster. Per year.

Over this same period of time, another pervasive and consistent challenge has been to effectively measure, characterize, and quantify the many significant opportunity costs that have resulted in West Coast communities as a result of this lost growth. A recent economic impact Study completed by the California Center for Jobs & the Economy, entitled the "Economic Importance of Trade & the Ports to Southern California," has put together a comprehensive analysis which has quantified these costs that resulted from the impacts of reduced market share.

If we had been able to maintain our 2006 market share in 2022, our cargo volumes would have been 23% higher. The economic impacts from our reduced market share, which are the opportunity costs of lost containers from Asia that are going to competitors, are dramatic:

- Annual loss of 45,400 jobs in Southern California
- Annual lost income for workers of $3.86 billion – this equals a cumulative loss of income to Southern Californians since 2006 of $30.9 billion (in 2022 dollars)
- Annual total economic value added to the Southern California economy of $5.48 billion – equal to a cumulative loss since 2006 of $43.8 billion
- Annual total economic output in Southern California is $9.67 billion – equivalent to a cumulative loss to the Southern California economic output since 2006 of $77.4 billion

And, it isn't just workers losing wages and the economy losing activity that results from the diversion of cargo, but one of the unintended consequences is a significant reduction in total state and local tax revenues.

The High Price
Continued

These revenues are derivative of workers' wages and economic activity:

- Annual loss of state and local tax revenue of $560.9 million in 2022
- Total cumulative losses of state and local tax revenues of $4.5 billion since 2006

And, as significant as these cumulative impacts and losses are, when one considers the demographics of where these negative job and income impacts are concentrated, the key economic findings reveal that these opportunity costs are even more substantive. When we lose cargo, these impacts of lost income, lost jobs, and lost economic opportunity are not spread evenly across all demographics, rather they hit blue collar, middle class, latino, and immigrant households the hardest:

- Trade jobs are one of the region's most significant source of middle-class jobs for lower-skilled workers, with 2/3 of jobs in the Southern California trade cluster only requiring a high school diploma or less.
- Trade jobs are the second-largest source of jobs for Latinos in Southern California.
- 41.5% of trade workers in Southern California are immigrants, compared to an overall regional average of 34.6% of workers.

As we continue to move forward with policymaking in the trade, logistics, and supply chain, it is imperative that we start making the case for the economic benefits of growing the volume of trade at our San Pedro Bay Ports. Not only do we facilitate the generation of additional port revenue to pay for infrastructure for both freight transportation and environmental improvements at the ports, but we create jobs, economic activity, and new tax revenues throughout the entire economy. Otherwise, we leave these benefits to our competitors, who are not just diverting a container away from our ports, but diverting a healthy and growing economy away from Southern Californians.

To read or download a copy of the full "Economic Importance of Trade & the Ports to Southern California," by the California Center for Jobs & the Economy, please visit www.centerfor-jobs.org/ca/special-reports.

NUMBER OF THE MONTH

$4.5 Billion

TOTAL CUMULATIVE LOSSES OF STATE AND LOCAL TAX REVENUES IN SOUTHERN CALIFORNIA SINCE 2006 ASSOCIATED WITH THE LOSS OF PORT MARKETSHARE.

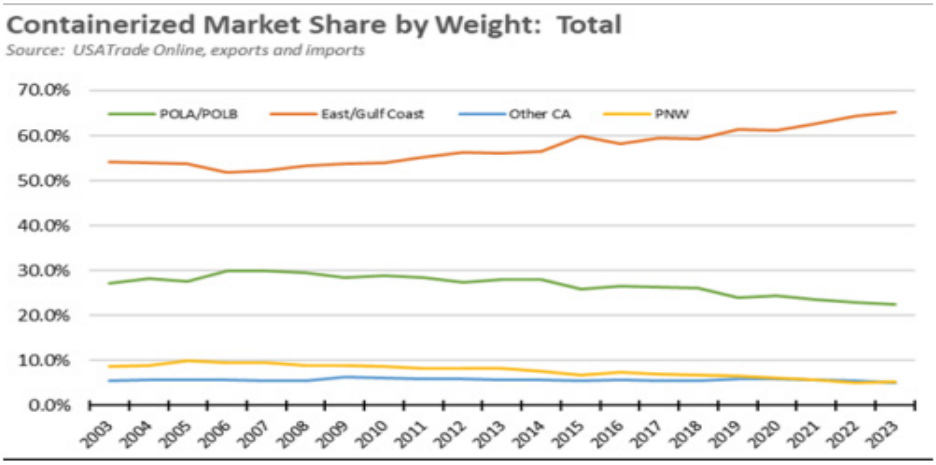
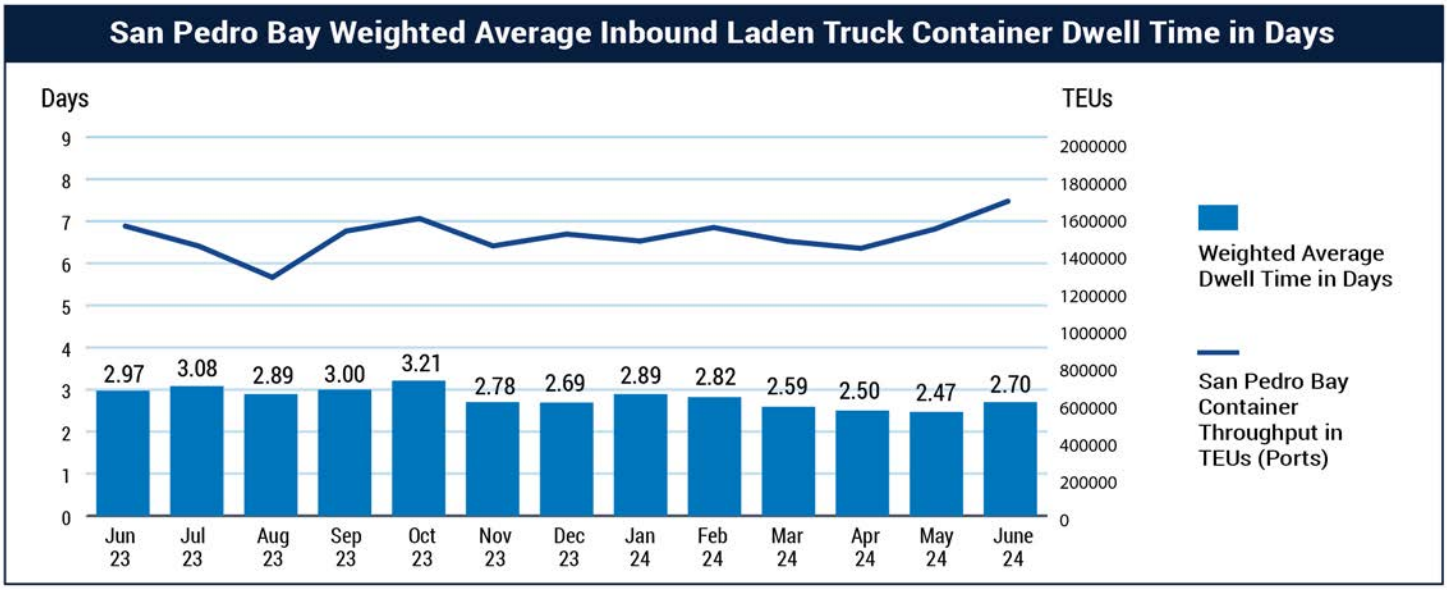
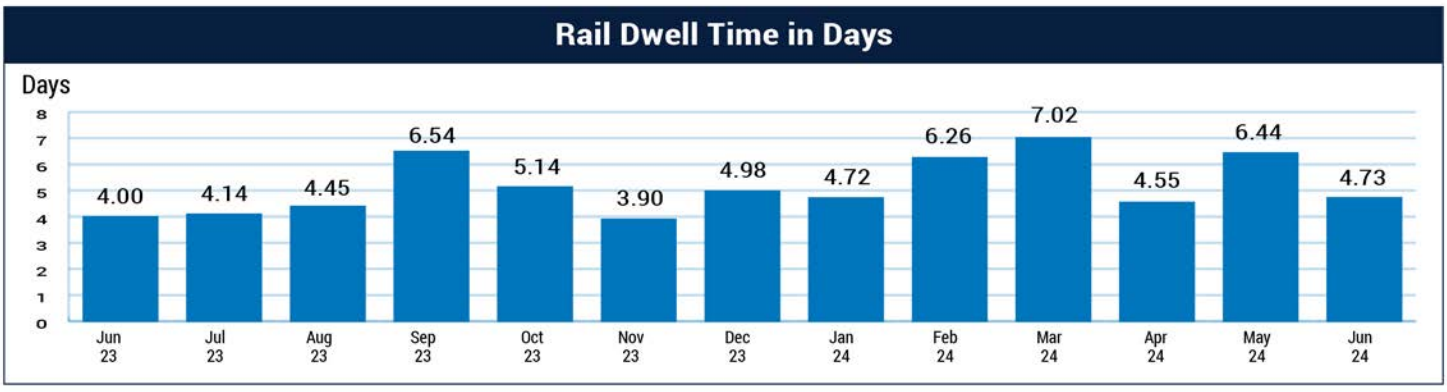
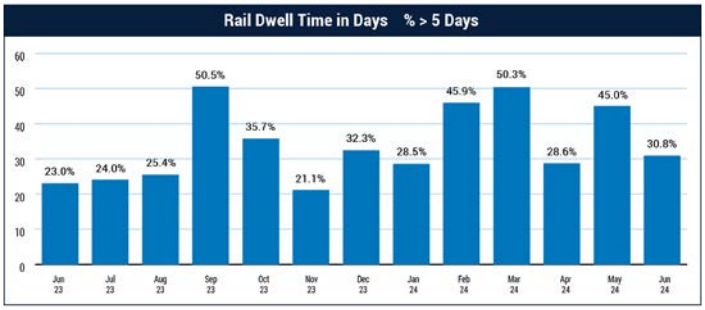


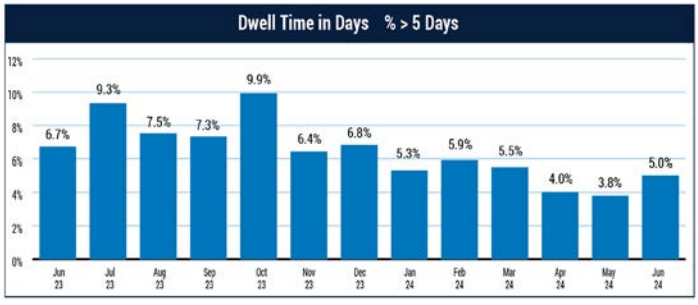
Figure 7: Ports Containerized Cargo Market Share, Total in the Economic Importance of Trade & the Ports to Southern California Study by the Center for Jobs and the Economy.

Truck Container Dwell Time Remains Steady & Rail Dwell Time Sees Improvement in June









Puget Sound Pilotage District Authorized Number of Pilots
BPC Staff Recommendation: 60

STAFF RECOMMENDATION

BPC staff have reviewed the submittals from Parties of Interest received July 10, 2024, and recommend setting the Authorized Number of Pilots at 60, based on available data, trends in assignment levels, and expected retirements (both mandatory and elective retirements).

CONTENTS

ISSUE	PMSA SUBMITTAL	PSP SUBMITTAL	BPC STAFF COMMENT
PMSA & PSP Pilotage demand forecast	On page 1 of submittal: • Multiple years of data preferred • Note current demand is comparable to 7483 jobs in 2022 • Average of 2017, 2018, 2019, 2022, and 2023 annual assignments (5 years, excluding 2020 and 2021) = **7209** annual assignments	On page 4 of submittal: • Single year of data preferred (trailing 12 months) • Trailing 12 months assignments (July 2023 thru June 2024) total 7634 • Subtract 104 for known service change per NWSA. = **7530** annual assignments	Forecasting based on past data is a method that is commonly used, with the caveat that past data cannot predict future demand with certainty. Also, there is some arbitrariness in selecting which past data to use (good arguments can be made for a variety of choices). **SEE TABLE 1** for more info about annual assignment forecast. PMSA submittal included data outside of the board-specified date range.
PMSA & PSP Suggested number of pilots	57 (7209/129.15 = 55.8 pilots, plus 1 for president.)	62 (7530/ 129.15 = 58.3 pilots not including president = 60 pilots when NFFD and president are factored in. increase from 56 to 60 plus 2 more to resolve accumulated callbacks) .	Both PSP and PMSA forecast annual assignments and then assume 95% of the demand will be met by pilots working on watch and 5% will be met by pilots working callbacks. Note that BPC seeks to *limit* callbacks to 5%, not *require* 5% callbacks. PMSA calculation omits consideration of NFFD. Need to add 1 more for average NFFD. *CORRECTED TOTAL 58.*
PSP supporting arguments		+4 Supported using TAL arithmetic above, following WAC elements and requirements +2 Supported by consultant recommend.	If a range of forecasted assignments is considered, then a higher number of pilots might need to be considered. **SEE TABLES 1 & 2.**
PSP CONCLUSION/ OTHER COMMENT		Request for annual review of authorized number of pilots.	BPC continues to monitor assignment levels and regulatory changes. Biennial review is an appropriate frequency.
PMSA 1st argument Category: UNDERLYING ASSUMPTIONS/ CALCULATIONS	Current pilot supply exceeds demand if comparing daily assignment count to number of licensed pilots, assuming half on watch each day, assuming assignments consume 1.0 on watch days.		TAL analysis found ~1.4 on watch days per on watch assignment so this1:1 assumption is flawed. BPC staff reject PMSA's continued claims that pilots work fewer on watch days than scheduled and note the 1.4-day figure includes essential service activities and rest requirements, as well as times when no assignment is available.
PMSA 2nd argument Category: UNDERLYING ASSUMPTIONS/ CALCULATIONS	TAL (on watch) plus 5% callbacks = 129.15 assigns per pilot per year PMSA forecast = 7209 annual assignments = 56 pilots (not including president). Total 57 with president, an increase of 1.		**SEE TABLE 2.** BPC seeks to *limit* callbacks to 5%. not *require* 5% callbacks. Recommend that annual assignment forecasts utilize the *range* between 0% and 5% callbacks to factor in some wiggle room. (Both PMSA and PSP submittals assume 5% callback rate to meet the assignment forecast. If actual assignments are higher, then greater than 5% callbacks will be required.) PMSA calculation omits consideration of NFFD. Need to add 1 more for average NFFD. *CORRECTED TOTAL 58.*

ISSUE	PMSA SUBMITTAL	PSP SUBMITTAL	BPC STAFF COMMENT
PMSA 3rd argument Category: INSUFFICIENT OVERSIGHT & DATA	Supply and demand impacts of pilots not working their watch schedule. **Rec 1:** daily reporting **Rec 2:** improved data, more focused on changing factors & need for pilots		Daily reporting is a monumental and costly undertaking, with no identified benefit. BPC staff monitor factors that necessitate adjustment in authorized number of pilots (see dashboards).
PMSA 4th argument Category: INSUFFICIENT OVERSIGHT & DATA	BPC should monitor watchstanding. Inconsistent of BPC to look at pilot on watch availability but not verify pilots are working.		BPC staff note that Puget Sound Pilots provide detailed monthly reports (which BPC shares with PMSA) of both revenue activity (pilotage assignments) and nonrevenue activity (essential service activity such as training, upgrade trips, and meetings). BPC staff have not observed pilots failing to comply with watchstanding schedules or PSP rules concerning time off.
PMSA 5th argument Category: INSUFFICIENT OVERSIGHT & DATA also COMP DAYS	Pilot utilization rate, pilots not working their watch schedule and/or taking comp days at inopportune times, insufficient oversight. **Rec 3:** Current on watch utilization 68% (123 assigns per 180.65 days). BPC should evaluate if this is acceptable efficiency. **Rec 4:** add 2 duty days (increase PPW to 5 days instead of 3) **Rec 5:** Adjust watch schedules to have more summer days on watch **Rec 6:** Adjust watch schedules to have more peak days of week on watch **Rec 7:** Change day shouldn't be all day **Rec 8:** Track when callbacks are created by comp days. **Rec 9:** Pay attention to effect of more pilots on comp day accumulation.		BPC staff continue to monitor effects of improved pilot staffing on comp day accumulation and callbacks, as well as the effects of a less stressed system in general. BPC staff recommend no changes to PSP watch schedule at this time, especially since the schedule was extensively overhauled recently.
PMSA 6th argument Category: INSUFFICIENT OVERSIGHT & DATA also COMP DAYS	If pilot licenses increase, then comp day backlog should decrease. BPC should analyze relationship between number of pilots, number of assignments, number of comp days, and number of callbacks. (NFFD status also factors in.)		BPC staff continue to monitor effects of improved pilot staffing on comp day accumulation and callbacks, as well as the effects of a less stressed system in general.

ISSUE	PMSA SUBMITTAL	PSP SUBMITTAL	BPC STAFF COMMENT
PMSA 7th argument Category: INSUFFICIENT OVERSIGHT & DATA	BPC should monitor pilot watchstanding in more detail. **Rec 10:** report if pilot on watch but not avail. **Rec 11:** compare daily assigns & avail pilots and analyze reasons for shortages **Rec 12:** analyze days with multiple assigns to determine on watch days worked rather than count of assignments.		Daily reporting is a monumental and costly undertaking, with no identified benefit. BPC staff monitor factors that necessitate adjustment in authorized number of pilots (see dashboards). BPC staff note that Puget Sound Pilots provide detailed monthly reports (which BPC shares with PMSA) of both revenue activity (pilotage assignments) and nonrevenue activity (essential service activity such as training, upgrade trips, and meetings). BPC staff have not observed pilots failing to comply with watchstanding schedules or PSP rules concerning time off.
PMSA 8th argument Category: INSUFFICIENT OVERSIGHT & DATA	BPC should monitor nonrevenue activities more closely **Rec 13:** ensure that on/off watch split is acceptable and that short meetings aren't causing pilots to be unavailable all day.		BPC staff note that this information is available on the PSP Activity report. Daily reporting is a monumental and costly undertaking, with no identified benefit. BPC staff monitor factors that necessitate adjustment in authorized number of pilots (see dashboards). BPC staff note that Puget Sound Pilots provide detailed monthly reports (which BPC shares with PMSA) of both revenue activity (pilotage assignments) and nonrevenue activity (essential service activity such as training, upgrade trips, and meetings). BPC staff have not observed pilots failing to comply with watchstanding schedules or PSP rules concerning time off.
PMSA CONCLUSION/ OTHER COMMENT	An increase in number of pilot licenses is not reasonable without more data/proof showing pilots are working when they are scheduled and working efficiently. Any changes should be made incrementally/conservatively.		BPC staff support increasing the number of pilots to reduce the number of off watch assignments and observe how the system functions in a less stressed state. Information gathered will be applied each time the Number of Authorized Pilots is reconsidered. Increasing from 56 to 60 is a conservative increase (arguments can be made for a higher number to create wiggle room around the assignment forecast, and/or to more aggressively resolve the comp day backlog).

TABLE 1 – Examples of annual assignment forecasting based on different included/excluded data & Number of pilots calculations for each example

This shows the PMSA forecast and the PSP forecast for annual assignments, with other alternative forecasts in between. All are based on past data.

The purpose here is to show the different numbers that can be arrived at, and to demonstrate that forecasting can be rather arbitrary.

Below the examples of forecasts, the required number of pilots for each forecast is calculated, based on 0% callbacks, 2.5% callbacks, and 5% callbacks.

Callback % = trailing 12 months callbacks divided by assigns. Months may have more or fewer callbacks. Pilots may work more or fewer callbacks.

Year of Source Data	PMSA assignment forecast	BPC alt 1 assignment forecast	BPC alt 2 assignment forecast	BPC alt 3 assignment forecast	BPC alt 4 assignment forecast	BPC alt 5 assignment forecast	PSP assignment forecast	
2017*	7240							THIS SECTION EXPLAINS HOW THE DIFFERENT FORECASTS WERE ARRIVED AT (OR COULD HAVE BEEN)
2018*	7321							
2019	6971	6971	6971	6971				
2020		6072						
2021		6950	6950					
2022	7483	7483	7483	7483	7483	7483		
2023	7031	7031	7031	7031	7031	7031		
2024						*7778*		
**note BPC requested submittals not include data prior to 2019.*	**7,209** average of last 7 years excluding covid years 2020-2021	**6,901** average of last 5 years 2019-2023 including covid years	**7,109** average of last 5 years 2019-2023 excluding 2020 (covid)	**7,162** average of last 5 years 2019-2023 excluding 2020-2021	**7,257** average of last 2 years 2022 & 2023	**7,431** average of last 2 years + estimated current year *assumes Jan-Jun equal to Jul-Dec*	**7,530** total of trailing 12 months adjusted for known changes	
assigns per pilot @ 0% callbacks	**123**	**123**	**123**	**123**	**123**	**123**	**123**	**THIS SECTION CALCULATES THE NUMBER OF PILOTS REQUIRED FOR EACH FORECAST GIVEN VARIOUS CALLBACK RATES**
# pilots required, excl. prez & nffd	59	56	58	58	59	60	61	
+ 2 for prez+nffd	**61**	**58**	**60**	**60**	**61**	**62**	**63**	
assigns per pilot @ 2.5% callbacks	**126**	**126**	**126**	**126**	**126**	**126**	**126**	
# pilots required, excl. prez & nffd	57	55	56	57	58	59	60	
+ 2 for prez+nffd	**59**	**57**	**58**	**59**	**60**	**61**	**62**	
assigns per pilot @ 5% callbacks	**129**	**129**	**129**	**129**	**129**	**129**	**129**	
# pilots required, excl. prez & nffd	56	53	55	56	56	58	58	
+ 2 for prez+nffd	**58**	**55**	**57**	**58**	**58**	**60**	**60**	

TABLE 2 – Range of annual assignments calculations for different numbers of licenses

This table shows, for each hypothetical number of pilots, the **range** of annual assignments that can be done, assuming 129 annual assignments per pilot per year at the top of the range (5% callbacks) and 123 annual assignments per pilot per year at the bottom of the range (0% callbacks).

Aiming for the top of the range (as both submittals have done) may underestimate number of pilots and result in excessive callbacks.
Aiming for the middle of the range leaves wiggle room on both sides but would increase the number of pilots required.

Callback % = trailing 12 months callbacks divided by assigns. Months may have more or fewer callbacks. Pilots may work more or fewer callbacks.

POSSIBLE NUMBER OF AUTHORIZED PILOTS	president	1	1	1	1	1	1	1	1	1
	NFFD (average all pilots 2019-2023)	1	1	1	1	1	1	1	1	1
	current licenses (56 minus NFFD & Prez)	54	54	54	54	54	54	54	54	54
	+additional licenses	*+0*	*+1*	*+2*	*+3*	*+4*	*+5*	*+6*	*+7*	*+8*
	TOTAL LICENSES	***56***	***57***	***58***	***59***	***60***	***61***	***62***	***63***	***64***
	working pilots (total minus NFFD & prez)	54	55	56	57	58	59	60	61	62
RANGES OF ANNUAL ASSIGNMENT CAPACITY	*Max = 105% TAL (129 assigns/pilot/year)*	***6974***	***7103***	***7232***	***7362***	***7491***	***7620***	***7749***	***7878***	***8007***
	Mid = 102.5% TAL (126 assigns/pilot/year)	***6808***	***6934***	***7060***	***7186***	***7312***	***7438***	***7565***	***7691***	***7817***
	Min = 100% TAL (123 assigns/pilot/year)	***6642***	***6765***	***6888***	***7011***	***7134***	***7257***	***7380***	***7503***	***7626***
	max-min difference (range)	*332*	*338*	*344*	*351*	*357*	*363*	*369*	*375*	*381*

(CIRCLED NUMBERS ARE CLOSEST TO FORECASTED NUMBERS)

*PMSA annual assignment forecast is **7209***
*PMSA suggested number of pilots is **58****

*PSP annual assignment forecast is **7530***
*PSP suggested number of pilots is **60*****

*Both submittals aim for the **top of the range** of assignments per pilot per year (5% callbacks).*

*Aiming for **middle of range** allows margin of error **above** and **below** forecast but increases number of pilots required.*

**Includes additional pilot for NFFD average.*

***Does not include PSP request for additional pilots to resolve comp day backlog.*

STATE OF WASHINGTON
BOARD OF PILOTAGE COMMISSIONERS
2901 Third Avenue, Suite 500 | Seattle, Washington 98121 | (206) 515-3904 | www.pilotage.wa.gov

Meeting Minutes – Pilot Safety Committee (PSC)

May 6, 2024, 10:00 AM

Attendees: John Scragg (PSP), Andrew Drennen (BPC), Ryan Leo (PGH),Sheri Tonn (BPC), Jaimie Bever (BPC), Eleanor Kirtley (BPC), Mike Moore (PMSA), Ivan Carlson (PSP), Scott Anacker (PSP), Jason Hamilton (BPC), Ivan Carlson (PSP), Charlie Costanzo (PSP), Bettina Maki (BPC)

1. Review of Minutes of previous meeting on January 8.

The minutes were approved with minor corrections.

2. Noncompliant Pilot Transfer Arrangements

Pilots' reports of noncompliant transfer arrangements from the 1st quarter of 2024 were reviewed and discussed, as well as the Jotform data summary of the reports. The data summary will be shared with the Board.

Scott Anacker shared some of the things that Matt Hannuksela has learned about the flurry of noncompliant ladder certifications. He noted that some manufacturers have been placing the placards on the wrong part of the ladder (not complying with ISO standard). There have also been cases where the certificate has not stayed with the ladder, and cases where there has been one certificate for multiple ladders (each piece of safety equipment should have its own certificate). He also mentioned that ISO standard 799 is being updated and "grandfathering" will be completely phased out.

Ryan Leo shared that Grays Harbor has added SEA*iq* PPUs to their pilot boats and are able to "Virtually Board" vessels. This is especially useful when requesting changes to an improperly rigged transfer arrangement, because it allows them to monitor changing boarding conditions during the time it takes to re-rig the ladder.

3. Rest Rule Exceptions

During 2024 Q1 in Grays Harbor there were zero (0) rest exceptions.

During 2024 Q1 in Puget Sound there were five (5) rest exceptions – one assignment combination that exceeded 13 hours duration and four exceptions to the 10 hour rest rule. One of the four exceptions to the 10 hour rest rule may have just been the result of a typo in the call time and the other three were the result of pilots arriving a few minutes early at the pilot boat.

4. MSO form categories revision

Bettina shared some data she had gathered about MSO categories in an effort to understand why 40% of MSO reports do not have a category selected (examples of categories on the MSO form are "Close Aboard Associated With Traffic Density" and "Docking Difficulty Associated with Equipment Malfunction"). She shared some draft changes to the MSO form (also focused on category options) but more work is needed, preferably with input from a pilot. One change already being made with the existing form is to include additional info in the file name if an MSO is *not* describing an issue with the piloted vessel but rather a problem with another vessel or extraneous situation (such as terminal cranes). There was discussion of how detailed the categories should be and whether it might be possible to change from a PDF form to an HTML form (e.g. Jotform) that would enable automated data gathering and summarizing.

5. Port of Grays Harbor Joint Training with USCG

Ryan Leo gave a very interesting presentation on the USCG and Port of Grays Harbor joint safety exercise done in February. It was a significant undertaking that included Pilots, PGH Staff and Pilot boat crews, approximately 20 USCG members from the USCG Station Grays Harbor and helicopter crew members who had flown up from the Astoria Air Station for the training. A USCG rescue swimmer was also included in the drill.

This was the first time the groups had done a safety exercise together. More coordinated drills are planned. The Coast Guard was able to learn a lot about pilotage operations (which they were unfamiliar with) and PGH pilots were able learn about USCG rescue capabilities and response times (45 minutes for a Coast Guard vessel and 1 hour for a Coast Guard helicopter), and how to work together and communicate during a rescue operation. As result of this drill, it was determined that two deckhands are needed on the pilot boat *CHEHALIS* during winter weather as it would not be possible for one deckhand to retrieve a person from the water.

Safety equipment was reviewed as part of the drill. Grays Harbor has acquired new Personal Locator Beacons with AIS functionality and are having new float coats made and have acquired a rescue dummy. They are developing a training matrix and are making significant progress at increasing the frequency of trainings and drills.

6. USCG Policy Letter April 10, 2024 – Guidance Regarding Devices That Alter Maneuvering Characteristics of Ships to Ensure Safe Operation in Waters of the United States

This USCG memo emphasizes that ships with engine limiters installed must disclose this to the pilot and have an updated maneuvering card. As efforts to control emissions ramp up, it will be important to have consistent ways of documenting and communicating a ship's capabilities, and systems for tracking any associated safety occurrences. Ivan Carlson shared the questions that pilots ask about fuel limiters, which include: 1) is vessel equipped with an engine limiter, 2) is it electronic or mechanical, 3) will it be disabled for the transit, 4) how much time is required to disable it. These questions are included on every PSP job sheet.

The first half of the meeting ended at 11:00, and the second half of the meeting (documented separately) focused on TAL determination and adjourned at 12:00.

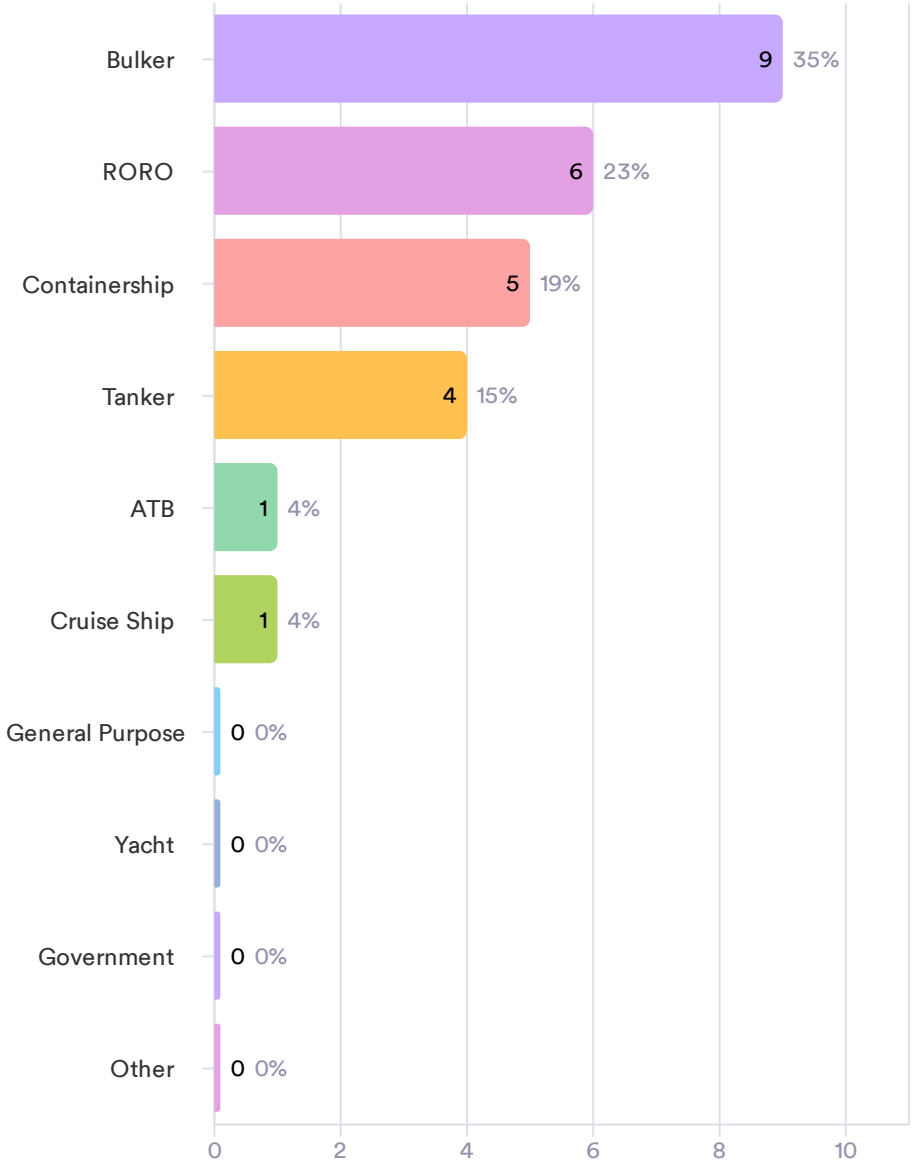
Pilot Ladder Safety Summary

Washington State (PS & GH 4/1/24 - 6/30/24)

Pilot Ladder Safety Report

Vessel Type:

26 Responses



Vessel Name:

26 Responses

Data	Responses
Cosmic Ace	2
Liberty King	2
MV Mystras	1
Capetian Costas S	1
Andromeda Spirit	1
Global Round	1
Ken Haru	1
MOL Premium	1
Treasure	1
Ever Steady	1
Amapola	1
Chrystalia	1
Glovis Silver	1
Sea Valiant	1

Pilot Ladder Safety Report

Flag State:

26 Responses

Data	Responses
PAN	6
MHL	5
LBR	2
HKG	2
USA	2
MLT	2
SGP	2
BHS	1
GRC	1
KOR	1
NLD	1
Other entries	1

Classification Society:

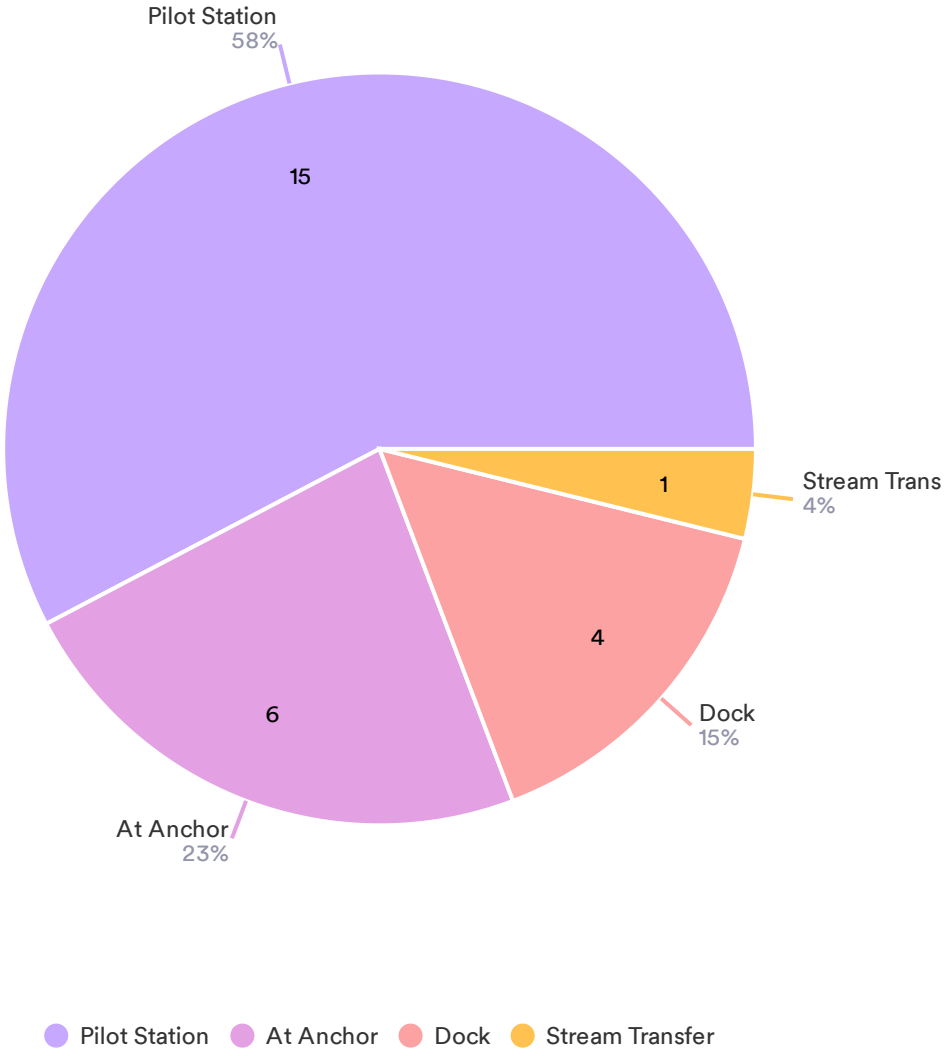
11 Responses

Data	Responses
NK	6
LR	2
ABS	2
DNV	1

Pilot Ladder Safety Report

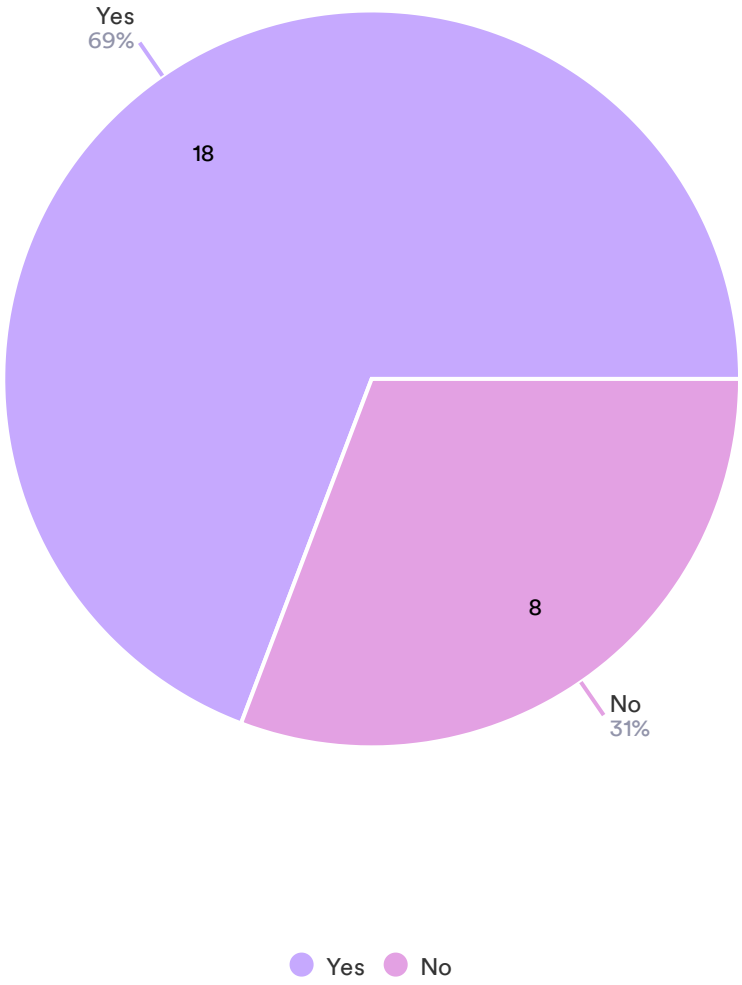
Geographic Location:

26 Responses



Master Notified:

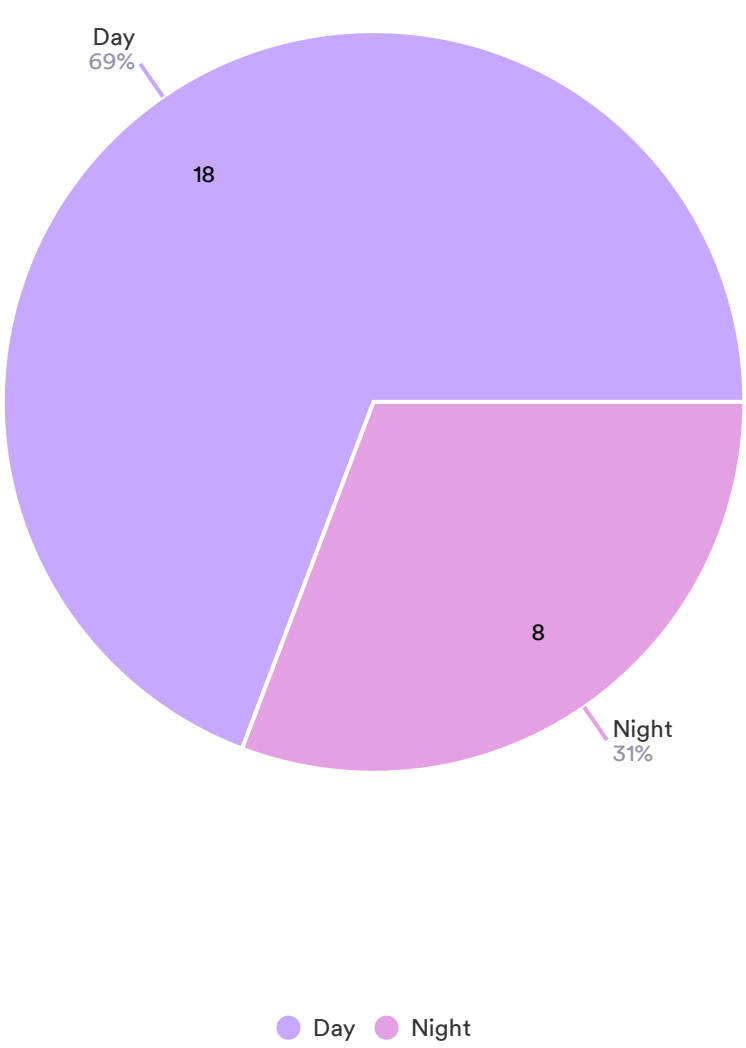
26 Responses



Pilot Ladder Safety Report

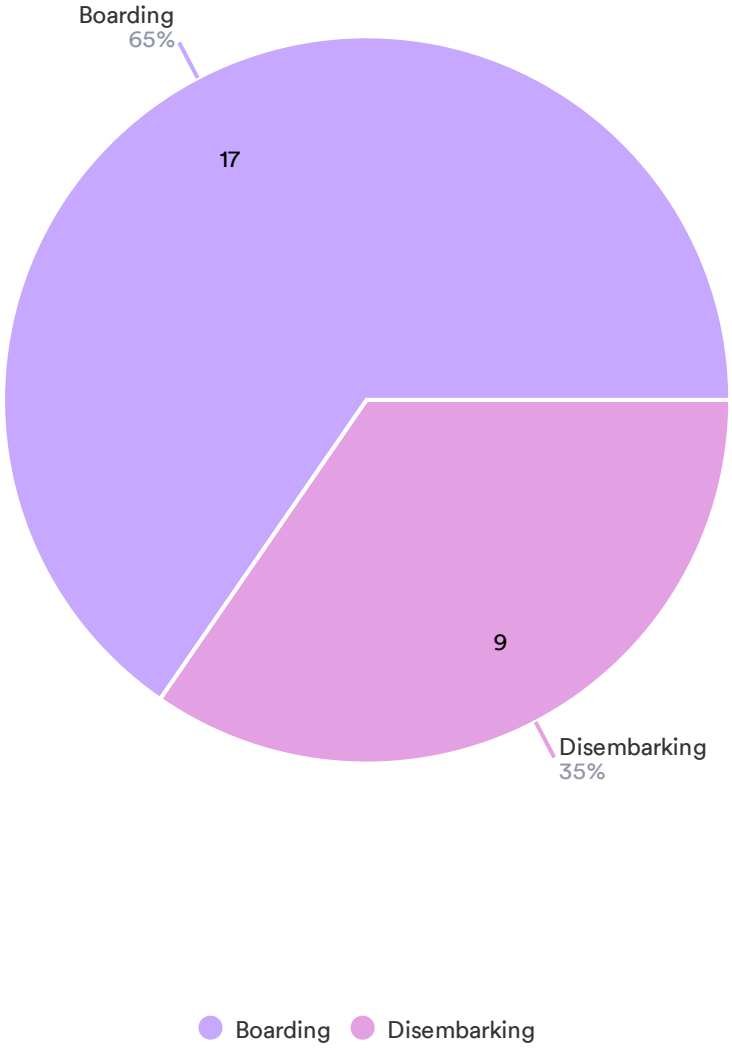
Day/Night:

26 Responses



Boarding/Disembarking:

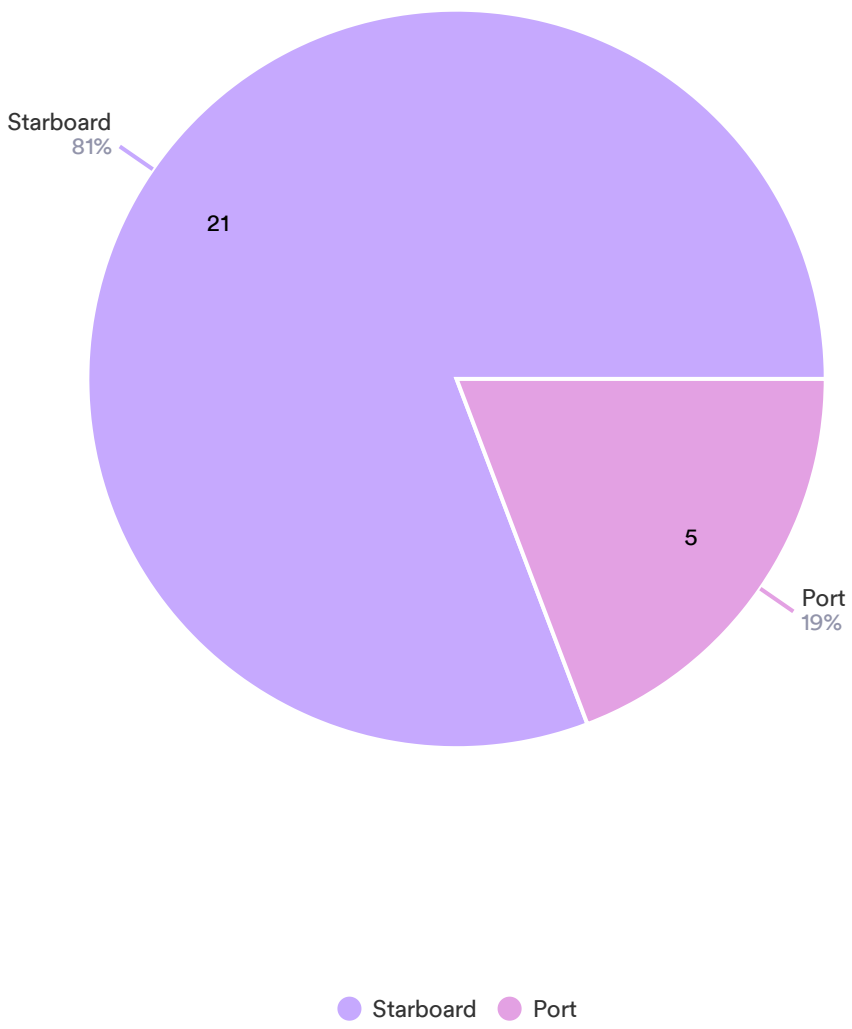
26 Responses



Pilot Ladder Safety Report

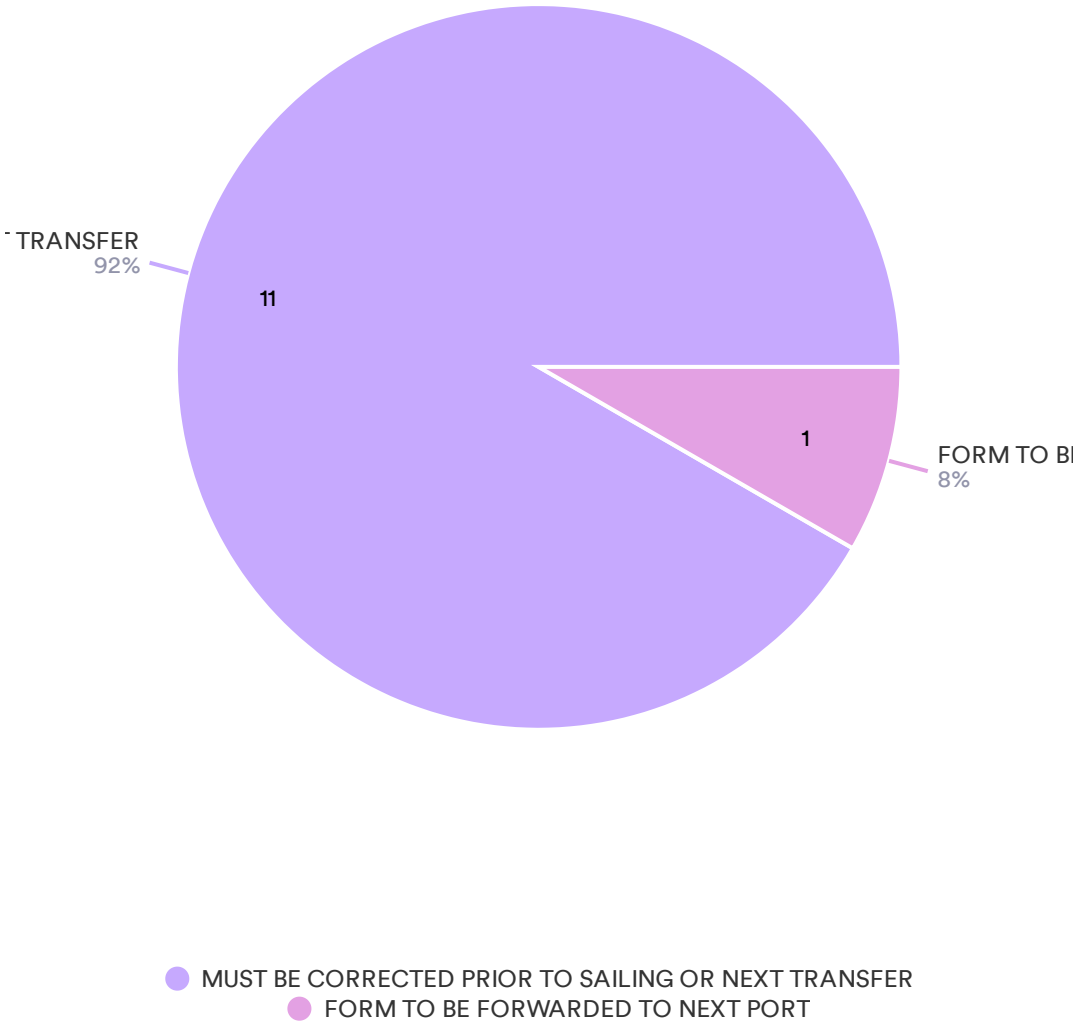
Port/Starboard:

26 Responses



Notification:

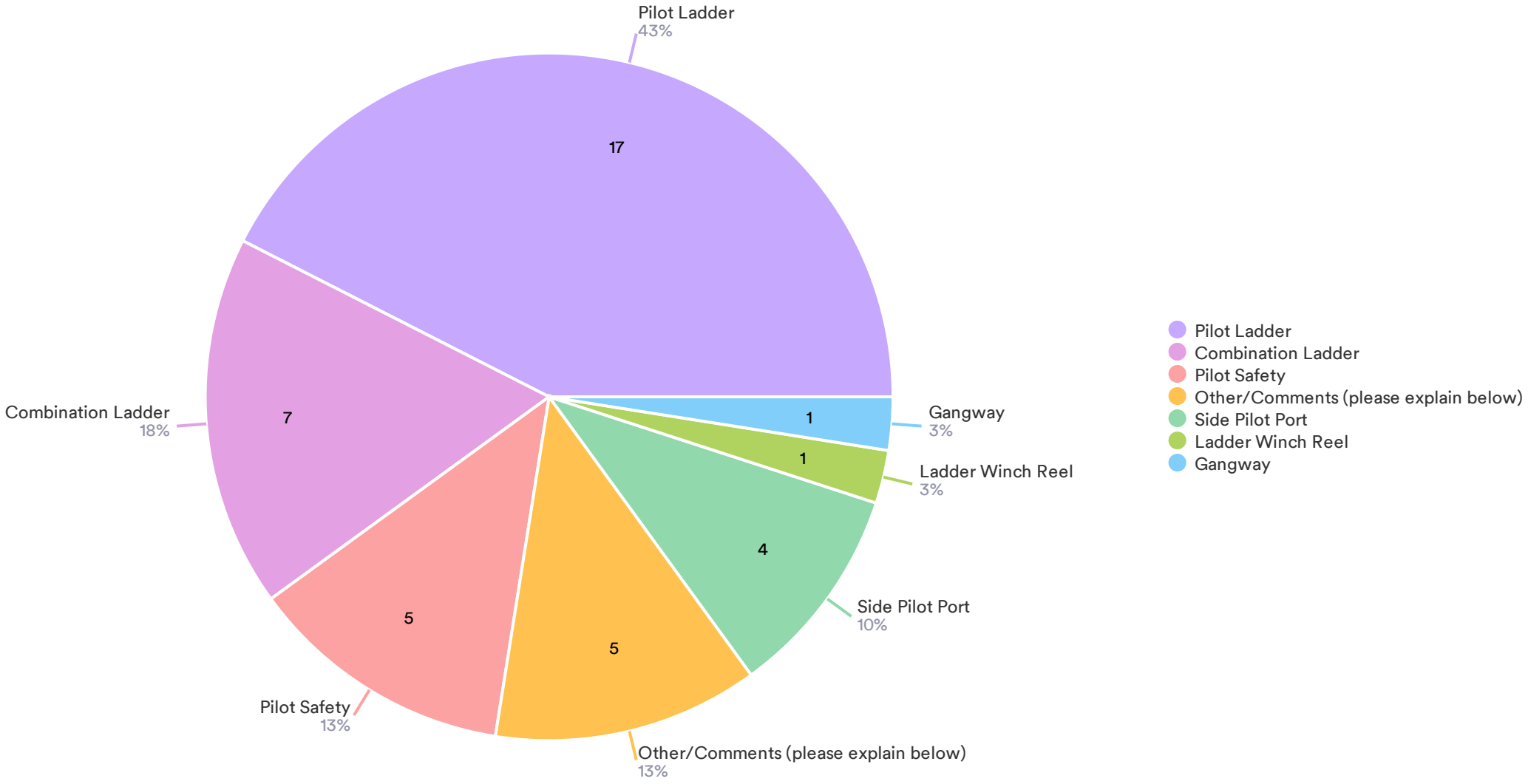
12 Responses



Pilot Ladder Safety Report

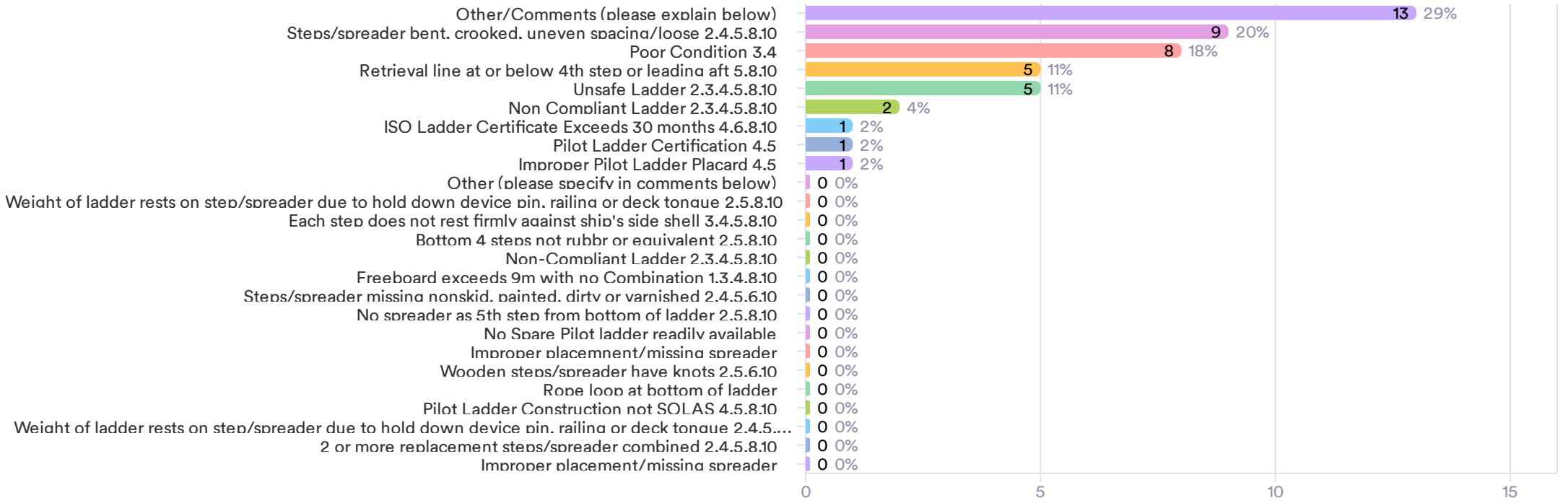
Non-Compliance:

40 Responses

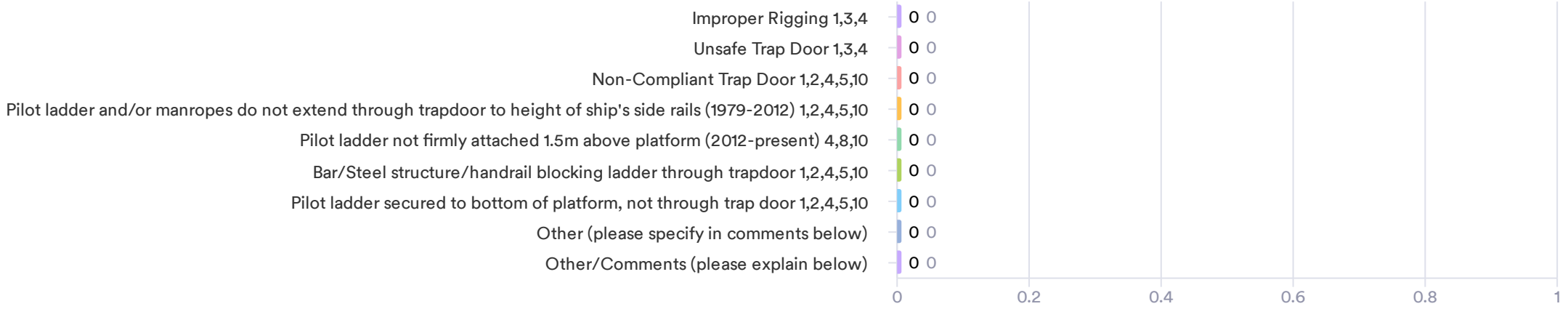


Pilot Ladder Safety Report

Pilot Ladder:

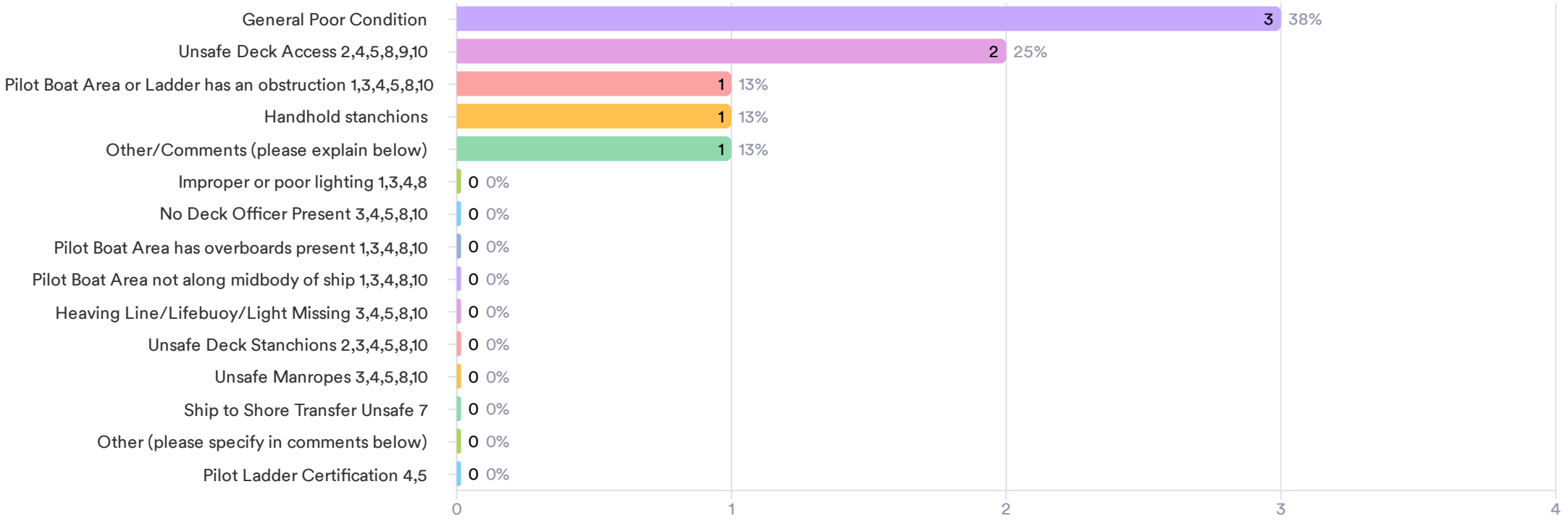


Trap Door Combination Ladder:

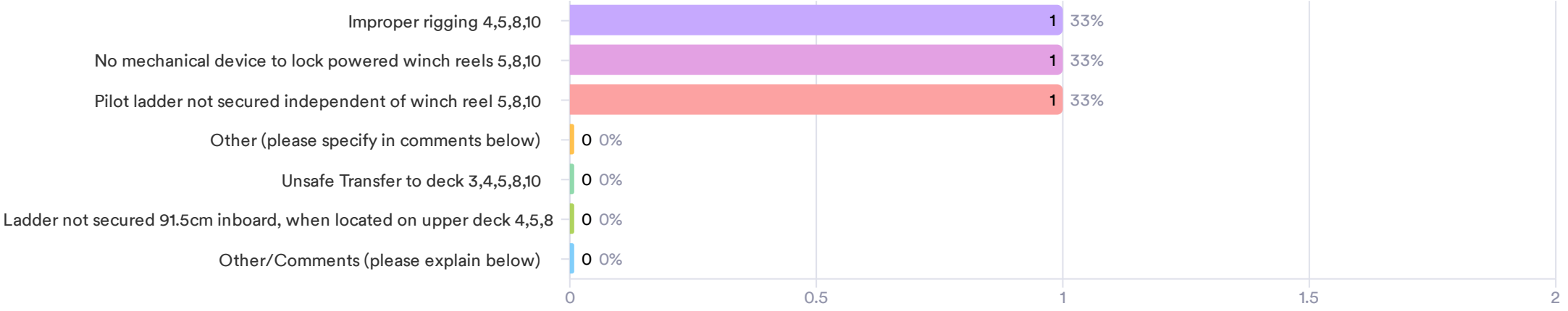


Pilot Ladder Safety Report

Pilot Safety:

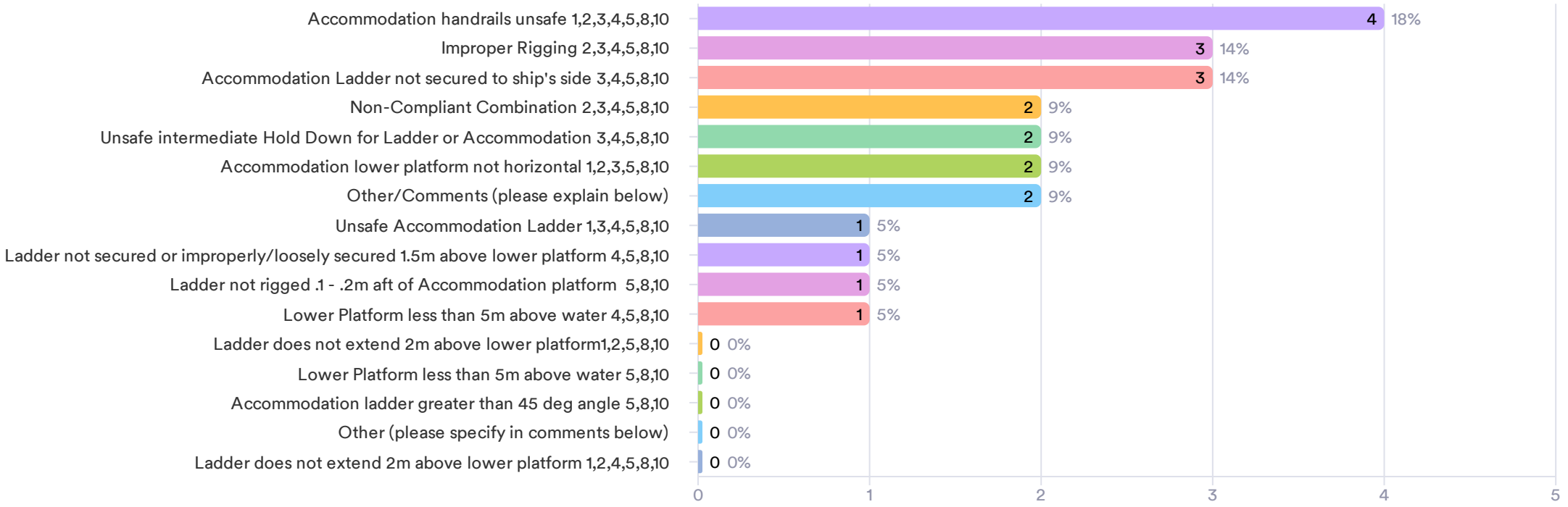


Ladder Winch Reel:



Pilot Ladder Safety Report

Combination Ladder:



Side Pilot Port: