



# PROPOSED RULE MAKING

## CR-102 (July 2022) (Implements RCW 34.05.320) Do NOT use for expedited rule making

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STATE OF WASHINGTON  
FILED

DATE: September 06, 2022

TIME: 9:50 AM

WSR 22-18-084

Agency: Washington State Board of Pilotage Commissioners

- Original Notice
- Supplemental Notice to WSR \_\_\_\_\_
- Continuance of WSR \_\_\_\_\_

- Preproposal Statement of Inquiry was filed as WSR 22-15-117 ; or
- Expedited Rule Making--Proposed notice was filed as WSR \_\_\_\_\_; or
- Proposal is exempt under RCW 34.05.310(4) or 34.05.330(1); or
- Proposal is exempt under RCW \_\_\_\_\_.

Title of rule and other identifying information: (describe subject) WAC 363-116-082 Limitations on new pilots

Hearing location(s):

Date:	Time:	Location: (be specific)	Comment:
October 20, 2022	10:00am	Via MS Teams and/or Phone Conference: (206) 531-0324 ID: 928096063#	To request a video link, please call (206) 515-3887 or visit <a href="http://www.pilotage.wa.gov">www.pilotage.wa.gov</a> for call-in instructions

Date of intended adoption: October 20, 2022 (Note: This is NOT the effective date)

<b>Submit written comments to:</b> Name: Jaimie Bever, Executive Director Address: 2901 3 <sup>rd</sup> Avenue, Suite 500, Seattle, WA 98121 Email: <a href="mailto:BeverJ@wsdot.wa.gov">BeverJ@wsdot.wa.gov</a> Fax: Other: By (date) <u>October 13, 2022</u>	<b>Assistance for persons with disabilities:</b> Contact <u>Jolene Hamel</u> Phone: (206) 515-3904 Fax: TTY: Email: <a href="mailto:HamelJ@wsdot.wa.gov">HamelJ@wsdot.wa.gov</a> Other: By (date) <u>October 13, 2022</u>
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**Purpose of the proposal and its anticipated effects, including any changes in existing rules:** The purpose of this proposed rulemaking is to consider revisions to the pilot license upgrade programs in both the Puget Sound and Grays Harbor Pilotage Districts to better align with statutory rest rules and changes in vessel traffic. The Board seeks to ensure that upgrading pilots are gaining the necessary experience with larger vessels as they progress through their first five years of piloting while also maintaining best practices in fatigue mitigation and reducing stress on the pilot corps.

**Reasons supporting proposal:** The proposed revisions to the pilot upgrade program will allow for more flexibility in upgrade program design, implement statutory rest rules, provide more availability for pilots to take jobs, reduce workload on pilots, allow for cruise ship upgrades, allow pilots to upgrade in more adverse weather, increase experience practicing speed from anchor as well as docking and undocking via harbor shifts, and provides better clarity for to develop the upgrade trips and for upgrading pilots to accommodate the trip requirements while actively piloting.

**Statutory authority for adoption:** Chapter 88.16 RCW, Pilotage Act

**Statute being implemented:** Chapter 88.16 RCW, Pilotage Act

Is rule necessary because of a:

- Federal Law?  Yes  No
- Federal Court Decision?  Yes  No
- State Court Decision?  Yes  No

If yes, CITATION:

**Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:** The Board received a recommendation from the Trainee Evaluation Committee (TEC) favoring implementation of the proposed language based on the benefits listed above. The TEC develops and monitors the pilot license upgrade program.

**Type of proponent:**  Private  Public  Governmental  
**Name of proponent:** (person or organization) Washington State Board of Pilotage Commissioners

<b>Name of agency personnel responsible for:</b>			
	Name	Office Location	Phone
Drafting:	Jaimie C. Bever	2901 3 <sup>rd</sup> Avenue, Suite 500, Seattle, WA 98121	206-515-3887
Implementation: Commissioners	Board of Pilotage	2901 3 <sup>rd</sup> Avenue, Suite 500, Seattle, WA 98121	206-515-3904
Enforcement: Commissioners	Board of Pilotage	2901 3 <sup>rd</sup> Avenue, Suite 500, Seattle, WA 98121	206-515-3904

**Is a school district fiscal impact statement required under [RCW 28A.305.135](#)?**  Yes  No  
If yes, insert statement here:

The public may obtain a copy of the school district fiscal impact statement by contacting:

- Name:
- Address:
- Phone:
- Fax:
- TTY:
- Email:
- Other:

**Is a cost-benefit analysis required under [RCW 34.05.328](#)?**

Yes: A preliminary cost-benefit analysis may be obtained by contacting:  
Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Other:

No: Please explain: RCW 34.05.328 does not apply to the adoption of these rules. The Washington State Board of Pilotage Commissioners is not a listed agency in RCW 34.05.328(5)(a)(i).

**Regulatory Fairness Act and Small Business Economic Impact Statement**  
Note: The [Governor's Office for Regulatory Innovation and Assistance \(ORIA\)](#) provides support in completing this part.

**(1) Identification of exemptions:**  
This rule proposal, or portions of the proposal, **may be exempt** from requirements of the Regulatory Fairness Act (see [chapter 19.85 RCW](#)). For additional information on exemptions, consult the [exemption guide published by ORIA](#). Please check the box for any applicable exemption(s):

This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.061](#) because this rule making is being adopted solely to conform and/or comply with federal statute or regulations. Please cite the specific federal statute or regulation this rule is being adopted to conform or comply with, and describe the consequences to the state if the rule is not adopted.  
Citation and description:

This rule proposal, or portions of the proposal, is exempt because the agency has completed the pilot rule process defined by [RCW 34.05.313](#) before filing the notice of this proposed rule.

This rule proposal, or portions of the proposal, is exempt under the provisions of [RCW 15.65.570\(2\)](#) because it was adopted by a referendum.

- This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(3\)](#). Check all that apply:
- |   |  |
|---|--|
| <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(b)<br>(Internal government operations) | <input checked="" type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(e)<br>(Dictated by statute)  |
| <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(c)<br>(Incorporation by reference)     | <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(f)<br>(Set or adjust fees)  |
| <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(d)<br>(Correct or clarify language)    | <input type="checkbox"/> <a href="#">RCW 34.05.310</a> (4)(g)<br>((i) Relating to agency hearings; or (ii) process requirements for applying to an agency for a license or permit) |
- This rule proposal, or portions of the proposal, is exempt under [RCW 19.85.025\(4\)](#) (does not affect small businesses).
- This rule proposal, or portions of the proposal, is exempt under RCW \_\_\_\_\_.

Explanation of how the above exemption(s) applies to the proposed rule:

**(2) Scope of exemptions:** *Check one.*

- The rule proposal is fully exempt (*skip section 3*). Exemptions identified above apply to all portions of the rule proposal.
- The rule proposal is partially exempt (*complete section 3*). The exemptions identified above apply to portions of the rule proposal, but less than the entire rule proposal. Provide details here (consider using [this template from ORIA](#)):
- The rule proposal is not exempt (*complete section 3*). No exemptions were identified above.

**(3) Small business economic impact statement:** *Complete this section if any portion is not exempt.*

If any portion of the proposed rule is **not exempt**, does it impose more-than-minor costs (as defined by RCW 19.85.020(2)) on businesses?

- No Briefly summarize the agency's minor cost analysis and how the agency determined the proposed rule did not impose more-than-minor costs. \_\_\_\_\_
- Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name:  
Address:  
Phone:  
Fax:  
TTY:  
Email:  
Other:

**Date:** September 6, 2022

**Name:** Jaimie C. Bever

**Title:** Executive Director

**Signature:**



**WAC 363-116-082 Limitations on new pilots.** (1) The following limitations and pilot license upgrade requirements shall apply to a newly licensed pilot during ~~((his/her))~~ their first five years of active service. For purposes of this section, the term "tank vessel" shall, in addition to tank ships, include any articulated or integrated tug and tank barge combinations, and any tonnage restrictions thereon shall be calculated by including the gross tonnage of the tug and tank barge combined. For purposes of this section, the term "petroleum products" shall include crude oil, refined products, liquefied natural gas, and liquefied petroleum gas. GT (ITC) as used in this section refers to gross tonnages measured in accordance with the requirements of the 1969 International Convention on Tonnage Measurement of Ships.

(2) Puget Sound pilotage district - License limitation periods. Except for trips being made for pilot license upgrades, licenses issued in the Puget Sound pilotage district shall have the following limitations:

License Year	Maximum Size of Tank Vessels Carrying Petroleum Products as Bulk Cargo	Maximum Size of Other Vessels	Waterways
1	Piloting on vessels of any size prohibited	38,000 GT (ITC) except for passenger vessels which may only have a maximum size of 5000 GT (ITC)	Prohibited in the Duwamish Waterway on vessels greater than 3,000 GT
2	32,000 GT (ITC)	48,000 GT (ITC)	No restrictions
3	40,000 GT (ITC)	60,000 GT (ITC)	No restrictions
4	50,000 GT (ITC)	70,000 GT (ITC)	No restrictions
5	65,000 GT (ITC)	95,000 GT (ITC)	No restrictions

(3) Puget Sound pilotage district - Pilot license upgrade requirements. Progressive lifting of tonnage limitations requires a newly licensed pilot to satisfactorily pilot vessels on the trips specified in this section. The trainee evaluation committee shall recommend to the board a series of ~~((eight))~~ trips to be made by each pilot in the last ~~((one hundred twenty))~~ 180 days of each year of the license limitation periods specified in subsection (2) of this section. As to these trips, the trainee evaluation committee shall specify the size and type of the vessel; origin and destination, whether the transit is to include a docking, waterway transit or other particular maneuvering requirement, whether any tank vessel trips are to be made while in ballast or loaded and whether the trip shall be taken with training pilots, trainee evaluation committee member pilots or pilots with a specified experience level. To the extent practical, the trips shall be on vessels of at least a size that falls between the upper limit in the expiring license limitation and the upper limit in the upcoming license limitation period. All of these trips shall be complete trips between one port and another port, ~~((or))~~ between the pilot station and a port, or harbor shifts. The supervising pilots shall complete and submit to the board ~~((an evaluation))~~ a familiarization form provided by the board for each trip a new pilot performs.

(4) Grays Harbor pilotage district - License limitation periods. Pilots licensed in the Grays Harbor pilotage district shall not pilot

vessels in violation of the restrictions set forth in the table below during the indicated license year.

License Year	Maximum Size of Tank Vessels Carrying Petroleum Products as Bulk Cargo	Maximum Size of Other Vessels
1	Piloting on vessels of any size prohibited	32,000 GT (ITC) except that piloting on vessels of any size is prohibited through the Chehalis River Bridge unless vessel is in ballast and does not exceed 25,000 GT (ITC)
2	15,000 GT (ITC)	42,000 GT (ITC)
3	32,000 GT (ITC)	52,000 GT (ITC)
4	42,000 GT (ITC)	62,000 GT (ITC)
5	52,000 GT (ITC)	72,000 GT (ITC)

Notwithstanding subsection (7) of this section, upon determination that a bona fide safety concern may result from no pilot without license restrictions being available within a reasonable time to pilot a vessel requiring pilotage services, the chairperson or acting chairperson of the board, on a single trip basis, may authorize a newly licensed pilot holding a restricted license to provide pilotage services to the vessel, irrespective of the tonnage, service or location of the assigned berth of the vessel.

(5) Grays Harbor pilotage district - Pilot license upgrade requirements - Progressive lifting of tonnage limitations requires a newly licensed pilot to satisfactorily pilot vessels on the trips specified in this section. The trainee evaluation committee shall recommend to the board a series of trips to be made by each pilot in the last 180 days of each year of the license limitation periods specified in subsection (4) of this section. As to these trips, the trainee evaluation committee shall specify the size and type of the vessel; origin and destination, whether the transit is to include a docking, waterway transit or other particular maneuvering requirement, whether any tank vessel trips are to be made while in ballast or loaded and whether the trip shall be taken with training pilots, trainee evaluation committee member pilots or pilots with a specified experience level. To the extent practical, the trips shall be on vessels of at least a size that falls between the upper limit in the expiring license limitation and the upper limit in the upcoming license limitation period. All of these trips shall be complete trips between one port and another port, between the pilot station and a port, or harbor shifts. The supervising pilots shall complete and submit to the board a familiarization form provided by the board for each trip a new pilot performs.

~~((a) Prior to the expiration of the first license year, a new pilot must make five license upgrade trips. Three of these trips shall be through the Chehalis River Bridge on loaded or partially loaded vessels. The other trips shall be on vessels in excess of 32,000 GT (ITC) and involve docking and passage to or from the sea buoy; and one of these trips shall involve turning the vessel in the waterway.~~

~~(b) Prior to the expiration of the second license year, a new pilot must make two license upgrade trips on tank vessels in excess of 15,000 GT (ITC) and two trips on other vessels in excess of 42,000 GT (ITC). Two of these trips shall involve docking and passage to or from the sea buoy; and two of these trips shall involve turning the vessel in the waterway. Upon satisfactory completion of the two upgrade trips upon tank vessels and completion of the second license year, the pilot will be authorized to pilot tank vessels in accordance with the limitations specified in subsection (4) of this section. Upon satisfactory completion of the two upgrade trips upon other vessels in excess of 42,000 GT (ITC) and completion of the second license year, the pilot will be authorized to pilot vessels in accordance with the limitations specified in subsection (4) of this section.~~

~~(c) Prior to the expiration of the third license year, a new pilot must make two license upgrade trips on tank vessels in excess of 32,000 GT (ITC) and two trips on other vessels in excess of 52,000 GT (ITC). Two of these trips shall involve docking and passage to or from the sea buoy; and two of these trips shall involve turning the vessel in the waterway.~~

~~(d) Prior to the expiration of the fourth license year, a new pilot must make two license upgrade trips on tank vessels in excess of 42,000 GT (ITC) and two trips on other vessels in excess of 62,000 GT (ITC).~~

~~(e) Prior to the expiration of the fifth license year, a new pilot must make two license upgrade trips on tank vessels in excess of 52,000 GT (ITC) and two trips on other vessels in excess of 72,000 GT (ITC).~~

~~(f)) If vessels are not available in the Grays Harbor pilotage district to allow a pilot to comply with ((a) through (e) of)) this subsection in a timely manner, the board may designate substitute trips in the Puget Sound pilotage district as allowed by law and in so doing may specify the size of the vessel and any other characteristics of the trips that the board deems appropriate. Such designation shall be considered a modification of the pilot's state license to authorize the specified trips in the Puget Sound pilotage district.~~

(6) The initial license shall contain the limitations contained above and list the date of commencement and expiration of such periods. If a newly licensed pilot is unable to pilot for ((forty-five)) 45 days or more in any one of the five years((, he/she shall notify the board and request a revised schedule of limitations)) the trainee evaluation committee may put a hold on the upgrade program. Upon the newly licensed pilot's return to the program, the trainee evaluation committee may prescribe an extension.

(7) Except as provided in subsection (4) of this section, no pilot shall be dispatched to, or accept an assignment on, any vessel which exceeds the limitations of ((his/her)) their license. On vessels in which there is more than one pilot assigned, the license limitations shall apply only to the pilot in charge.

(8) All limitations on a pilot's license shall be lifted at the beginning of the sixth year of piloting provided ((he/she has)) they have submitted to the board a statement attesting to the fact that ((he/she)) the pilot has completed all the required license upgrade trips and the vessel simulator courses.

(9) Whenever the governor issues a proclamation declaring a state of emergency, the board may determine whether there is a threat to trainees, pilots, vessel crews, or members of the public. Notwithstanding the other provisions of this chapter, the board, at its dis-

cretion, may suspend or adjust the pilot training program during the pendency of a state of emergency lawfully declared by the governor.



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**

Fall 2022



*Announcements*

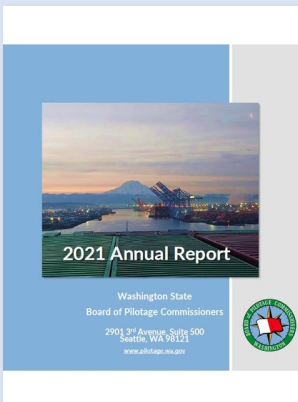
 **Licensures**

Congratulations to Captains Robert Ekemann (left) and Mark Bostick (right) who received state licenses to pilot in the Puget Sound Pilotage District during the 3<sup>rd</sup> quarter of 2022!



**2021 Annual Report**

Find our 2021 Annual Report [here](#) or **Scan the code!**



**Puget Sound Pilots  
Adopts Maternity Policy**

In June 2022, Puget Sound Pilots established and adopted a formal maternity leave policy, making it the first pilot association in the U.S. to implement a dedicated maternity plan for member pilots. As stated in the press release distributed by PSP on August 22, 2022, the new policy seeks to encourage gender diversity in pilotage by providing extended medical leave to persons bearing children by allowing them to combine PSP's generous major medical leave policy with the new maternity rule.



*Image courtesy of Puget Sound Pilots.*

You can find the full press release on our website [here](#).

The BPC and PSP are fully committed to our joint mission of safety and to increasing diversity, equity, and inclusion in pilotage. The BPC believes this action by PSP is great step in the direction of prioritizing pilot safety and addressing barriers to pilotage related to pregnancy and childbirth.

 **Exam Alert!!!**

**The BPC announced in September that the next Washington State Marine Pilot Exam will be held in the **Spring of 2024**.**

If you haven't already, be sure to sign up for our distribution list: [PilotageInfo@wsdot.wa.gov](mailto:PilotageInfo@wsdot.wa.gov) or (206) 515-3904. Also, keep an eye on our website for more information: <https://pilotage.wa.gov/become-a-pilot-.html> or **Scan the code!**





# BPC Visits Grays Harbor

In late September, the BPC took a road trip to Aberdeen and Westport to meet with Port of Grays Harbor administration, the two pilot trainees, and to ride the Port's newest pilot boat *VEGA*. Big thanks to the Port for accommodating us! We are very excited for the future of pilotage in the Grays Harbor Pilotage District!



From left: BPC Pilot Commissioner Captain Sandy Bendixen, BPC Executive Director Jaimie Bever, BPC Chair Sheri Tonn, BPC Pilot Commissioner Captain Mike Anthony, and Grays Harbor pilot trainees Captains Colby Grobschmit and Ryan Leo.

## VTS Turns 50!

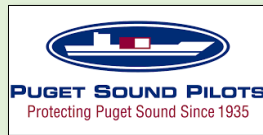
The BPC was honored to attend a celebration of the USCG Sector Puget Sound's Vessel Traffic Service (VTS) 50<sup>th</sup> anniversary on September 23, 2022. The partnership between VTS and pilots in Puget Sound is crucial for safe waterway transits. We thank them for all their work and look forward to the next 50 years!



Current VTS Director Captain Laird Hail explains the history of the Puget Sound VTS.

## District Snapshots

### Puget Sound



#### Retirements:

Captain Jim Hannuksela  
*Thank you for your service!*

#### License Upgrades to Unlimited:

There were no upgrades in July, August, or September.

#### Training Program:

Currently training are Captains Holland, Riddle, Cassee, Scott, Kelly, and Mancini. Captains Fleischfresser and Sturgell began training on October 1.



Pilot trainees (from left) Captains Cassee, Holland, Scott, and Riddle during a live tether training exercise with Polar Tankers in Port Angeles, WA. Thank you, Conoco Phillips and Foss, for the opportunity!

### Grays Harbor



#### Training Program:

Currently training are Captains Leo and Grobschmit.



# PREPAREDNESS NEWS

OCTOBER 2022

Do you want to receive adverse weather alert information in your email? If so, send a message to [EmergencyMgtOffice@wsdot.wa.gov](mailto:EmergencyMgtOffice@wsdot.wa.gov) requesting to be added to distribution.

## EARTHQUAKE PREPAREDNESS



### ShakeOut for 2022 the COVID-19 ERA:

As every year since 2014, WSDOT has participated in the annual Great Washington ShakeOut. For most of us this be very similar to ShakeOut last year. On Thursday October 20th at 10:20 am (10:20 on 10/20), the exercise will start with a ReadyOp notification, just like the one all of us get every morning, reminding us to fill out the WSDOT [COVID-19 Symptoms Check Form](#). After getting the notification, everyone should Drop, Cover, and Hold-on, if it is safe to do so. For those working outside the office, please work with your supervisors to make sure you have an opportunity to practice in a safe space and appropriate time. To ensure we are prepared, take some time in advance to think through the steps of the drill.

For those of you working in your normal workplace, the exercise should not be that different than past years. But we still need to think ahead.

For those working from home, the drill should be very similar to what you did last year if you were working from home. Make sure to incorporate the lessons learned from last year's exercise.

For those that are new to WSDOT or have changed to working at home, this type of drill may present new opportunities and challenges. You have an opportunity to involve other members of your household, and in many cases your family pets. [Remember they will need to be protected too.](#)

For everyone, some of the things you will need to work out before the exercise include:

- How will you report your accountability?
- [Where is your rally point?](#)
- Where will you go if you cannot go back into your place of residence/work?
- [How will you assess your residence is safe to reenter?](#)

### REPORT SECURITY INCIDENTS

If a security related incident has occurred involving you or WSDOT property, please report using the link below. If you have any questions, please contact John Himmel at [himmelj@wsdot.wa.gov](mailto:himmelj@wsdot.wa.gov).

- Link for reporting – <https://i5.readyop.com/fs/4ftl/2489>
  - **NEW** – Search "Security" on the Internal Website
  - **NEW** – Forms Catalog – Search "Security" or "550-010"
- In August, WSDOT reported **27** Security Incidents

There are a lot of questions that you will need to plan for. To help with that planning, we have included some links that should help:

- [Washington State Emergency Management Division's Preparedness Page](#)
- [FEMA's Ready.gov](#)
- [FEMA Earthquake Safety Checklist](#)
- [The American Red Cross](#)

One thing that we are doing differently this year is activating most of the WSDOT Emergency Operations Centers. This will allow for coordination of additional activities happening across the state. These will include facility, highway and bridge inspections, and agency wide staff accountability like we would do after an actual real earthquake. WSDOT is using ShakeOut to exercise our response plans and the lessons learned from our recent Cascadia Rising 2022 Exercise. If you have additional questions on this part of the ShakeOut Exercise, contact your emergency manager.

## Here is what to expect:

At 10:20 A.M. on October 20:

- **Drop, Cover, and Hold On** – you will be notified by a ReadyOp message
- **Evacuation:** Once the simulated earthquake stops, employees in participating facilities will evacuate. As part of the evacuation portion of the drill, volunteers on your respective facility Emergency Response Teams will verify that you have safely exited the building and you will be checked off on accountability rosters (please note: this is a different step than the agency-wide accountability process). The purpose of doing so is to ensure that you safely exited your building.
- For those at home, you will determine the end of the earthquake, and then evacuate your home to your predetermined safe spot.

It is a great idea to review your plans, evacuation routes, exits, and assembly area in advance. It helps if you know who has responsibility for each action.

- **Accountability:** After a major incident, we need to know the status of all our employees across the state (not just for those at a facility) – whether they were at work or not. 100% accountability tells agency decision-makers who is available to support response activities and also who may need help or assistance. WSDOT must complete this step to allow us to deploy workers to assess the impacts and begin response and recovery from a major incident. **We need to have 100% accountability of all WSDOT staff!** For those at home or offsite, do not wait for your supervisor to contact you. As soon as possible let them know your status! One exception during the ShakeOut exercise: while in real emergencies we'll need to check with each and every employee, those on leave during the Great ShakeOut don't need to report in or be called. Particularly those vacationing in Hawaii don't need to be bothered (or vacationing anywhere, for that matter).

Accountability is more than the building check-ins regularly done outside a building after evacuation. Post-evacuation checks let us know everyone got outside safely. Accountability means supervisors must take an extra step of accounting for all whom they supervise – either in person, by phone, text, or email. *(If you don't have contact info for your direct reports, now is a great time to gather that).* Supervisors then relay the status of their direct reports up the chain of command (check with your managers for who will collect and share that information with agency leadership). Staff then tally all the reports and work to determine the status of any employees that supervisors couldn't reach.



## Drop, Cover, and Hold!

**DROP** where you are, onto your hands and knees. This position protects you from being knocked down and also allows you to stay low and crawl to shelter if nearby.

**COVER** your head and neck with one arm and hand

- If a sturdy table or desk is nearby, crawl underneath it for shelter
- If no shelter is nearby, crawl next to an interior wall (away from windows)
- Stay on your knees; bend over to protect vital organs

**HOLD ON** until shaking stops

For some earthquake accessibility safety tips [https://www.earthquakecountry.org/library/ShakeOut\\_Earthquake\\_Safety\\_Accessibility\\_Tips-EN.pdf](https://www.earthquakecountry.org/library/ShakeOut_Earthquake_Safety_Accessibility_Tips-EN.pdf)

Why Drop, Cover, and Hold On? This [special report](#) explains why official rescue teams, emergency preparedness experts, and others recommend “Drop, Cover, and Hold On” as the best way, in most situations, to protect yourself during earthquake shaking.

Wherever you are, protect yourself! It is important to think about what you will do to protect yourself wherever you are. What if you are driving, in a theater, in bed, at the beach, etc.? [Step 5](#) of the [Seven Steps to Earthquake Safety](#) describes what to do in various situations, no matter where you are when you feel earthquake shaking.

Persons with Disabilities: See [EarthquakeCountry.org/disability](https://www.earthquakecountry.org/disability) for recommendations for people who use wheelchairs, walkers, or are unable to drop to the ground and get up again without assistance.

The main point is to not try to move but to immediately protect yourself as best as possible where you are. Earthquakes occur without any warning (in Washington we have the [ShakeAlert System](#), that can provide early warning before the shaking reaches you) and may be so violent that you cannot run or crawl; you therefore will most likely be knocked to the ground where you happen to be. You will never know if the initial jolt will turn out to be start of the big one. You should Drop, Cover, and Hold On immediately!

In addition, studies of injuries and deaths caused by earthquakes in the U.S. over the last several decades indicate that you are much more likely to be injured by falling or flying objects (TVs, lamps, glass, bookcases, etc.) than to die in a collapsed building. Drop, Cover, and Hold On offers the best overall level of protection in most situations.

As with anything, practice makes perfect. To be ready to protect yourself immediately when the ground begins to shake, practice Drop, Cover, and Hold On as children do in school at least once each year.

## What NOT to do:

**DO NOT** get in a doorway! An early earthquake photo is a collapsed adobe home with the door frame as the only standing part. From this came our belief that a doorway is the safest place to be during an earthquake. In modern houses and buildings, doorways are no safer, and they do not protect you from flying or falling objects. Get under a table instead!



**DO NOT** run outside! Trying to run in an earthquake is dangerous, as the ground is moving and you can easily fall or be injured by debris or glass. Running outside is especially dangerous, as glass, bricks, or other building components may be falling. You are much safer to stay inside and get under a table.

**DO NOT** believe the so-called “triangle of life”! In recent years, an e-mail has circulated which has recommends potentially life threatening actions, and the source has been discredited by leading experts. Read this [special report](#) to learn more.

## RECOMMENDED EARTHQUAKE SAFETY ACTIONS

**Indoors:** Drop, Cover, and Hold On. Avoid exterior walls, windows, hanging objects, mirrors, tall furniture, large appliances, and kitchen cabinets with heavy objects or glass. However, do not try to move more than 5-7 feet before getting on the ground. Do not go outside during shaking! The area near the exterior walls of a building is the most dangerous place to be. Windows, facades and architectural details are often the first parts of the building to break away. If seated and unable to drop to the floor: bend forward, Cover your head with your arms, and Hold On to your neck with both hands.

**In a wheelchair:** Lock your wheels and remain seated until the shaking stops. Always protect your head and neck with your arms, a pillow, a book, or whatever is available. See [EarthquakeCountry.org/disability](http://EarthquakeCountry.org/disability) for recommendations for people who use wheelchairs, walkers, or are unable to drop to the ground and get up again without assistance.

**In bed:** Do not get out of bed. Lie face down to protect vital organs, and Cover your head and neck with a pillow, keeping your arms as close to your head as possible, while you Hold On to your head and neck with both hands until shaking stops. You are less likely to be injured by fallen and broken objects by staying where you are.

**In a high-rise:** Drop, Cover, and Hold On. Avoid windows and other hazards. Do not use elevators. Do not be surprised if sprinkler systems or fire alarms activate.

**In a classroom:** Drop, Cover, and Hold On. Laboratories or other settings may require special considerations to ensure safety. Students should also be taught what to do at home or other locations.

**In a stadium or theater:** Drop to the ground in front of your seat or lean over as much as possible, then Cover your head with your arms (as best as possible), and Hold On to your neck with both hands until shaking stops. Then walk out slowly, watching for anything that could fall during aftershocks.

**In a store:** Drop, Cover, and Hold On. Getting next to a shopping cart, beneath clothing racks, or within the first level of warehouse racks may provide extra protection.

**Outdoors:** Move to a clear area if you can safely do so; avoid power lines, trees, signs, buildings, vehicles, and other hazards. Then Drop, Cover, and Hold On. This protects you from any objects that may be thrown from the side, even if nothing is directly above you.

**Driving:** Pull over to the side of the road, stop, and set the parking brake. Avoid overpasses, bridges, power lines, signs and other hazards. Stay inside the vehicle until the shaking stops, then proceed carefully by avoiding fallen debris, cracked or shifted pavement, and emergency vehicles. If a power line falls on the car, stay inside until a trained person removes the wire.

**Near the shore:** Follow instructions above for your particular location. Then as soon as shaking reduces such that you are able to stand, walk quickly to high ground or inland as a tsunami may arrive soon. Don't wait for officials to issue a warning. Walk, rather than drive, to avoid traffic, debris, and other hazards.

**Below a dam:** Follow instructions above for your particular location. Dams can fail during a major earthquake. Catastrophic failure is unlikely, but if you live downstream from a dam, you should know flood-zone information and have prepared an evacuation plan for getting to high ground.

## PREPARE IN A YEAR October – Drop, Cover, and Hold-on

Since we already covered the subject in the newsletter, you don't need to see it again. But if you want more information follow the links below.

For more on Prepare in a Year visit <https://mil.wa.gov/asset/5f171c-c0a935f>

### For more information

- <https://www.shakeout.org/washington/>
- <https://www.dnr.wa.gov/programs-and-services/geology/geologic-hazards/earthquakes-and-faults>
- <https://www.usgs.gov/natural-hazards/earthquake-hazards/earthquakes>
- <https://pnsn.org/>
- <https://mil.wa.gov/earthquake>
- <https://www.earthquakeauthority.com/Blog/2020/How-to-Protect-Your-Home-before-an-Earthquake>



## PREPAREDNESS NEWS TRIVIA

We are giving away a PreparePack 72-hour disaster preparedness kit every month! Follow the instructions below for your chance to receive the bag and all supplies pictured here. The random winner will be announced in next month's Preparedness News.

### OCTOBER TRIVIA QUESTION:

**Who should you report your status to after an earthquake if you are on leave/vacation?**

**Submit** your answer via email by October 15th to [EmergencyMgtOffice@wsdot.wa.gov](mailto:EmergencyMgtOffice@wsdot.wa.gov) with "October PrepNews Trivia" in the subject line. Emails not following this criteria or containing incorrect trivia answers will not be eligible to win.



**Congratulations to September trivia winner, Dennis Sonstebly** with Northwest Region Area 3 in Everett. Dennis correctly answered that **FIRMs** stands for **Flood Insurance Rate Maps**.

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**Preparedness News** is a publication of the WSDOT Office of Emergency Management for WSDOT employees. It is intended to enable you and your family to be better prepared for disasters and other emergencies. For additional information or comments contact:

WSDOT Office of Emergency Management  
360-705-7973

[EmergencyMgtOffice@wsdot.wa.gov](mailto:EmergencyMgtOffice@wsdot.wa.gov)

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**Title VI Notice to Public:** It is the Washington State Department of Transportation's (WSDOT) policy to assure that no person shall, on the grounds of race, color, or national origin, as provided by Title VI of the Civil Rights Act of 1964, be excluded from participation in, be denied the benefits of, or be otherwise discriminated against under any of its programs and activities. Any person who believes his/her Title VI protection has been violated, may file a complaint with WSDOT's Office of Equal Opportunity (OEO). For additional information regarding Title VI complaint procedures and/or information regarding our non-discrimination obligations, please contact OEO's Title VI Coordinator at (360) 705-7090.

**Americans with Disabilities Act (ADA) Information:** This material can be made available in an alternate format by emailing the Office of Equal Opportunity at [wsdotada@wsdot.wa.gov](mailto:wsdotada@wsdot.wa.gov) or by calling toll free, 855-362-4ADA(4232). Persons who are deaf or hard of hearing may make a request by calling the Washington State Relay at 711.

# Puget Sound District Activity Report Dashboard

Licensed Pilots  
Including President  
**53**

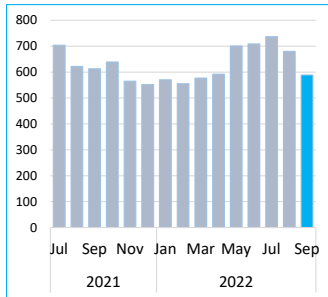
PS District  
Trainees  
**6**

September 2022

*Includes pilot licensed at August meeting (started in September).  
A pilot who retired mid August has been subtracted from the September count.*

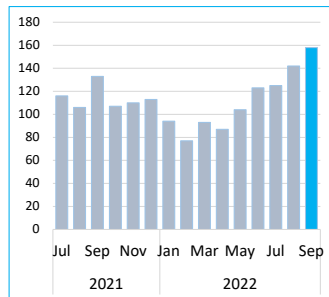
Total Assignments

**589**



Repositions

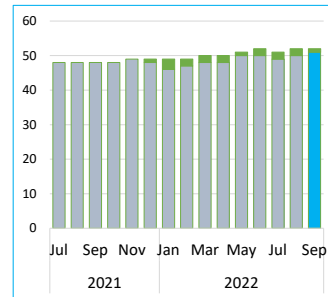
**158**



Licensed Pilots w/o Pres **52**

Pilots NFFD entire month **1**

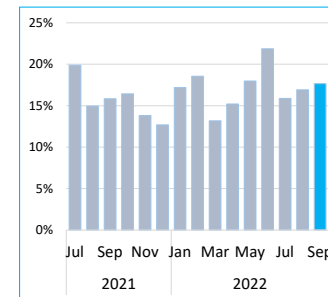
Available Pilots **51**



Off-Watch Assignments

(Callbacks)

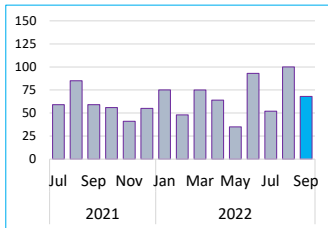
**18%**



Comp Days Used

(Licensed Pilots)

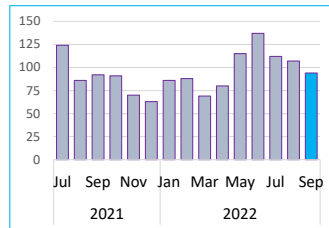
**68**



Comp Days Earned

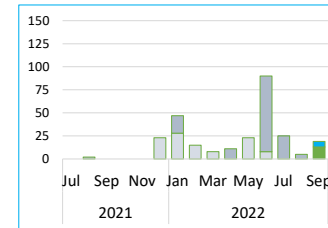
(Callbacks)

**94**



COVID Days\* **6**

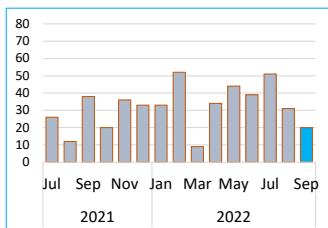
NFFD Days\* **13**



\*NFFD Days & COVID Days count unavailable pilot days for pilots who were not NFFD the entire month (they were available part of the month and did some assignments).

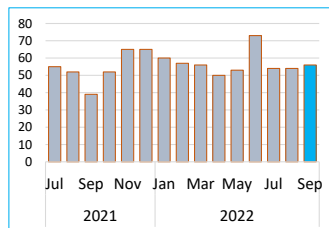
Delays due to  
Unavailable Rested Pilot

**20**



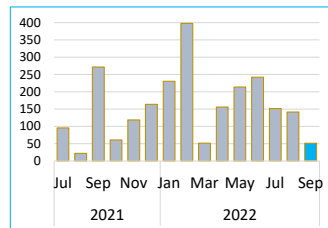
Billable Delays  
by Customers

**56**



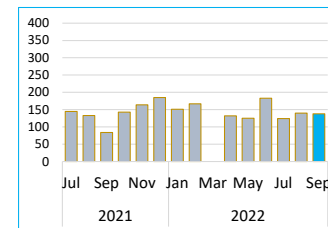
Hours of Delays  
Unavailable Rested Pilot

**51**



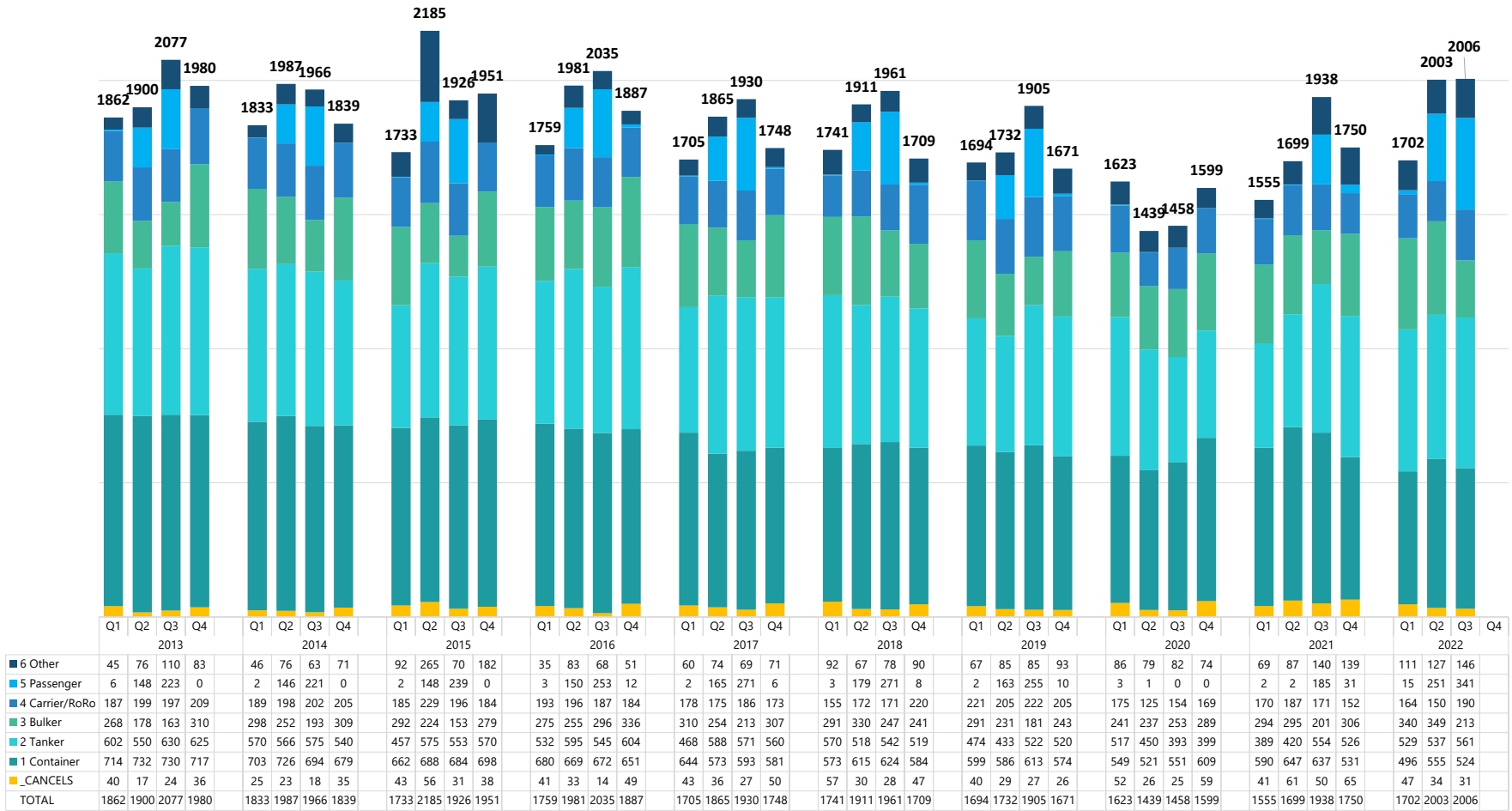
Hours of Delays  
by Customers

**138**

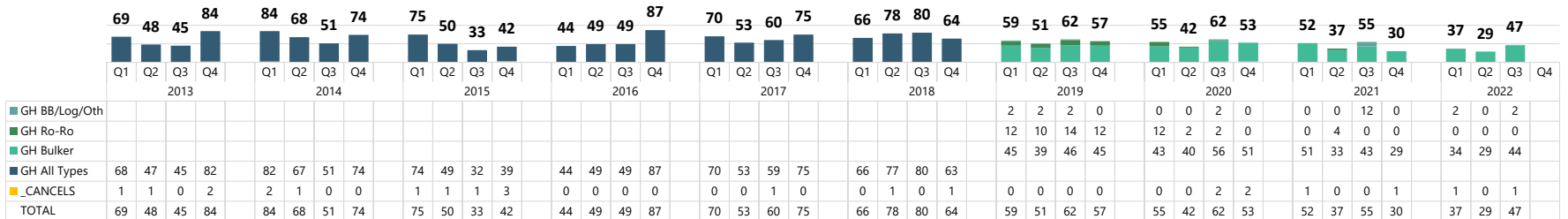




**Puget Sound Pilotage District Assignments 2013-2022**  
 quarterly, by vessel type, including cancellations



**Grays Harbor Pilotage District Assignments 2013-2022**  
 quarterly, by vessel type when available, including cancellations



## PUGET SOUND PILOTAGE DISTRICT ACTIVITY REPORT

**Sep-2022**

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:	589	Cancellations:	8		
Total ship moves:	581	Cont'r:	155	Tanker:	177
				Genl/Bulk:	73
				Other:	176
Assignments delayed due to unavailable rested pilot:		20	Total delay time:	51.25	
Billable delays by customers:		56	Total delay time:	138	
Order time changes by customers:		172			
2 pilot jobs:	31	Reason:	PSP GUIDELINES FOR RESTRICTED WATERWAYS		
Day of week & date of highest number of assignments:	Tue 9/20				31
Day of week & date of lowest number of assignments:	Mon 9/5				12
Total number of pilot repositions:	158	Upgrade trips	20	YTD	120
3 consecutive night assignments:	29	YTD	365		

### Callback Days/Comp Days

	Starting Total	Call Backs (+)	Used (-)	Burned (-)	Ending Total
Licensed	2656	94	68		2682
Unlicensed	265			45	220
<b>Total</b>	<b>2921</b>	<b>94</b>	<b>68</b>	<b>45</b>	<b>2902</b>

**On watch assignments 485      Call back assignments 104      CBJ ratio 17.66%**

### 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
15-Sep	15-Sep	Seattle	PMI	Tethered Escort Training	BOU*, GAR*, MOO, STA*
23-Sep	30-Sep	Port Revel	Port Revel	Ship Handling Course	BOU*(6on/4off), COL*(4on/6off)
19-Sep	19-Sep	Seattle	PSP	Polar Escort Drill	MAN, MOO, NIN, SCR
					*On watch    Off watch
					13            15

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

Start Dt	End Dt	City	Group	Meeting Description	Pilot Attendees
1-Sep	1-Sep	Seattle	PSP	Fatigue Management	ANA, SCR**, VON*
1-Sep	1-Sep	Seattle	PSP	Outreach	VON*
6-Sep	6-Sep	Seattle	PSP	Rates	KLA*
8-Sep	8-Sep	Seattle	PSP	Fatigue Management	ANA, BRU, SCR*, STA*, VON**
8-Sep	8-Sep	Seattle	PSP	Rates	KLA*
8-Sep	8-Sep	Seattle	PSP	Outreach	BOZ
9-Sep	10-Sep	Seattle	PSP	President	KLA*
9-Sep	9-Sep	Seattle	PSP	Legislative	VON**

9-Sep	9-Sep	Seattle	BPC	DEI	BEN*
11-Sep	11-Sep	Seattle	PSP	Outreach	MCG
12-Sep	12-Sep	Seattle	PSP	Outreach	BOZ
13-Sep	13-Sep	Seattle	PSP	BOD	ANA*, COR, GRD*, GRK*, KLA*, MYE*
14-Sep	14-Sep	Seattle	BPC	TEC	ANT, BEN*, NIN
15-Sep	15-Sep	Seattle	BPC	BPC	ANT*, BEN*
22-Sep	22-Sep	Seattle	BPC	Trainee Orientation	ANT*, BEN, COL
26-Sep	26-Sep	Grays Harbor	BPC	BPC	ANT*, BEN
27-Sep	27-Sep	Seattle	BPC	DEI	BEN
30-Sep	30-Sep	Port Angeles	PSP	Pilot Boat	SEM**
					* on watch
					off watch
					**
					paired to
					17
					13
					4

**Safety/Regulatory**

**Outreach**

**Administrative**

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

Start Dt	End Dt	REASON	PILOT
1-Sep	13-Sep	NFFD	HAM
1-Sep	30-Sep	NFFD	HED
10-Sep	14-Sep	Covid-HAS	THG
30-Sep	30-Sep	Covid-HAS	STA

**PSP Efficiency Measures**

Combined an inter-port assignments with harbor shift 9 times  
 Combined meetings with revenue assignments 4 times  
 Combined cancellations with intra-port assignments 1 time.  
 Utilized immediate repo rule 6 times. This allowed pilots to be assigned on the Seattle side quicker than on the PA side.  
 Reduced call time between 1830-0759 allowed 7 pilots to be assigned, while prior rules would not have allowed for this.  
 Reduced call times between 1830-0759 reduced the 3&O type jobs by 1.  
 Assignments were down in September. Fewer assignments provided fewer opportunities to utilize PSP's new efficiency measures. Also, the timing and type of assignments in September were not conducive to broad utilization of the new efficiency measures. While we are pleased to see a reduced number of three and out assignments, it is worth noting that night assignments are an increasing percentage of PSP workload for September. PSP is still uncomfortable with the 17% callback job ratio.

Month	Jobs	Pilot Delays	CBJ Ratio	Combined Inter-Port and Harbor shift jobs	Three and Out	NFFD or Covid
May	701	214	18%	9	50	71
June	709	242	22%	15	47	131
July	737	151	16%	29	40	84
August	680	141.6	17%	16	51	67
September	589	51.25	17%	9	29	48

# WA State Board of Pilotage Commissioners

Industry Update: October 20, 2022 BPC Meeting

## Vessel Arrivals Through September

*Year to Date Down 21 After Separating Out Cruise*

🚢 Containers down 75	🚢 Car Carriers down 17
🚢 Bulkers down 2	🚢 Tankers up 49
🚢 General up 12 (down 5 in July)	🚢 ATB's down 3
🚢 RoRo up 2	🚢 Cruise up 206

## Pilot Service Supply, Demand & Delays

- ✓ Again, pilot delays significantly increased from 2.98/month in the 18 months prior to last July.
- ✓ Implementation of efficiencies should decrease pilot delays but...?
- ✓ The ratio of licensed pilots to average daily assignment workload remains more than two to one even during this peak season... why so many delays?

### Continuing Recommendation:

- ✓ *We continue to recommend BPC require tracking daily number of pilots on duty AND available each day (and if not, why not) and compare that to the assignment workload each day to shed light on causes of delays. Daily assignments should show how many of the assignments were shifts or cancelations.*
- ✓ *Track number of attempted call backs each day, rejections, acceptance. This metric should be set up to identify if pilots completing the fewest assignments are also the pilots with a greater rejection of call backs and if they are pilots serving on State/BPC or BPC established committees and the meeting schedule of those meetings impacting the availability of those particular pilots during duty weeks.*
- ✓ *Include level of assignment and level of pilot in the information in synch with the dispatch system which must match the license level of the pilot to the requirements of the assignment.*

**Observation: The response has been that this is too difficult to do... doesn't make sense given the key pieces of data used in the dispatching of pilots. The old adage, you can't manage what you don't measure seems to directly apply here.**

### PMA ILWU Contract and Rail Negotiations

- ✓ Final outcomes are unclear at time of this writing
- ✓ PMSA will provide latest updates at the meeting if status is impacting vessel arrivals, departures and queue

## **Container spot rates have fallen by 10% for the fourth week running as increasingly looks like the sector could be in for a hard landing.**

**Marcus Hand | Sep 23, 2022**

<https://www.seatrade-maritime.com/containers/container-spot-rates-plunge-58-january>

The bell weather Shanghai Containerized Freight Index (SCFI) has lost another 10.4% over the last week to be recorded at 2072.04 some 240.61 points lower than week earlier. The SCFI is now 59% lower than it was in January this year when it stood at all time high of 5,051 points. It was a similar picture for the Drewry World Container Index (WCI) which reported a 10% week-on-week fall on Thursday to \$4,471.99 per feu. It the 30th week in a row that the WCI has fallen and the index is now 57% lower than the same period last year. According to Drewry spot rates on Shanghai – Los Angeles fell 11% or \$473 to \$3,779 per feu last week, while rates on Shanghai – Rotterdam dropped by 10% to \$ 6,027 per feu. As Seatrade Maritime News reported yesterday lines have responded by aggressively pulling capacity from major trades ahead of the Golden Week in China, but still rates continue to fall. According to Xeneta capacity on the trade between Asia and the US West Coast is 13% lower than it was in the same period in 2021 – the equivalent of 21 ships of 8,000 teu – the average vessel size on the trade.

## **West Coast ports sink to lowest share of US imports since early 1980s**

McCown: West Coast August imports fall 11.5%; East/Gulf coast imports up 12%

**Greg Miller Follow on Twitter** Thursday, September 22, 2022

<https://www.freightwaves.com/news/west-coast-ports-sink-to-lowest-share-of-us-imports-since-early-1980s#:~:text=The%20West%20Coast%20ports'%20share,at%20least%20the%20early%201980s.%E2%80%9D>

The West Coast was the destination of choice for Asian exports in the initial stage of the COVID buying boom — before container-ship queues stymied the ports. Since then, volumes have been redirected to the East and Gulf Coasts due to fears of both California congestion and West Coast port labor strife. There has been a major shift in cargo flows. East and Gulf coast ports now boast significantly more imports than West Coast ports. The West Coast ports' share of the total sank to 45%. That's a nine-point swing from February 2021, when the West Coast boasted a 54% share. According to John McCown, author of the Container Volume Observer, August marked the West Coast ports' lowest share of U.S. imports "since at least the early 1980s."

Imports to the top West Coast ports totaled 978,844 TEUs in August, down 11.5% y/y, weighed by a 17% plunge at the Port of Los Angeles ([partially driven by cargo switching to Long Beach due to a union issue at one LA terminal](#)).

## **For at least one month, the East Coast's busiest container port became the busiest container port in the U.S. Courtesy PANYNJ**

**PUBLISHED SEP 25, 2022 9:05 PM BY THE MARITIME EXECUTIVE**

<https://maritime-executive.com/article/port-of-new-york-and-new-jersey-becomes-america-s-busiest-box-port>

Last month, volumes at the Port of Los Angeles fell below both Port of Long Beach and the Port of New York and New Jersey, making PANYNJ the top port in North America by container volume for the period.

PANYNJ moved more than 843,000 TEU in the month of August, setting a new August record, according to CNBC. Long Beach moved about 807,000 TEU, just barely edging out Los Angeles' 805,000 TEU.

## **BNSF to Build New Integrated Rail Complex in Barstow to Increase Supply Chain Efficiency Nationwide OCT 1, 2022**

<https://www.bnsf.com/news-media/news-releases/newsrelease.page?reId=bnsf-to-build-new-integrated-rail-complex-in-barstow-to-increase-supply-chain-efficiency-nationwide>

**BARSTOW, Calif.**, Oct. 1, 2022 – BNSF Railway today announced plans to invest more than \$1.5 billion to construct a state-of-the-art master-planned rail facility in Southern California – and the first being developed by a Class 1 railroad. The Barstow International Gateway will be an approximately 4,500-acre new integrated rail facility on the west side of Barstow, consisting of a rail yard, intermodal facility and warehouses for transloading freight from international containers to domestic containers.

## August's TEU Tallies: What We Know So Far

Longtime readers will understand that we don't make a *priori* guesses about how many containers will arrive or depart each month. Instead, we report what the ports we monitor tell us. Unfortunately, in some cases, they don't tell us anything by the time we have to wrap up this newsletter. So, here's what we know right now about August.

It was a good month for clearing out the backlog at the **Port of Los Angeles**. The month saw the fewest number of inbound laden TEUs of any month this year and the fewest in any August dating back to 2014. The 403,602 inbound loads that crossed its docks were down 16.9% from both July's 485,452 TEUs and last August's 485,672 TEUs. Outbound loads (102,319 TEUs) were up 1.0% from a year ago. However, reflecting the port's steadily diminishing role as an export terminal for containerized American goods, total outbound loads YTD added up to 833,049 TEUs, the lowest volume in seventeen years (i.e., since 2005). The number of empty outbound TEUs in August also plunged to 297,329, down 18.4% from a year earlier. Total container traffic (loads and empties) through "America's Port" in

August (805,315 TEUs) was not only at the lowest level this year, it was the lowest in any August since 2016.

Most remarkably, it was also 1,625 fewer total TEUs than the neighboring **Port of Long Beach** handled in August, temporarily at least making Long Beach the nation's busiest container port. August saw dockworkers and terminal operators at Long Beach handle 384,530 inbound loaded TEUs, a 2.2% increase over the preceding month but down 5.6% from a year earlier. Outbound loads (121,408 TEUs) were up 11.0% from July and 1.6% over last August. Outbound empties were higher by 7.5% y/y to 288,558 TEUs. Altogether, the port handled a total of 806,940 TEUs, 764 fewer TEUs than it processed in August of last year.

Together, the two ports on San Pedro Bay dispatched 788,132 inbound loads in August, an 11.8% falloff from a year earlier but also down 10.5% from August 2020. Outbound loads at the neighboring ports amounted to 223,727 TEUs, up 1.3% y/y but down 13.2% from August 2020. YTD, inbound loads (6,968,952 TEUs) were up just 1.1% from the previous August, while outbound loads (1,774,461 TEUs) were off by 3.4% y/y. The ports continued to excel in the shipment of outbound empty containers. YTD, the two ports sent 5,000,734 TEUs overseas without contents. That was 5.0% over last year at this point and 65.0% above 2020's first eight months.

There's really no way of putting a positive spin on August's numbers at the **Port of Oakland**. The 87,844 inbound TEUs handled by the Northern California gateway, still reeling from a trucker protest that shut the port down for the better part of a week in late July, was the fewest in any August since 2018, while the number of outbound loads (67,838 TEUs) was the fewest in any August going all the way back to 2003. Total container traffic in August (211,123 TEUs) was at its lowest mark since August 2014. YTD, the port has handled a total of 1,602,276 loaded and empty TEUs, the lowest volume of container trade the port has experienced in the first eight months of any year since 2016.



Photo courtesy of Port of Oakland



**OUR OAKLAND OFFICE HAS MOVED:**  
 475 14th Street, Suite 300  
 Oakland, CA 94612





## August's TEU Tallies Continued

The story was not any brighter at the **Port of Tacoma** and **Seattle**. The two ports, operating as the **Northwest Seaport Alliance**, blamed “reduced vessel calls” and “high inventories” for August’s dismal numbers. Import loads (102,157 TEUs) in August were not just merely down by 11.1% from a year earlier, they were the fewest recorded in any August dating back to 2014, when the two ports began operating jointly. The same was true for export loads (48,563 TEUs) in August, which were down by 9.9% y/y but were also the lowest number of export loads the two ports have reported in any August since 2014. (Note: NWSA is the only port authority that publicly distinguishes its international container trade from its domestic traffic with Alaska and Hawaii.)

Over the border, the **Port of Vancouver** handled 178,072 inbound loads in August, down 1.5% from a year earlier. This was something of an improvement; YTD inbound loads at Canada’s largest seaport are down 1.6%. Outbound loads (59,156 TEUs) plummeted by 23.6% from a year ago. Worse, outbound loads YTD (460,200 TEUs) are down by 27.7% from this point last year. Outbound empties in August, however, were up 22.6% to 94,317 TEUs from last August.

The **Port of Prince Rupert** posted a highly unusual 35.2% y/y leap in inbound loads in August to 57,831 TEUs. Still, that was down by 15.0% from August 2020 and by 19.1% from pre-pandemic August 2019. Outbound loads (12,061 TEUs) were down 6.1% y/y, while total container traffic YTD (701,265 TEUs) was up 1.8% from this point a year ago.

The picture brightens intensely as we head east.

The **Port of Virginia** posted an 11.4% y/y bump in inbound loads in August to 160,673 TEUs. Outbound loads (95,745 TEUs) were similarly up by 12.3% from a year earlier.

Counting all containers both laden and empty, August saw the port handled 340,926 TEUs, a 12.6% gain over last August. YTD, total container traffic at the port totaled 2,512,639 TEUs, up 10.1% from this point a year ago.

At **Savannah**, the nation’s fourth busiest container port, inbound loads in August totaled 290,915 TEUs, up 15.6% from July and up 20.4% from a year earlier. Outbound loads (119,192 TEUs) were up 4.5% from last August. Total traffic of loads and empties at the Georgia port in August amounted to 575,513 TEUs, 18.5% more than a year earlier. That made this August the port’s busiest month ever. YTD, the port has handled 3,997,405 TEUs, 8.7% more than in the first eight months of last year.

The **Port of Houston** reported a 12.7% bump in inbound loads to 180,132 TEUs over both the 159,881 TEUs that arrived in the preceding month and the 159,791 TEUs that turned up in August of last year. Even more impressive was the 36.4% jump in outbound loads to 16,841 TEUs, the highest number of outbound loads the Texas gateway has shipped since January 2020 and the most in any August in the port’s history. Year-to-date, Houston has moved a total of 2,680,405 TEUs, a 17.2% increase over last year at this point.

We conclude by noting that the National Retail Federation’s Global Port Tracker expects August to bring 2.17 million TEUs of import loads to the thirteen American seaports it monitors. If true, that would be down 4.3% from a year earlier.



NUMBER OF THE MONTH

# 41.9%

Pistachio exports rose 41.9% y/y, while domestic shipments fell by 5.8%.



## For the Record: The Incomplete July TEU Numbers

Exhibit 1 displays the admittedly incomplete inbound loaded TEU numbers for July 2022. Although it's nearly October, two of the twenty North American ports that normally provide us with comparable container traffic statistics have yet to report their July TEU tallies. Inbound loaded TEUs at the seven USWC ports we monitor were down 4.6% from a year earlier. A nearly weeklong trucker protest that impeded operations at the Port of Oakland was partly to blame. Other than the tardy Ports of Maryland and Jacksonville, the remaining USEC ports we track posted a 2.3% gain in inbound loads over last July.

Maybe the most interesting statistic here is that the Port of New York/New Jersey (PNYNJ) topped the Port of Long Beach but remained well behind the Port of Los Angeles in inbound loads. The next most interesting bit of data is that July inbound loads at the congested Port of Charleston were down 12.2% year-over-year after experiencing a 14.7% y/y falloff in June.

Compared with June, PNYNJ sustained an 8.6% falloff in inbound loads in July, while the two San Pedro Bay ports eked out a 0.1% gain. Savannah enjoyed a 6.5% bump, and Houston managed a 1.3% gain.

This wasn't expected to happen. In an outlook published on August 8, the National Retail Federation's Global Port Tracker anticipated that 2.26 million loaded TEUs would arrive in July at the 13 U.S. ports it monitors. That would have been a 3.2% increase over a year earlier. Instead, apart from Jacksonville, the GPT's ports report having handled 2,158,380 inbound laden TEUs in July, a 0.6% decline from a year earlier.

Another box counter, The McCown Report, anticipated a slender 0.7% gain in inbound loads at the nation's ten largest ports in the month of July. As it turned out, though, those ten ports handled 0.3% fewer inbound loads than they had in July 2021.

**Exhibit 2** presents the numbers on outbound loaded TEUs in July. The proliferation of minus signs paints a discouraging picture. USEC ports continue to dominate the nation's container export business, handling more loaded TEUs than their USWC rivals. The Port of Savannah maintained its top ranking in export loads for the second straight month. On a YTD basis, Savannah's 796,825 outbound loaded TEUs fell behind the Port of Long Beach (820,004 TEUs). PNYNJ was third with 761,447 TEUs, followed by Los Angeles (730,730 TEUs) and Houston (704,311 TEUs). Still, the two San Pedro Bay ports did see a 2.0% increase in outbound loads from June to July. Meanwhile, outbound loads in July at PNYNJ were down by 12.8% from the previous month.

**Exhibit 3** shows the total (full + empty) YTD container traffic over the first seven months of 2022. Please note that we are pleased to add Alabama's Port of Mobile to the ranks of ports whose total container traffic numbers we report.

### Weights and Values

Here we offer an alternative to the customary TEU metric for gauging containerized trade. The percentages in **Exhibits 4 and 5** are derived from data compiled by the U.S. Commerce Department from documentation submitted by the importers and exporters of record.

*We Make Cargo Move*



**The Port**  
**OF HUENEME**





## Exhibit 1

## July 2022 - Inbound Loaded TEUs at Selected Ports

	Jul 2022	Jul 2021	% Change	Jul 2020	% Change	Jul 2022 YTD	Jul 2021 YTD	% Change	Jul 2020 YTD	% Change
Los Angeles	485,452	469,361	3.4%	456,029	6.5%	3,233,259	3,303,573	-2.1%	2,406,663	34.3%
Long Beach	376,175	382,940	-1.8%	376,807	-0.2%	2,836,580	2,698,111	5.1%	2,036,774	39.3%
<b>San Pedro Bay Total</b>	<b>861,627</b>	<b>852,301</b>	<b>1.1%</b>	<b>832,836</b>	<b>3.5%</b>	<b>6,069,839</b>	<b>6,001,684</b>	<b>1.1%</b>	<b>4,443,437</b>	<b>36.6%</b>
Oakland	69,463	94,745	-26.7%	96,420	-28.0%	611,501	639,387	-4.4%	550,782	11.0%
NWSA	88,502	127,166	-30.4%	103,389	-14.4%	786,798	877,271	-10.3%	669,198	17.6%
Hueneme	12,119	8,828	37.3%	5,482	121.1%	82,429	53,470	54.2%	28,607	188.1%
San Diego	7,898	6,636	19.0%	5,656	39.6%	47,434	46,972	1.0%	44,205	7.3%
<b>USWC Total</b>	<b>1,039,609</b>	<b>1,089,676</b>	<b>-4.6%</b>	<b>1,043,783</b>	<b>-0.4%</b>	<b>7,598,001</b>	<b>7,618,784</b>	<b>-0.3%</b>	<b>5,736,229</b>	<b>32.5%</b>
Boston	9,042	6,758	33.8%	12,242	-26.1%	41,338	61,517	-32.8%	79,500	-48.0%
NYNJ	402,969	393,945	2.3%	326,079	23.6%	2,916,584	2,635,125	10.7%	2,034,810	43.3%
Maryland	n/a	37,626	n/a	46,471	n/a	n/a	295,574	n/a	289,066	n/a
Virginia	149,829	142,963	4.8%	105,692	41.8%	1,031,876	935,687	10.3%	694,745	48.5%
South Carolina	104,846	119,445	-12.2%	81,530	28.6%	830,952	728,461	14.1%	562,138	47.8%
Georgia	251,761	227,876	10.5%	185,548	35.7%	1,671,276	1,591,599	5.0%	1,174,123	42.3%
Jaxport	n/a	21,813	n/a	28,867	n/a	n/a	192,516	n/a	n/a	n/a
Port Everglades	29,664	30,831	-3.8%	22,108	34.2%	234,407	209,252	12.0%	167,979	39.5%
Miami	39,838	44,345	-10.2%	33,029	20.6%	308,436	323,459	-4.6%	227,907	35.3%
<b>USEC Total</b>	<b>n/a</b>	<b>1,025,602</b>	<b>n/a</b>	<b>841,566</b>	<b>n/a</b>	<b>n/a</b>	<b>6,973,190</b>	<b>n/a</b>	<b>5,230,268</b>	<b>n/a</b>
New Orleans	13,166	9,702	35.7%	11,210	17.4%	69,933	74,594	-6.2%	80,874	-13.5%
Houston	159,881	137,197	16.5%	102,339	56.2%	1,076,509	886,643	21.4%	672,057	60.2%
<b>USGC</b>	<b>173,047</b>	<b>146,899</b>	<b>17.8%</b>	<b>113,549</b>	<b>52.4%</b>	<b>1,146,442</b>	<b>961,237</b>	<b>19.3%</b>	<b>752,931</b>	<b>52.3%</b>
Vancouver	155,914	138,538	12.5%	160,875	-3.1%	1,103,137	1,121,796	-1.7%	951,179	16.0%
Prince Rupert	32,925	57,743	-43.0%	64,640	-49.1%	304,727	307,831	-1.0%	336,891	-9.5%
<b>British Columbia Total</b>	<b>188,839</b>	<b>196,281</b>	<b>-3.8%</b>	<b>225,515</b>	<b>-16.3%</b>	<b>1,407,864</b>	<b>1,429,627</b>	<b>-1.5%</b>	<b>1,288,070</b>	<b>9.3%</b>
<b>USWC/BC Total</b>	<b>1,228,448</b>	<b>1,285,957</b>	<b>-4.5%</b>	<b>1,269,298</b>	<b>-3.2%</b>	<b>9,005,865</b>	<b>9,048,411</b>	<b>-0.5%</b>	<b>7,024,299</b>	<b>28.2%</b>

Source Individual Ports

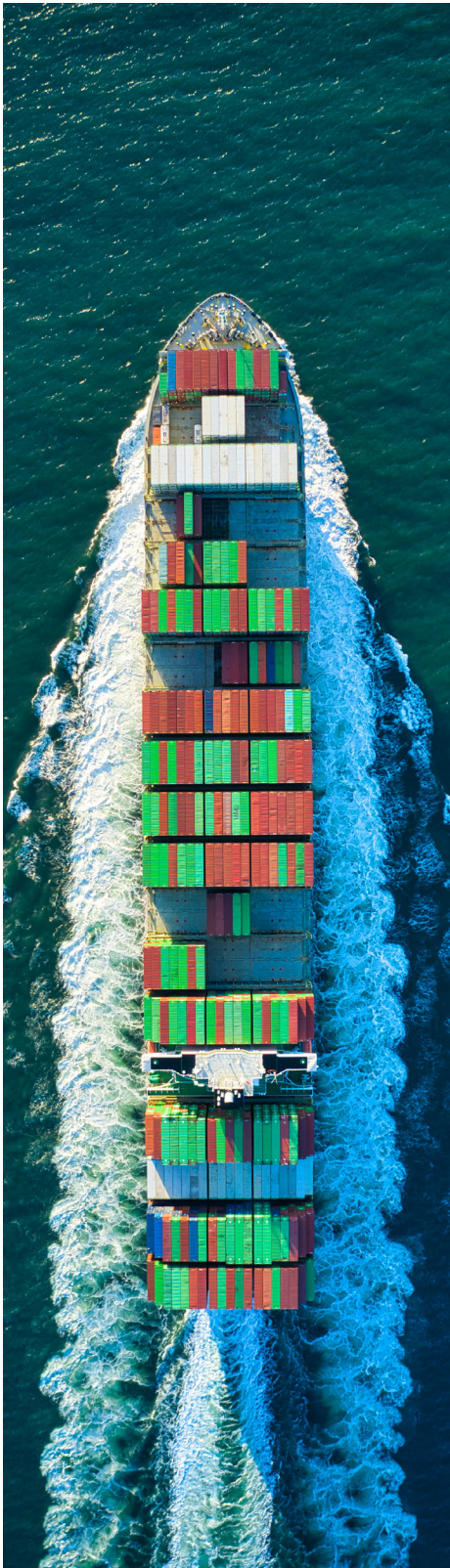


## Exhibit 2

## July 2022 - Outbound Loaded TEUs at Selected Ports

	Jul 2022	Jul 2021	% Change	Jul 2020	% Change	Jul 2022 YTD	Jul 2021 YTD	% Change	Jul 2020 YTD	% Change
Los Angeles	103,899	91,400	13.7%	126,354	-17.8%	730,730	755,276	-3.2%	874,464	-16.4%
Long Beach	109,411	109,951	-0.5%	138,602	-21.1%	820,004	861,692	-4.8%	872,823	-6.1%
<b>San Pedro Bay Totals</b>	<b>213,310</b>	<b>201,351</b>	<b>5.9%</b>	<b>264,956</b>	<b>-19.5%</b>	<b>1,550,734</b>	<b>1,616,968</b>	<b>-4.1%</b>	<b>1,747,287</b>	<b>-11.2%</b>
Oakland	47,166	68,153	-30.8%	71,525	-34.1%	450,210	527,202	-14.6%	534,043	-15.7%
NWSA	40,697	48,893	-16.8%	56,547	-28.0%	322,617	420,744	-23.3%	467,886	-31.0%
Hueneme	2,186	1,784	22.5%	1,370	59.6%	22,540	12,968	73.8%	7,149	215.3%
San Diego	993	370	168.4%	202	391.6%	7,034	3,377	108.3%	1,874	275.3%
<b>USWC Totals</b>	<b>304,352</b>	<b>320,551</b>	<b>-5.1%</b>	<b>394,600</b>	<b>-22.9%</b>	<b>2,353,135</b>	<b>2,581,259</b>	<b>-8.8%</b>	<b>2,758,239</b>	<b>-14.7%</b>
Boston	3,462	5,420	-36.1%	8,692	-60.2%	19,144	43,237	-55.7%	42,491	-54.9%
NYNJ	95,823	111,159	-13.8%	102,740	-6.7%	761,447	810,410	-6.0%	762,352	-0.1%
Maryland	n/a	19,304	n/a	17,528	n/a	n/a	147,860	n/a	124,030	n/a
Virginia	85,170	81,067	5.1%	68,594	124.2%	622,535	622,256	0.04%	534,426	16.5%
South Carolina	49,309	65,655	-24.9%	57,628	-14.4%	380,913	495,684	-23.2%	446,963	-14.9%
Georgia	122,928	119,072	3.2%	112,464	9.3%	796,825	859,049	-7.2%	857,698	-7.1%
Jaxport	n/a	51,598	n/a	48,254	n/a	n/a	343,113	n/a	282,547	n/a
Port Everglades	33,851	32,390	4.5%	25,867	30.9%	237,875	223,797	6.3%	189,857	25.3%
Miami	25,032	28,003	-10.6%	28,930	-13.5%	186,622	203,793	-8.4%	207,188	-9.9%
<b>USEC Totals</b>	<b>n/a</b>	<b>513,668</b>	<b>n/a</b>	<b>470,697</b>	<b>n/a</b>	<b>n/a</b>	<b>3,749,199</b>	<b>n/a</b>	<b>3,447,552</b>	<b>n/a</b>
New Orleans	23,404	18,148	29.0%	21,458	9.1%	135,486	156,548	-13.5%	165,174	-18.0%
Houston	102,644	75,457	36.0%	98,509	4.2%	704,311	633,555	11.2%	733,098	-3.9%
<b>USGC Totals</b>	<b>126,048</b>	<b>93,605</b>	<b>34.7%</b>	<b>119,967</b>	<b>5.1%</b>	<b>839,797</b>	<b>790,103</b>	<b>6.3%</b>	<b>898,272</b>	<b>-6.5%</b>
Vancouver	55,573	60,272	-7.8%	87,432	-36.6%	401,044	559,222	-28.3%	616,088	-34.9%
Prince Rupert	9,539	12,142	-21.4%	15,740	-39.4%	83,365	94,076	-11.4%	116,296	-28.3%
<b>British Columbia Totals</b>	<b>65,112</b>	<b>72,414</b>	<b>-10.1%</b>	<b>103,172</b>	<b>-36.9%</b>	<b>484,409</b>	<b>653,298</b>	<b>-25.9%</b>	<b>732,384</b>	<b>-33.9%</b>
<b>USWC/BC Total</b>	<b>369,464</b>	<b>392,965</b>	<b>-6.0%</b>	<b>497,772</b>	<b>-25.8%</b>	<b>2,837,544</b>	<b>3,234,557</b>	<b>-12.3%</b>	<b>3,490,623</b>	<b>-18.7%</b>

Source Individual Ports



## Exhibit 3

## July 2022 YTD Total TEUs

	Jul 2022 YTD	Jul 2021 YTD	% Change	Jul 2020 YTD	% Change
Los Angeles	6,349,326	6,318,674	0.5%	4,618,277	37.5%
Long Beach	5,792,621	5,538,674	4.6%	4,186,116	38.4%
<b>San Pedro Bay Ports</b>	<b>12,141,947</b>	<b>11,857,348</b>	<b>2.4%</b>	<b>8,804,393</b>	<b>37.9%</b>
NYNJ	5,679,626	5,153,882	10.2%	3,973,088	43.0%
Georgia	3,421,892	3,190,460	7.3%	2,452,098	39.5%
Houston	2,225,563	1,905,414	16.8%	1,662,546	33.9%
Virginia	2,171,714	1,974,825	10.0%	1,495,143	45.3%
Vancouver	2,109,078	2,209,685	-4.6%	1,868,038	12.9%
NWSA	2,067,304	2,191,059	-5.6%	1,834,653	12.7%
South Carolina	1,652,794	1,579,915	4.6%	1,273,190	29.8%
Oakland	1,391,153	1,513,178	-8.1%	1,387,268	0.3%
Montreal	1,020,046	1,001,873	1.8%	949,482	7.4%
JaxPort	n/a	827,735	n/a	707,121	n/a
Miami	709,008	738,474	-4.0%	580,123	22.2%
Port Everglades	654,381	617,261	6.0%	533,415	22.7%
Prince Rupert	587,224	599,654	-2.1%	585,527	0.3%
Maryland	n/a	600,060	n/a	585,965	n/a
Philadelphia	443,613	417,716	6.2%	357,300	24.2%
Mobile	316,473	281,465	12.4%	223,321	41.7%
New Orleans	256,641	307,886	-16.6%	341,944	-24.9%
Hueneme	156,477	123,838	26.4%	104,372	49.9%
San Diego	95,281	91,669	3.9%	88,101	8.1%
Portland, Oregon	86,024	49,051	75.4%	28,882	197.8%
Boston	77,731	125,646	-38.1%	155,507	-50.0%

Source Individual Ports



## July 2022 TEU Numbers *Continued*

Commerce then makes public the statistics with a time-lag of about five weeks. Note that we have recently introduced a new row of numbers to reflect the fact that, although the Big Five USWC ports continue to handle the vast majority of the container trade passing through America's Pacific Coast ports, there is slightly more to the story.

**Exhibit 4** testifies to the long-term decline in the USWC share of containerized imports through mainland U.S. ports in July. As expected, the past year has seen an increased share of the import tonnage entering U.S.

**Exhibit 4 Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, July 2022**

	Jul 2022	Jun 2022	Jul 2021
<b>Shares of U.S. Mainland Ports Containerized Import Tonnage</b>			
USWC	34.7%	36.8%	37.7%
LA/LB	25.4%	26.2%	27.1%
Oakland	3.3%	4.7%	4.0%
NWSA	3.5%	3.7%	4.8%
<b>Shares of U.S. Mainland Ports Containerized Import Value</b>			
USWC	41.5%	41.5%	43.4%
LA/LB	33.0%	33.1%	33.0%
Oakland	2.6%	3.2%	3.1%
NWSA	4.5%	4.0%	5.8%
<b>Shares of U.S. Mainland Containerized Export Tonnage</b>			
USWC	33.8%	33.7%	33.9%
LA/LB	19.4%	20.4%	18.4%
Oakland	5.5%	6.2%	7.0%
NWSA	5.9%	5.5%	6.6%
<b>Shares of U.S. Mainland Containerized Export Value</b>			
USWC	27.4%	27.2%	29.5%
LA/LB	17.2%	16.9%	17.3%
Oakland	5.4%	6.1%	7.3%
NWSA	3.9%	3.1%	4.0%

Source: U.S. Commerce Department.

mainland ports from all countries bypassing the principal USWC ports. On the other hand, the Ports of Los Angeles and Long Beach increased their combined share of containerized export tonnage to 19.4% from 18.4% a year ago.

**Exhibit 5** displays the USWC shares of U.S. containerized trade with East Asia in July. The numbers on the import side are not surprising. What is intriguing, though, is the year-over-year jump to 35.8% from 31.6% in the San Pedro Bay ports' combined share of the nation's containerized export tonnage to East Asia. That was paralleled by a

**Exhibit 5 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, July 2022**

	Jul 2022	Jun 2022	Jul 2021
<b>Shares of U.S. Mainland Ports Containerized Import Tonnage</b>			
USWC	55.2%	55.6%	58.6%
LA/LB	43.5%	44.1%	46.4%
Oakland	3.7%	4.1%	3.9%
NWSA	6.1%	6.0%	7.5%
<b>Shares of U.S. Mainland Ports Containerized Import Value</b>			
USWC	61.1%	61.3%	64.8%
LA/LB	49.7%	50.4%	51.3%
Oakland	3.1%	3.6%	3.4%
NWSA	6.8%	6.1%	8.7%
<b>Shares of U.S. Mainland Containerized Export Tonnage</b>			
USWC	58.5%	57.2%	54.0%
LA/LB	35.8%	37.3%	31.6%
Oakland	8.6%	8.7%	9.9%
NWSA	11.0%	10.0%	10.9%
<b>Shares of U.S. Mainland Containerized Export Value</b>			
USWC	56.1%	53.4%	57.1%
LA/LB	37.4%	35.5%	34.9%
Oakland	9.1%	9.8%	12.8%
NWSA	8.7%	6.7%	8.2%

Source: U.S. Commerce Department.



## July 2022 TEU Numbers *Continued*

more modest increase in the declared value of those shipments to 35.5% from 33.8%.

### TEUs at Prince Rupert

The Port of Prince Rupert in British Columbia has been something of a puzzle. Opened with aspirations of becoming a major container port, it has lately dawdled. Inbound loads, which were rising until peaking at 678,899 TEUs in 2019, then went into decline. Through August of this year, inbound loads (362,558 TEUs) are down 17.1% from the same period in pre-pandemic 2019 and are also off by 10.5% from the first eight months of plague-riddled 2020. Only a very unusual 35.2% y/y bump this August kept the port from posting another y/y decline.

The port's traffic in outbound loads has been even less impressive. The port's peak year for outbound loads was 2018, when it shipped 207,111 laden TEUs overseas. Through August of this year, outbound loads (95,428 TEUs) are down 30.1% from the same period in that banner year. So far this year, outbound loads are off by 10.7% from the first eight months of last year.

Where the port has excelled is in the category of outbound empty containers. Through August, 2022 has seen the highest number of empty outbound TEUs (243,261) in the port's history.

### The Dream of Ezunial Burts

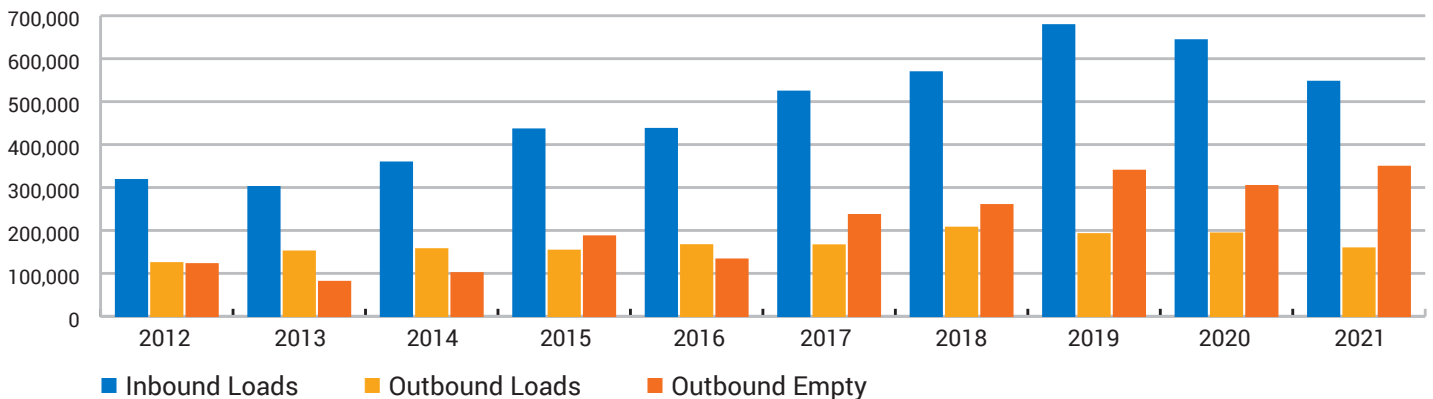
Many years ago, soon after LA Mayor Tom Bradley reached outside the Port of Los Angeles bureaucracy to appoint Ezunial Burts to head the city's port, the new executive director told Jock O'Connell, then the Lieutenant Governor's representative on the powerful, three-member California State Lands Commission, that he aimed to poach more and more of the Central Valley's agricultural export trade from the Port of Oakland. At the time, produce grown north of Visalia would generally be shipped abroad through the Northern California port, while LA (and the Port of Long Beach) had a geographic advantage in serving agricultural shippers south of Tulare.

Things did not work out quite as Mr. Burts had hoped. Over time, Oakland's share of the volume of California's exports of Edible Fruits & Nuts (Harmonized Code 08) increased at the expense of its Southern California rivals. Between 2010 and 2021, HS 08 tonnage through Oakland grew by 55.5%, while tonnage through the San Pedro Bay ports declined by 12.9%.

Of late, though, a serious effort appears to be underway to realize Burts' ambition, although the initiative is now coming from Central Valley almond and walnut shippers frustrated with service at the Port of Oakland.

Led by Blue Diamond, the Sacramento-based almond co-

**Exhibit 6** TEU Traffic at Port of Prince Rupert: 2012-2021  
Source: Port of Prince Rupert





## July 2022 TEU Numbers Continued

op, exporters have aligned themselves with a new rail link known as the “Almond Express” to deliver their shipments to the Southern California ports.

At the same time, walnut growers (and some rice exporters) have reportedly been looking into sending their commodities to the Southern California ports via a rail hub at Oakdale, a town northeast of Modesto.

The use of trains to move containers from the Central Valley to the San Pedro Bay ports is not a new idea. But the fact that it perennially remains just that – a new idea – suggests it still has some where to go to demonstrate its economical and logistical feasibility.

That does not mean, though, that almond and walnut shipments have not been steadily migrating south. Even before the trucker protest effectively shut down Oakland for a few days in July, the Bay Area’s share of the almond export trade had been falling off while the Los Angeles-Long Beach share has been rising. In June, Oakland held a 77.2% share of almond export tonnage, down an 85.4% share a year earlier. Meanwhile, the Los Angeles-Long Beach share rose to 20.5% from 14.1% the previous June.

Still, Oakland’s share of walnut exports has remained steady. This June’s share (94.4%) was essentially even with its 94.2% share a year earlier. The Southern California ports share of the trade did rise, but only from 0.7% in June 2021 to 2.4% this June.

As the percentage shares indicate, talk of diverting massive shipments of almonds or walnuts to East or Gulf Coast ports remains largely aspirational. To be sure,

recent months have seen increased volumes of the tree nuts moving broad through alternate ports. Norfolk and Houston have lately been seeing intermittent shipments of walnuts, with each handling around 100 metric tons in July or 2.2% of all U.S. walnut exports that month. Norfolk’s share of almond export tonnage in July was 2.3%, up impressively from zero percent a year earlier. Houston’s 0.8% share in July was up from its 0.2% share in July 2021.

### California Tree Nut Exports

While we’re talking nuts (and still listening to the persistent laments of tree nut growers about the raw deal they’ve allegedly been getting from “foreign-owned” ocean carriers), let’s review the latest export numbers as reported by the California Almond Board, the California Walnut Board, and the Administrative Committee for Pistachios. Almond exports in August were up 15.7% from a year ago, while domestic shipments slipped by 1.7%. Walnut exports in August soared by 52.8% over last August, while domestic shipments declined by 4.8%. Finally, pistachio exports rose 41.9% y/y, while domestic shipments fell by 5.8%. There’s a pattern there.

### The Falling Off the Cliff Kerfuffle

Back in June, *FreightWaves* infamously predicted that containerized imports from Asia to the U.S. would soon “fall off the cliff”. Since then, other observers, most notably the trade gurus at the *Journal of Commerce*, have taken pains to disparage that grim outlook. Headlines such as “Gains in July US imports from Asia debunk ‘cliff speculation” have occasionally adorned the *Journal’s* periodic trade updates.

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### July 2022 TEU Numbers Continued

We certainly appreciate the urge to discredit errant forecasts. But, in this instance, we can't help but think that imports really should have fallen off the cliff.

After all, the last couple of months have brought a surfeit of published accounts of retailers large and small saddled with excessive and costly inventories, a reflection of the bad guesses they made earlier this year when they placed import orders. Now comes word that Amazon has been significantly retrenching. According to a report earlier this month from Bloomberg, the e-tail giant has "either shuttered or killed plans to open 42 facilities totaling almost 25 million square feet of usable space." Meanwhile, the opening of an additional 21 facilities, totaling almost 28 million square feet, have been reportedly delayed.

Amazon CEO Andy Jassy told Bloomberg back in June that the company had opted in early 2021 to build [its logistics network] toward "the high end of its forecasts for shopper demand." Apparently, though, erring on the side of having too much warehouse space rather than too little has not exactly paid off.

As this newsletter has consistently and perhaps annoyingly maintained, it's not consumers but rather retailers who decide what and how much to import. So, in the past few months, supply chains -- and especially the nation's seaports -- have had to endure the overloads caused by mistaken predictions about what and how much you and I would ultimately buy. After all, those new

fulfilment centers and distribution facilities retailers were building at a feverish pace all needed to be stocked with merchandise.

In retrospect, then, we all might be better off had imports from Asia, while not necessarily falling off a cliff, had at least sustained a mighty big dip.

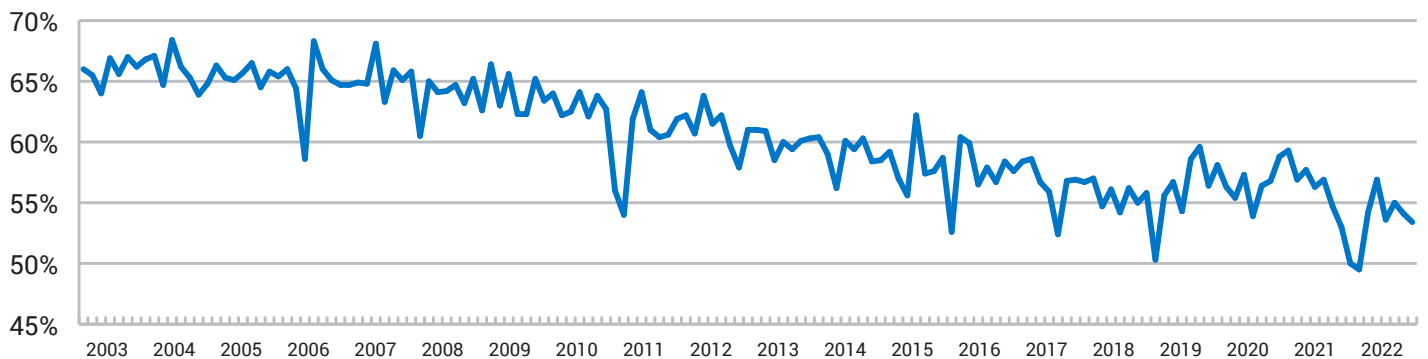
#### Eastward Ho!

We've seen several articles in the logistics press lately about the congestion at East and Gulf Coast container ports. Typical of these reports is one that contended: "The shift in import volumes continued a trend that began earlier this year when retailers looked to avoid West Coast ports to mitigate the risk of potential disruption from ongoing longshore labor talks."

We can certainly understand that motivation. What we don't understand is the claim that the trend began *earlier this year*.

Most of us were under the impression the shift away from USWC ports had actually started back when many of today's journalists were writing for their high school newspapers. So, to put matters in perspective, we helpfully offer **Exhibit 7**, a graph showing the nearly steady month-by-month downward progression of the USWC ports' share of containerized import tonnage from East Asia between January 2003 and July 2022.

**Exhibit 7** January 2003-July 2022: USWC Monthly Shares of Container Tonnage Shipped from East Asia to Mainland U.S. Ports  
Source: U.S. Commerce Department





Jock O’Connell’s Commentary:

# California’s Containerized Exports: Between the Farmyard and the Junkyard

Politicians in Sacramento are exceedingly fond of touting California as one of the world’s largest and most technologically advanced economies. It’s a justifiable boast. As of the first quarter of this year, the state’s Gross Domestic Product was pegged at \$3.569 trillion by the U.S. Bureau of Economic Analysis. That would put the Golden State in fifth place between Germany and the United Kingdom in the World Bank’s latest ranking of national economies by nominal GDP.

Yet, despite the state’s premier status in global economics, politicians in Sacramento have seldom given international trade much serious thought. Apart from the solid bipartisan support for all expenses-paid fact-finding missions abroad, lawmakers have been generally indifferent to trade issues.

In a way, that’s perhaps all for the good. For several years, the State Legislature annually persuaded itself that, if the budget of the world’s fifth largest economy could allow for just one state trade promotion office anywhere abroad, that office had to be in Yerevan, the capital of landlocked Armenia, then the world’s 124th largest economy. Chalk it up as a triumph of constituent politics over sound public policy.

Lately, though, state government leaders have gotten

themselves riled up over the matter of *California Farm Exporters v. Foreign-Owned Ocean Carriers*. The central allegation being made by the putative plaintiffs in the dell is that the major shipping lines serving California’s ports have been giving exporters of the state’s agricultural cornucopia short shrift by prioritizing the return of empty shipping containers to Asian factories.

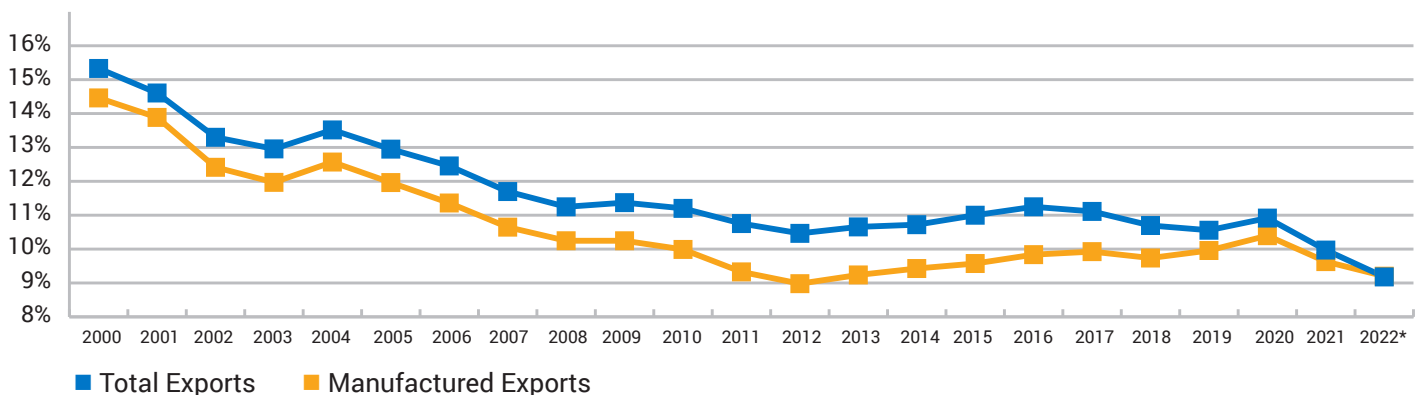
Never mind that the chief incentive for expeditiously returning those metal boxes to Asia has been the elevated level of demand for Asian goods from American retailers and manufacturers. That aspect of the transpacific trade has been played down in favor of a different narrative as exporters’ complaints find their way into a barrage of editorials lamenting the imbalance between the daunting number of empty containers leaving the state’s ports and the much smaller number of outbound containers that actually contain cargo.

The usual, albeit simplistic conclusion is that much more of the Golden State’s abundant economic output should be in those outbound boxes. Surely, the handwringers fret, there’s a more than ample supply of goods produced by California businesses that should have found a place in those 5,000,734 empty TEUs that were shipped out of the Ports of Long Beach and Los Angeles through August of this year.

Exhibit A

### California’s Share of the Value of U.S. Merchandise Exports

Source: U.S. Commerce Department







## Commentary Continued

Well, I'm here to argue that maybe there really isn't.

Let's begin by dispensing with some terribly inaccurate notions that afflict most public discussions about California's place in the world economy.

**First, although California may be among the world's largest economies, it's one that has long chosen to focus more on the provision of services and not so much on the production of tangible goods to sell to the rest of the world.**

In 2000, California was the origin of 15.3% of America's merchandise export trade. By last year that share had fallen to 10.0%. Through July of this year, it has slipped to 9.2%. At the turn of the century, California accounted for 14.5% of America's manufactured exports and 11.0% of its non-manufactured exports (chiefly agricultural produce and raw materials). By this year, those shares have declined to 9.2% and 6.0%, respectively. And the trend is nowhere near positive. This June, the state's share of the nation's overall merchandise export trade fell to 8.9%, its lowest level since state-of-origin trade statistics were first published in 1987. In July, it slipped even further to 8.7%.

**Second, most of the goods that California businesses export go nowhere near the state's seaports.**

Through the first seven months of this year, California's merchandise export trade was valued at \$108.92 billion. Of that, \$29.53 billion or 27.1% was destined for Mexico and Canada, the state's two largest export markets. And a vanishingly meager 0.2% of that trade involved containerized ocean shipping.

Of the \$79.39 billion in California exports that went to countries other than our immediate neighbors, \$49.31 billion or 62.1% traveled as air freight. That shouldn't come as a surprise, although it usually does. If anything, it should be expected of an economy that produces a lot of stuff with the high value-to-weight ratios characteristic of technologically sophisticated goods. It is also not at all unusual for a state in which the cost of doing business strongly encourages the production of goods—even agricultural goods—that command premium prices.

But, when nearly every news report about foreign trade features a photo of a towering crane perched over an enormous container ship, it would certainly shock most every Californian to learn that, in dollar terms, Los Angeles International Airport currently accounts for more of the

state's exports than do the Ports of Los Angeles and Long Beach combined. And, if that were not sufficiently astonishing, the value of exports from San Francisco International is nearly double the value of exports from the Port of Oakland across the bay.

**Third, while oceanborne containers may do the heavy lifting, they carry only about 20% of the value of California's merchandise exports.**

Last year, airborne exports of California products weighed in at 602,855 metric tons. By contrast, marine containers carried 18,571,583 metric tons of California cargo abroad.

But tonnage is not the same as value.

Last year, containerized exports of California goods by sea totaled \$35.08 billion or 20.1% of the state's overall export trade.

(That, it turns out, is actually high by national and West Coast standards. For the country as a whole, containerized exports by sea accounted for 14.7% of America's \$1.19 trillion merchandise export trade through July. Regionally, oceanborne containers have carried 11.7% of Washington State's exports and 7.1% of Oregon's. In all three West Coast states, airborne exports were significantly higher in value than containerized exports.)

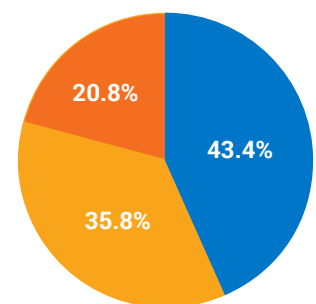
So, what kinds of Made-in-California goods travel abroad in seaborne containers?

As **Exhibit B** below indicates, the trade is dominated by commodities that emerge from California's farmyards and junkyards. Last year, agricultural commodities and food products accounted for 35.8% of the containerized tonnage shipped overseas by California exporters. Waste

### Exhibit B

#### California's Containerized Exports by Weight, 2021

Source: U.S. Commerce Department



- Waste and Scrap
- Agriculture and Food Products
- Other



**Commentary** Continued

& Scrap materials accounted for another 43.4%. Together, these two categories of exports represented 79.2% of all containerized export tonnage exported by California businesses in 2021.

In more specific tonnage terms, the Golden State's top five containerized exports (at the 4-digit HS code level) last year were: (1) Waste and Scrap Paper; (2) Waste and Scrap Metal; (3) Forage Crops; (4) Tree Nuts; and (5) Petroleum Products.

How, then, do California's government officials and the proprietors of California's seaports hope to fill more export containers?

One hears the occasional proposal for a National Export Strategy but with the details generally left to the imagination. We've tried that course before, with so-so success. (See, for example, Obama's 2010 National Export Initiative which sought to double U.S. exports in five years. In the end, exports in 2015 were only 18.8% higher than they were when the initiative was launched.) One conundrum proponents face is that policies designed to boost exports in general may not necessarily produce the outcome officials would really like to see, namely more loaded outbound TEUs.

Still, there is an obvious imperative for ports to look beyond junkyards and farmyards for merchandise to stuff into containers. Reliance on the existing mix of containerized export commodities is likely to yield fewer outbound loads. The Waste and Scrap materials that have historically been the backbone of the state's containerized export trade are now less and less welcomed abroad. In addition to becoming more discriminating about the quality of the scraps they accept from us, more and more of our trading partners are becoming quite prolific in generating their own waste and scrap. As for agricultural products, there's that small matter of an extended period of drought that shows little sign of abatement. Plans for exporting higher volumes of California farm products might best be studied while fingering rosary beads.

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

*Congratulations*

**Congratulations to  
Captain  
Lynn Korwatch,  
the 2022  
Lifetime  
Achievement Award  
Recipient  
from the  
Containerization  
& Intermodal  
Institute**



**Moving Day and Night**

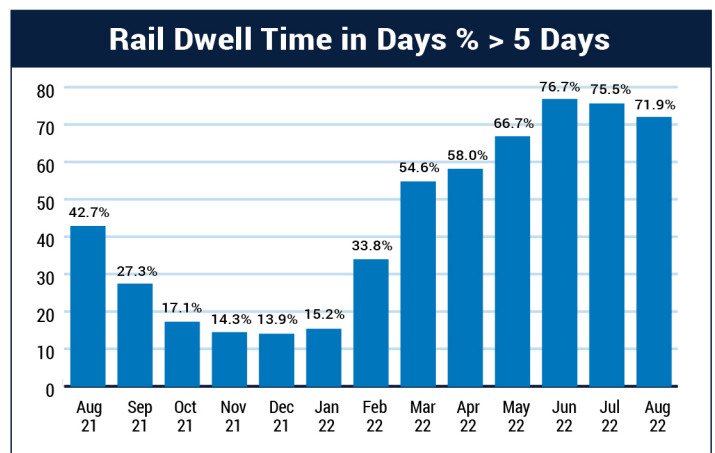
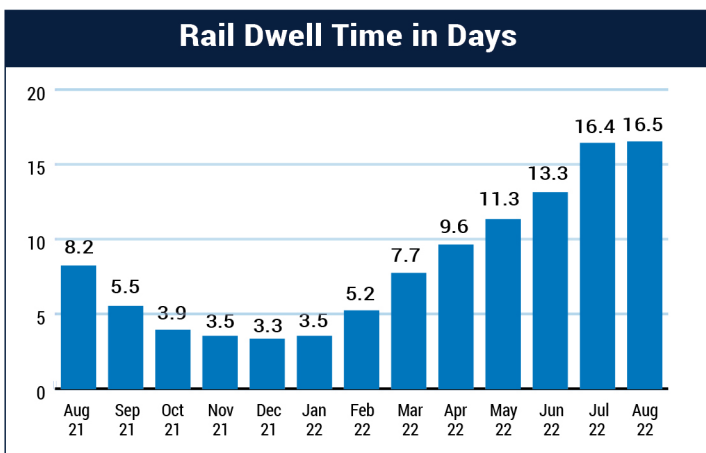
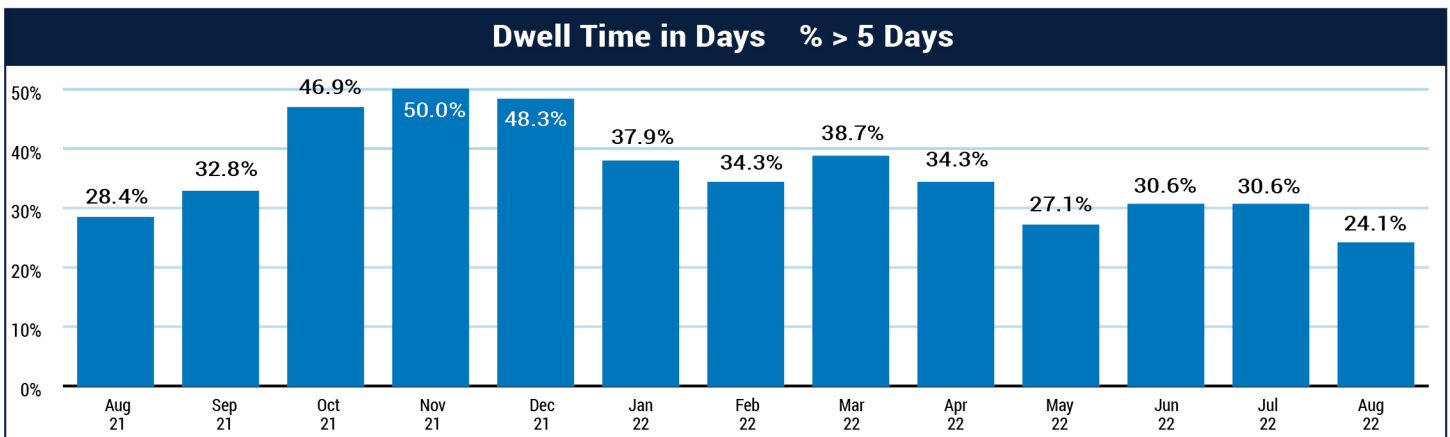
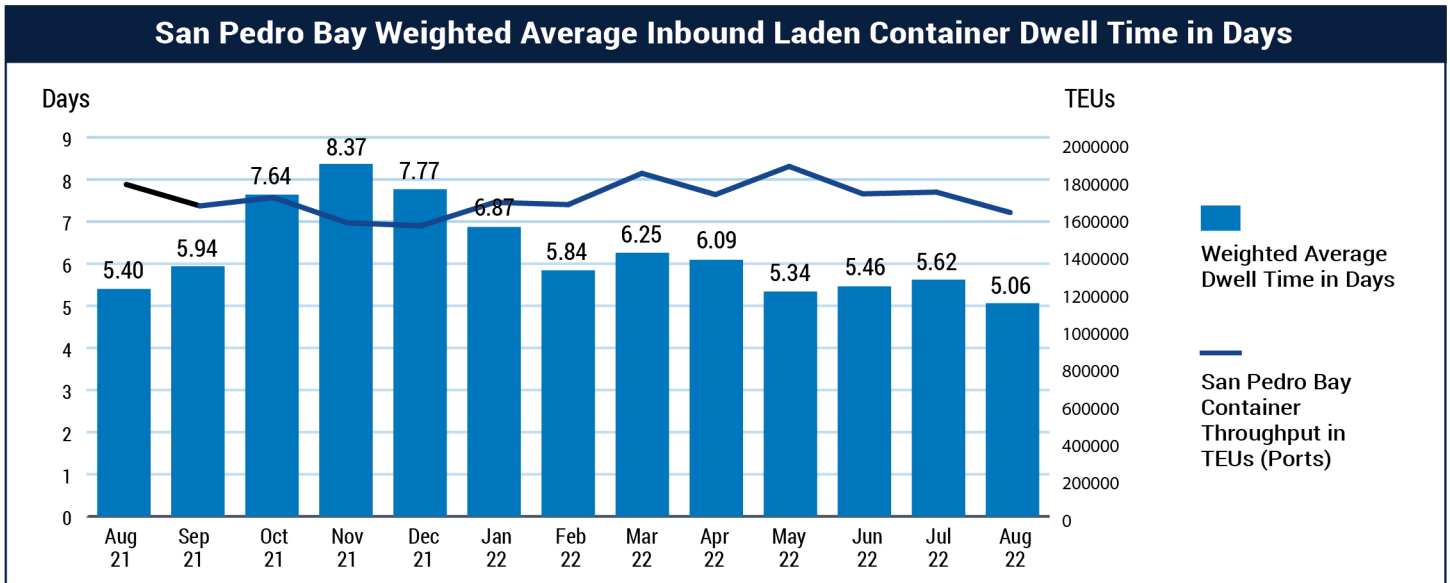
24/7 operation is critical to the future of the supply chain.



**Interested in membership in PMSA?**  
Contact Laura Germany for details at: [lgermany@pmsaship.com](mailto:lgermany@pmsaship.com) or 510-987-5000.



## Container Dwell Time Down in August; Rail Dwell Time at All-Time High



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**State of Washington  
Pilotage Commission  
October 20, 2022**

**Grays Harbor District Report**

There were 5 arrivals in September for a total of 10 jobs. Year to date through September there have been 43 arrivals for a total of 113 jobs. There are 7 vessels scheduled for October: 4 dry bulk, 1 log vessel and 2 liquid bulk.

**Terminal 4 Expansion & Redevelopment**

Key tasks completed:

- SEPA-NEPA Process
  - Integrated project kickoff meeting with the Port's design leads and AGP on October 6. The team structure and implementation of the environmental compliance work plan were reviewed.
  - Ongoing scoping associated with the environmental compliance work plan.
- Rail Upgrades & Site Improvements
  - 30% rail design operations review meeting was facilitated by Kris and attended by HDR (Port's rail design lead), AGP, PSAP Railroad, and Port staff.
  - Alternatives for the Fry Creek crossing of the new rail were presented to and reviewed by the Port.
- T4A Cargo Yard Relocation & Expansion
  - Key concept scope direction was provided to KPFF based on initial design scenarios provided to the Port.
- T4 Dock Fender & Stormwater Upgrades
  - A project kickoff meeting was held to provide initial information and direction to Moffatt & Nichol.

**Pilot Trainees**

Pilot Trainee Captain Leo is in the final Evaluation Phase of his training program and has over 110 jobs completed in total. Now that he has completed over 75% of his training in Grays Harbor, he can also take training trips in Puget Sound in between vessels here in Grays Harbor.

Pilot Trainee Captain Colby Grobschmit also continues to progress in the training program. He has completed most of the trips in the Observation Phase and already has 3 trips in the Training Phase. Captain Grobschmit has completed over 45 jobs in total.

# Rule Making at the Department of Ecology

Katie Wolt  
Agency Rules Coordinator



# Regulatory Framework for Environmental Requirements

- Federal level
  - laws and rules
- State level
  - laws
- Agency Level
  - rules, permits, guidance
- Delegation of federal programs
- Local level
  - city and counties



# Why Ecology starts rule making?

- Legislature adopts a law
- We receive requests or concerns
- Updates are needed



# Ecology's Rule-Making

- RCW 34.05 – Administrative Procedure Act
  - Regulates the rule-making process
- Ecology must be given statutory authority from the Legislature to adopt a rule.





# Approaches

- Expedited – RCW 34.05.353
- Emergency – RCW 34.05.350
- Rule-Making process – RCW 34.05
  - Typically significant legislative rules



# Expedited Rule Making

- Internal agency approval
- Expedited Rule Proposal (CR-105)
- Rule Adoption (CR-103)
- Rules becomes effective (usually 31 days later)



# Emergency Rule Making

- Internal agency approval

- Emergency Adoption (CR-103E)

- Rules usually becomes effective immediately
- Effective for maximum of 120 days (unless enter permanent rule making)



# Typical Rule Making



- Internal agency approval




- Rule Making is announced (CR-101)




- Rule Development and work with Stakeholders



- Rule Proposal (CR-102)



- Public Comment Period
- At least one public hearing



- Rule Adoption (CR-103)
- Rules becomes effective (usually 31 days later)



# Information on the Web

- <http://www.ecology.wa.gov>
  - Click on “laws and rules”



# Who is involved?

- Impacted businesses
- Impacted individuals and communities
- Interest groups – environmental, business, other
- Tribes
- Other agencies
- Technical experts



# Stakeholder Involvement

- Rule development
- Comment period and public hearings



# Stakeholders provide

- Opinions
- Expertise
- Different perspectives
- Explanation of impacts





# It takes a village...

- Rulemaking at Ecology requires collaboration, communication, and organization between many different roles.
- Questions?





STATE OF WASHINGTON

**BOARD OF PILOTAGE COMMISSIONERS**

2901 Third Avenue, Suite 500 | Seattle, Washington 98121 | (206) 515-3904 | [www.pilotage.wa.gov](http://www.pilotage.wa.gov)

# PROPOSED BOARD MEETINGS

## 2023 MEETING SCHEDULE

Thursdays 1000 – 3<sup>rd</sup> Thursday Except Dec  
(**June/July/August – Tuesdays 1200**)

January	19
February	16
March	16
April	20
May	18
<b>June</b>	<b>20</b>
<b>July</b>	<b>18</b>
<b>August</b>	<b>15</b>
September	21
October	19
November	16
December	14