



STATE OF WASHINGTON

BOARD OF PILOTAGE COMMISSIONERS

Winter 2020

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

THE BPC PILOTAGE QUARTERLY

Announcements



All of us from the Board of Pilotage Commissioners wish you a happy and healthy 2020!

ESHB 1578 Information

If you would like to be on our distribution list for upcoming information regarding ESHB 1578, please contact us at (206) 515-3904 or email us at PilotageInfo@wsdot.wa.gov

Exam Information

If you would like to be on our distribution list for upcoming exam information, please contact Jolene Hamel at (206) 515-3904 or email us at PilotageInfo@wsdot.wa.gov

Oil Transportation Safety

During the last few months of the 2019, the BPC was busy addressing the directives of ESHB 1578, the Reducing Threats to Southern Resident Killer Whales by Improving the Safety of Oil Transportation Act, which was passed during the 2019 Legislative Session.



Jaimie Bever presents at the 2019 Salish Sea Shared Waters Forum

On November 14, 2019, BPC presented at the 2019 Salish Sea Shared Waters Forum on a panel title *Marine Emergency Response Systems*. BPC Executive Director Jaimie Bever (pictured left) gave an overview of pilotage, the BPC, and ESHB 1578.

On December 9, 2019, the BPC, along with the Department of Ecology, held two Listening Sessions at the Port of Everett concerning September 1, 2020 deadlines in ESHB 1578. The morning session focused on tug escort requirements in Rosario Strait and connected waterways east. The afternoon session focused on the identification of geographic zones. The Listening Sessions were well attended and we thank those of you who were able to attend. The presentations and summary of comments/questions can be found on the BPC website at www.pilotage.wa.gov/oil-transportation-safety.html.



Puget Sound pilot Captain Blair Bouma gives a presentation on a pilot's perspective at the December 9, 2019 Listening Sessions at the Port of Everett.

The presentations and summary of comments/questions can be found on the BPC website at www.pilotage.wa.gov/oil-transportation-safety.html.

BPC Staff Update

BPC Program Coordinator Jolene Hamel has transitioned into the role of Training Program Coordinator. She is the go-to person for anything related to the pilot training program or the marine pilot exam. Jolene will continue her excellent work supporting the agency as well.



Jolene Hamel (left) joins Puget Sound pilot Captain John Harris on the bridge of the STAR PRINCESS.



BPC's new Program Analyst Bettina Maki.

The BPC would like to introduce our new Program Analyst Bettina Maki. Bettina began working with us in early November. She has a background in WA State service and has extensive data analysis and visualization experience. She comes from a family of tugboat engineers and is excited to be working in maritime as well. With Bettina's help, we will be working on reformatting our data reports for 2020. Welcome Bettina!

A Decade of Dedication

The December 16, 2019 Board meeting was the final meeting for one of the BPC's public representatives, Commissioner Ned Kiley. Commissioner Kiley was appointed to the Board in January 2010 and has seen many changes at the BPC over the past ten years. He has been active in several BPC committees, including the Trainee Evaluation Committee, and has been a valuable asset to the Board's investigative processes. His background with the USCG and in safety have been incredibly important to the work we do. Many thanks to Commissioner Kiley for his impeccable service to the BPC and the State of Washington!



Welcome Commissioner Hamilton

The BPC will have a new public representative at the table for the January 16, 2020 regular monthly meeting. Captain Jason Hamilton, former USCG Commanding Officer and attorney, was appointed by Governor Inslee to begin his service to the BPC as of January 1, 2020. Commissioner Hamilton's USCG experience will be valuable to the BPC's mission of safety. Welcome, Commissioner Hamilton!

DISTRICT SNAPSHOTS



Puget Sound

Retirements:

Captain Dan Brouillard
Captain Jim Shaffer
Captain Jed Arnold

Thank you for your service to the State of Washington!

License Upgrades to Unlimited:

Captain Jamie Galvin
Captain Brian Jensen
Well done, Captains!

Licensure

No pilots were licensed during October, November and December of 2019.

Training Program:

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

Captain Siddell is transitioning to the Evaluation Phase of his program.

Keep up the great work!

**Grays
Harbor**



Training Program:

Currently in training is Captain Forest McMullen.

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

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

PUGET SOUND PILOTAGE DISTRICT ACTIVITY REPORT

Dec-2019

The Board of Pilotage Commissioners (BPC) requests the following information be provided to

Activity

Total pilotage assignments:	520	Cancellations:	7
Total ship moves:	513	Cont'r:	186
		Tanker:	169
		Genl/Bulk:	91
Assignments delayed due to unavailable rested pilot	5	Total delay time:	
2 pilot jobs:	31	Reason:	PSP GUIDELINES FOR RESTRICTED WATERWAYS
Day of week & date of highest number of assignment	THU, 12/5		25
Day of week & date of lowest number of assignment	MON 12/9		6
Total number of pilot reposition	114		

Comp Days

Beg Total -	3506	Call Backs (+)	63	Used (-)	88	En
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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
9-Dec	10-Dec	Seattle	PMI	Intensive Ship Handling	KLA, LIC, MAY
10-Dec	10-Dec	Seattle	PMI	Intensive Ship Handling	BOU

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

Start Dt	End Dt	City	Group	Meeting Description	Pilot Attendees
3-Dec	3-Dec	Seattle	PSP	UTC/Admin	CAI
3-Dec	4-Dec	Seattle	PSP	ENAV Conference	MCG, SEA, SLI
4-Dec	6-Dec	Seattle	PSP	UTC/admin	CAI
6-Dec	8-Dec	Seattle	PSP	President	CAI
9-Dec	9-Dec	Seattle	PSP	UTC/Admin	CAI
9-Dec	9-Dec	Everett	BPC	Tanker Escort Session	ANT, BOU
10-Dec	10-Dec	Seattle	PSP	BOD	ANA, CAI, COL, KLA, NE
11-Dec	11-Dec	Seattle	PSP	UTC/Admin	CAI
11-Dec	11-Dec	Seattle	BPC	TEC	ANT, MAY, SCR
11-Dec	11-Dec	Seattle	PSP	Fatigue	ANA, ANT, SCR
12-Dec	12-Dec	Seattle	PSP	UTC	COL, CAI
13-Dec	13-Dec	Seattle	PSP	UTC/Admin	CAI
16-Dec	16-Dec	Seattle	PSP	UTC/Admin	CAI
16-Dec	16-Dec	Seattle	BPC	BPC	ANT, SCR
17-Dec	17-Dec	Seattle	PSP	UTC	CAI, COL, KLA, MOT
18-Dec	20-Dec	Seattle	PSP	UTC/Admin	CAI
23-Dec	24-Dec	Seattle	PSP	UTC/Admin	CAI

26-Dec	26-Dec	Seattle	PSP	UTC/Admin	CAI
27-Dec	27-Dec	Seattle	PSP	President, UTC	CAI
28-Dec	29-Dec	Seattle	PSP	UTC/Admin	CAI

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

Start Dt	End Dt	REASON	PILOT
1-Dec	3-Dec	ETO	LIC, LOB, LOW, NIN
10-Dec	17-Dec	ETO	BUJ, GRK, HAR, THG
12-Dec	13-Dec	ETO	ENF
18-Dec	31-Dec	Not Fit For	SES
18-Dec	22-Dec	ETO	ARN
24-Dec	31-Dec	ETO	ANA, CAW, KAL, KEA

Presentations

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

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

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

**State of Washington
Pilotage Commission
January 16, 2019**

Grays Harbor District Report

Arrivals YTD December 31, 2019 were 86 for a total of 230 jobs. Capt. D'Angelo had the duty in December. We had 9 arrivals in December 2019 for 21 jobs. Our year end arrivals of 86 was better than we expected but far short of our original budgeted arrivals of 102. Current estimate for 2020 arrivals is 65. That would be a 35% drop from 2018 arrivals.

Our dry bulk shipments continue to remain strong. In December we had 6 drybulk, 1 liquid bulk and 2 RoRo. For 2019 our arrival mix was 55 drybulk, 3 liquid bulk, 3 loggers, 24 RoRo and 1 no cargo. Our forecast arrival mix for 2020 looks like 54 drybulk, 4 liquid bulk, 4 loggers, 2 RoRo and 1 military for a total of 65 arrivals.

Pilot Boat Chehalis

Still finishing up a few items from 2019 repair and maintenance plan and gathering information from pilots and operators to develop 2020 work plan.

Inner Harbor Maintenance Dredging

USACE contractor (HME) arrived week of January 6th and commenced work in Cow Point turning basin. Port dredging contractor, American, will commence berth maintenance in late January.

Pilotage Tariff

On November 11, 2019, the Port filed a recommended increase to its tariffed rates for pilotage services with the Washington Utilities and Transportation Commission (UTC). At their December 19, 2019 regular meeting, the UTC took no action, thereby allowing the recommended tariff filed by the Port to become effective January 1, 2020, by operation of law.

Business Development

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

The public comment for QIN has been extended for a fourth time. The shoreline hearings examiner has agreed to accept comments from QIN up until 1/31/20. The requested extension was mutual decision of QIN and BHP. QIN and BHP discussions/negotiations are ongoing in hopes of developing an MOU to address future impacts to treaty rights.



Port of Grays Harbor

On Washington's Pacific Coast

Press Release:

December 26, 2019

Contact: Kayla Dunlap, Public Affairs Manager

kdunlap@portgrays.org or 360-533-9590

For Immediate Release

Former Port Commissioner Chuck Caldwell passes away

Aberdeen, WA. – Former Port of Grays Harbor District 1 Commissioner Chuck Caldwell passed away on Monday, December 23, 2019, at the age of 87.

“The Port of Grays Harbor extends our deepest condolences to Commissioner Caldwell’s family and friends. Chuck’s commitment and service to all of Grays Harbor, but especially those he served in District 1, will never be forgotten. He leaves a lasting legacy here at the Port and throughout the community,” shared Port Commission President Stan Pinnick.

Commissioner Caldwell joined the Port of Grays Harbor Commission in 2002, representing East Grays Harbor as District 1 Commissioner. During his tenure, the Port has experienced significant growth and diversification; international trade at the 4 deep-water Marine Terminals has reached over 2 million tons annually, commercial fishing activity increased as a result of seafood processors investing in the Westport Marina district, the 1,800 acre Satsop Business Park was added to the Port’s property portfolio making room for new jobs, and more than \$50 million in Port infrastructure projects have been completed to better serve the growing economic base. An advocate for recreational access to the waterfront, Commissioner Caldwell was also involved in the transfer of privately owned recreational properties, Friends Landing and Sterling Landing, to the Port of Grays Harbor in 2014 and a strong supporter of enhancements to the Westport Marina boat launch and 28th Street Landing and boat launch to ensure these vital waterfront access facilities are preserved and accessible for all to enjoy. Commissioner Caldwell retired July 2018, after more than 16 years of service.

Founded in 1911, the Port of Grays Harbor is one of Washington State's oldest port districts and Washington's only deep-water port located directly on the Pacific Ocean. The Port of Grays Harbor operates 4 deep-water marine terminals, the Westport Marina, Bowerman Airport, Grays Harbor ship assist services, numerous public waterfront access facilities, in addition to industrial and business parks throughout the County. Strategically located midway between Seattle and Portland and only 1 ½ hours from open sea, the Port of Grays Harbor provides businesses a diverse portfolio of facilities. More information on the Port of Grays Harbor's facilities and operations is available at portofgraysharbor.com.



Commissioner Chuck Caldwell passed away on Monday, December 23, 2019. Commissioner Caldwell served as a Port of Grays Harbor Commissioner for more than 16 years.



Commissioner Caldwell (in red) was instrumental in the Port's acquisition of Friends Landing. He joined current Port Commissioners to celebrate the new playground last spring.



Around the Docks



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

Welcoming New Business

Elma's Taco locates at Satsop Business Park

Last month the Satsop Business Park welcomed its newest tenant, Elma's Taco, to Tower Boulevard in response to the Park's growing workforce and demand for easily accessible dining options in the area.

Elma's Taco is a family-run business offering several authentic favorites including tacos, burritos, tortas, and quesadillas, as well as a breakfast burrito.

"We are so excited to welcome Elma's Taco to the business park, and we hope that others will come up on the hill to enjoy what they have to offer as well," expressed Manager of Business Development Alissa Shay.

Elma's Taco is located at 43 Tower Boulevard, Elma, WA 98541. They are open Monday through Friday from 8 a.m. to 5 p.m.



Mother and daughter team Alexandra Lezama and Gema Arredondo pose next to their new food truck, Elma's Taco, at the Satsop Business Park.

Honoring Port Leadership

In remembrance: Commissioner Caldwell



Retired Port Commissioner Chuck Caldwell passed away on December 23, 2019, at the age of 87. Known for his generosity and commitment to public service, Commissioner Caldwell proudly served the people of District 1 for more than 16 years before retiring in July 2018.

Commissioner Caldwell began serving on the Port Commission in 2002. His tenure saw the rebirth of shipping with the beginning of AGP's operation at Terminal 2 and Pasha's auto shipments at Terminal 4, as well as the construction of REG's biodiesel plant and Contanda's liquid bulk storage facility at Terminal 1.

In 2013, District 1 added another

Port facility with the acquisition of the Satsop Business Park which saw nearly 400 people reporting to work daily when Commissioner Caldwell retired.

Commissioner Caldwell was also devoted to ensuring outdoor and waterfront accessibility for all. He had long been involved with development of Friends Landing and was instrumental in the Port's acquisition of the recreational property in 2014, ensuring it would be preserved for generations to come.

Commissioner Caldwell will be greatly missed and remembered for his commitment to the community and moving Grays Harbor forward.

Westport Marina celebrates host of improvements



In December, Westport citizens and Marina users joined the Port of Grays Harbor Commissioners and staff to celebrate several projects completed in the Marina District over the last few months including the paving of Yearout Drive, new restrooms at Float 9 and a new garbage station servicing marina users.

“With nearly \$7 million in recent investments, 2019 has been a year of projects for the Westport Marina,” shared Westport Business Manager Molly Bold. “While several important projects are still underway, we are delighted to celebrate the completion of these projects that will benefit our users and tenants for years to come.”

Calendar

- December 25 *CSAV Rio Nevado* @ T4
- January 1 PGH Offices Closed, New Years Day
- January 5 *Ikan Salmom* @ T2
- January 7 *Thassos* @ T2
- January 14 PGH Commission Meeting, Port Offices, 9am
- January 13 *Siem Plato* @ T4

Around the Docks

is a publication of the

Port of Grays Harbor

On Washington's Pacific Coast



It is available online at PortofGraysHarbor.com
To join our mailing list contact Amy Carlson at acarlson@portgrays.org

Commissioners Phil Papac and Tom Quigg sworn in

Following the certified election results, District 1 Commissioner Phil Papac and District 2 Commissioner Tom Quigg were both sworn in at the December Commission meeting.

Commissioner Papac was elected to serve a 6-year term through 2025.

Commissioner Quigg was elected to serve the remainder of late-Commissioner Jack Thompson's term, ending December 31, 2023.

Commissioner Stan Pinnick will serve as Commission President with Commissioner Quigg as Vice President and Commissioner Papac serving as Secretary in 2020.



Commissioner Phil Papac is sworn in to serve a 6-year term as District 1 Port Commissioner at the December Commission meeting.



Commissioner Tom Quigg is sworn in to serve as District 2 Port Commissioner through December 31, 2023.

Parsing the October 2019 TEU Numbers

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

Import Traffic

The October 2018 surge in imports ahead of threatened new U.S. tariffs has predictably coughed up some dreadful year-over-year comparisons this October all up and down the U.S. West Coast. At the nation's busiest container gateway, the Port of Los Angeles, inbound loaded traffic was off by an astonishing 19.1% (-93,055 TEUs). Next door at the Port of Long Beach, inbound loads were also down, but by a more moderate 7.4% (-27,022 TEUs). Collectively, the two San Pedro Bay ports posted a 14.1% (-120,077 TEUs) drop in their inbound trades.

Up the coast, the Port of Oakland sustained a relatively modest 4.6% (-3,814 TEUs) decline in inbound loads, while the Northwest Seaport Alliance Ports of Tacoma and Seattle saw their import traffic plunge by 18.6% (-25,002 TEUs).

Exhibit 1	October 2019 - Inbound Loaded TEUs at Selected Ports					
	Oct 2019	Oct 2018	% Change	Oct 2019 YTD	Oct 2018 YTD	% Change
Los Angeles	392,769	485,824	-19.1%	3,969,406	3,978,885	-0.2%
Long Beach	337,062	364,084	-7.4%	3,141,921	3,404,404	-7.7%
San Pedro Bay Totals	729,831	849,908	-14.1%	7,111,327	7,383,289	-3.7%
Oakland	78,583	82,397	-4.6%	816,550	795,131	2.7%
NWSA	109,469	134,471	-18.6%	1,168,450	1,197,143	-2.4%
USWC Totals	917,883	1,066,776	-14.0%	9,096,327	9,375,563	-3.0%
Boston	15,091	16,640	-9.3%	126,658	118,892	6.5%
NYNJ	339,443	339,602	-0.1%	3,180,884	3,056,955	4.1%
Maryland	44,150	41,608	6.1%	909,269	858,998	5.9%
Virginia	124,142	127,677	-2.8%	1,159,261	1,103,627	5.0%
South Carolina	95,302	92,947	2.5%	901,750	837,264	7.7%
Georgia	199,483	205,836	-3.1%	1,872,668	1,735,768	7.9%
Jaxport	30,893	29,589	4.4%	297,993	267,969	11.2%
Port Everglades	23,304	29,024	-19.7%	263,095	304,619	-13.6%
Miami	41,628	36,059	15.4%	367,830	345,856	6.4%
USEC Totals	913,436	918,982	-0.6%	9,079,408	8,629,948	5.2%
New Orleans	11,250	9,565	17.6%	115,031	102,136	12.6%
Houston	110,585	108,653	1.8%	1,043,022	977,986	6.6%
USGC Totals	121,835	118,218	3.1%	1,158,053	1,080,122	7.2%
Vancouver	136,138	153,689	-11.4%	1,444,920	1,453,174	-0.6%
Prince Rupert	57,644	52,996	8.8%	558,722	472,319	18.3%
BC Totals	193,782	206,685	-6.2%	2,003,642	1,925,493	4.1%
US/BC Totals	2,146,936	2,310,661	-7.1%	21,337,430	21,011,126	1.6%
US Total	1,953,154	2,103,976	-7.2%	19,333,788	19,085,633	1.3%
USWC/BC	1,111,665	1,273,461	-12.7%	11,099,969	11,301,056	-1.8%

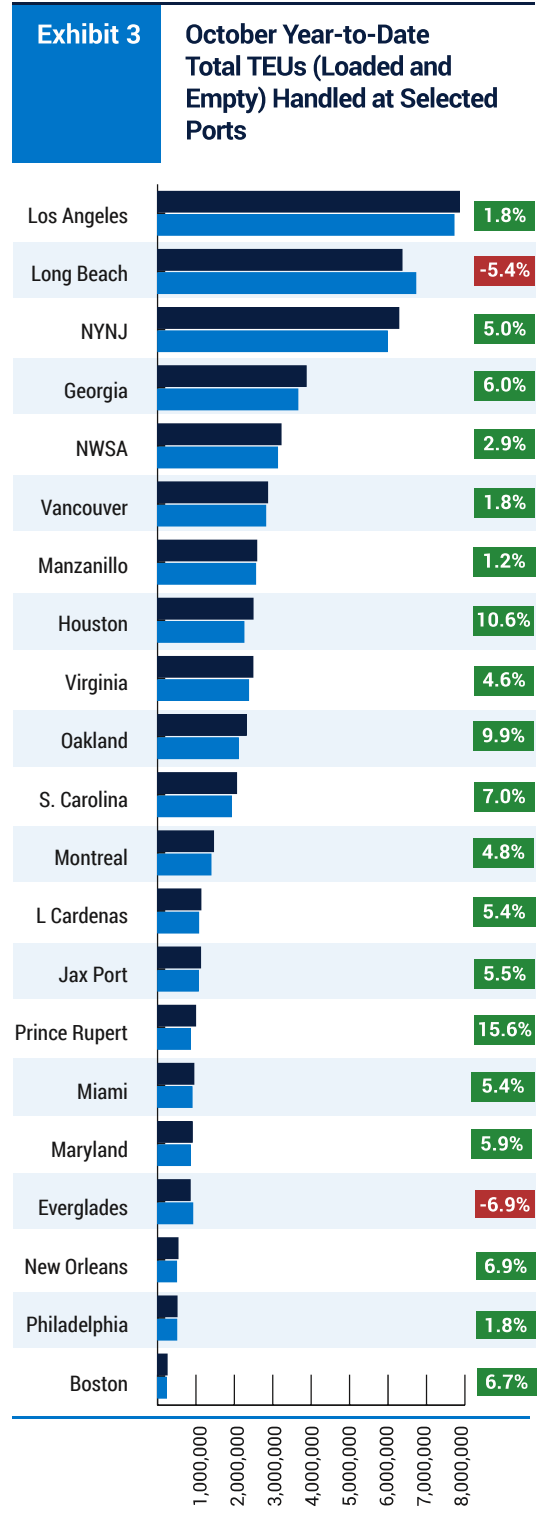
Source Individual Ports



Parsing the October 2019 Loaded TEU Numbers Continued

	October 2019 - Outbound Loaded TEUs at Selected Ports			October Year-to-Date Total TEUs (Loaded and Empty) Handled at Selected Ports		
	Oct 2019	Oct 2018	% Change	Oct 2019 YTD	Oct 2018 YTD	% Change
Los Angeles	140,332	173,824	-19.3%	1,487,404	1,603,563	-7.2%
Long Beach	131,635	119,837	9.8%	1,223,704	1,293,908	-5.4%
San Pedro Bay Totals	271,967	293,661	-7.4%	2,711,108	2,897,471	-6.4%
Oakland	87,393	78,853	10.8%	774,596	748,129	3.5%
NWSA	79,321	74,086	7.1%	763,876	784,468	-2.6%
USWC Totals	438,681	446,600	-1.8%	4,249,580	4,430,068	-4.1%
Boston	7,999	8,032	-0.4%	69,728	65,855	5.9%
NYNJ	127,256	130,782	-2.7%	1,230,257	1,245,438	-1.2%
Maryland	20,134	19,491	3.3%	194,203	194,470	-0.1%
Virginia	83,577	83,577	0.0%	810,576	824,580	-1.7%
South Carolina	69,952	70,605	-0.9%	692,229	687,098	0.7%
Georgia	127,971	120,395	6.3%	1,239,923	1,237,658	0.2%
Jaxport	44,848	42,476	5.6%	414,696	410,533	1.0%
Port Everglades	38,158	39,467	-3.3%	355,763	381,462	-6.7%
Miami	37,507	32,603	15.0%	345,658	331,093	4.4%
USEC Totals	557,402	547,428	5.6%	5,353,033	5,378,187	-0.5%
New Orleans	26,358	25,707	2.5%	251,135	247,671	1.4%
Houston	109,362	95,886	14.1%	1,048,021	901,020	16.3%
USGC Totals	135,720	121,593	11.6%	1,299,156	1,148,691	13.1%
Vancouver	87,362	100,620	-13.2%	943,375	924,962	2.0%
Prince Rupert	13,917	16,471	-15.5%	159,474	174,309	-8.5%
British Columbia Totals	101,279	117,091	-13.5%	1,102,849	1,099,271	0.3%
US/Canada Total	1,233,082	1,232,712	0.1%	12,004,618	12,056,217	-0.4%
US Total	1,131,803	1,115,621	1.5%	10,901,769	10,956,946	-0.5%
USWC/BC	539,960	563,691	-4.2%	5,352,429	5,529,339	-3.2%

Source: Individual Ports



■ 2019 YTD
■ 2018 YTD

Source: Individual Ports



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

Altogether, the five major USWC gateways saw inbound loads plummet 14.0% (-148,893 TEUs) from October 2018.

Elsewhere, October inbound trades were weirdly balanced along the Eastern Seaboard. Import loads at the Port of Miami jumped 15.4% (+5,569 TEUs), while a short distance away at Port Everglades import traffic was off by 19.7% (-5,720 TEUs). Charleston was up 2.5% (+2,355 TEUs), but Savannah was down 3.1% (-2,355 TEUs). Virginia was off by 2.8% (3,535 TEUs), but Maryland was up 6.1% (+2,542 TEUs). At the sprawling Port of New York/New Jersey, the nation's third busiest container port, this October's loaded import tally trailed last October's by a mere 159 TEUs.

Down along the Gulf, the import loads at the Port of New Orleans rallied by 17.6% (+1,685 TEUs), while Houston eked out a 1.8% (+1,932 TEUs) gain. Together, the two Gulf Coast ports saw a 3.1% (+3,617 TEUs) rise in import loads.

Up in British Columbia, Vancouver posted an 11.4% (-17,551 TEUs) drop in import traffic, but Prince Rupert saw an 8.8% (+4,648 TEUs) increase, leaving the two with a combined loss of 6.2% (-12,903 TEUs).

Collectively, 2,146,936 loaded TEUs were discharged in October at the 18 U.S. and Canadian ports we monitor, down 7.1% (-163,725 TEUs) from a very busy month last year.

The seven major Pacific Coast ports in Canada and the U.S. handled 1,111,665 inbound loads in October, down 12.7% (-161,796 TEUs) from last year. The USWC share of that trade slipped to 82.6% from 83.8% a year earlier.

Focusing now just on the sixteen mainland U.S. ports we track, import loads in October totaled 1,953,154 TEUs, a decline of 7.2% (-150,882 TEUs) from the same month in 2018. The Big Five USWC ports accounted for 917,883 loaded import TEUs for a 47.0% share, down from their 50.7% share last year.

Through the first ten months of this year, 21,337,430 loaded inbound TEUs entered the eighteen ports tracked by this newsletter. That represented a gain of 1.6% or 326,304 TEUs over the same stretch of 2018.

Export Traffic

Tariffs, both ours and theirs, had a mixed impact on containerized exports in October. At the Port of Los

Angeles, export loads slumped by 19.3% (-33,492 TEUs) from last October. However, across the road at the Port of Long Beach, export loads were up 9.8% (11,798 TEUs). Exports were also up at the Port of Oakland by 10.8% (+8,540 TEUs) and at the NWSA ports by 7.1% (+5,235 TEUs). Still, the enormous deficit at LA meant that the Big Five USWC ports' collective export loads for the month were down 1.8% (-7,919 TEUs) from a year earlier.

Outbound loads at our nine U.S. East Coast ports were up 5.6% (+9,974 TEUs) from a year ago. On the upside, Savannah posted an impressive 6.3% (+7,576 TEUs) increase. At Miami, outbound loads were up 15.0% (+4,904 TEUs), while Jaxport recorded a 5.6% (+2,372 TEUs) bump. Charleston was down 0.9% (-653 TEUs), neatly balancing Maryland's 643 TEU (3.3%) increase. Neither up nor down was Virginia, which reports having handled precisely as many outbound loads this October (83,577 TEUs) as it had last October. (No word on whether a recount has been demanded.)

Exports were again strongest at the Gulf Coast ports were track. Together, they accounted for an 11.6% increase in outbound loads, a gain of 14,127 TEUs in contrast to the 9,974 TEUs growth at East Coast ports and the 7,919 TEUs fall-off along the USWC.

There was a sizable slippage in inbound loads at the two British Columbia ports. At Prince Rupert, outbound loads were down by 15.5% (-2,554 TEUs), while Vancouver posted a 13.2% (-13,258 TEUs) decline. Together, the two ports recorded a 13.5% (-15,812 TEUs) fall-off in inbound loads.

Looking solely at the sixteen U.S. mainland ports that we monitor, October's container export trade inched up by 1.5% (+16,182 TEUs) from a year earlier. The Big Five USWC ports accounted for a 38.8% share of all loaded outbound TEUs shipped out of U.S. mainland ports, down from a 40.0% share a year earlier.

Focusing now on outbound loads from the seven major container ports on the Pacific Coast in the U.S. and Canada, export traffic dwindled by 4.2% (-23,731 TEUs) from last October. The USWC share of the binational Pacific Coast container export trade amounted to 81.2%, up from 79.2% a year ago.

Through October, 12,004,618 loaded TEUs sailed from the eighteen North American ports we monitor. That was a decline of 0.4% (-51,599 TEUs) from the same period last year.



Parsing the October 2019 Loaded TEU Numbers Continued

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

	Oct 2019	Sep 2019	Oct 2018
Shares of U.S. Mainland Ports Worldwide Containerized Import Tonnage			
LA/LB	26.8%	28.0%	29.8%
Oakland	3.7%	4.0%	3.5%
NWSA	5.0%	5.3%	5.6%
Shares of U.S. Mainland Ports Worldwide Containerized Import Value			
LA/LB	34.4%	35.6%	37.8%
Oakland	3.5%	3.9%	3.1%
NWSA	6.5%	7.0%	7.2%
Shares of U.S. Mainland Worldwide Containerized Export Tonnage			
LA/LB	21.2%	19.9%	22.5%
Oakland	6.5%	6.1%	6.4%
NWSA	8.2%	8.2%	8.3%
Shares of U.S. Mainland Worldwide Containerized Export Value			
LA/LB	20.3%	21.6%	21.2%
Oakland	7.4%	6.1%	6.5%
NWSA	4.4%	4.5%	4.3%

Source: U.S. Commerce Department.

Total TEUs to date. Only two of the nineteen U.S., Canadian and Mexican ports we track failed to register gains in the total number of loaded and empty TEUs handled this year – the Port of Long Beach and Port Everglades. The 14,228,752 loaded and empty TEUs handled by the two San Pedro Bay ports in this year's first ten months was down 1.52% (-221,950 TEUs) from last year at that juncture. As a result, their combined share of total container traffic through the sixteen mainland U.S. ports we survey slipped to 33.8% from 35.4% at this point in 2018.

Weights and Values. Even though the TEU is the shipping industry's preferred unit of measurement, we present two alternative metrics – the declared weight and value of

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

	Oct 2019	Sep 2019	Oct 2018
Shares of U.S. Mainland Ports' East Asian Container Import Tonnage			
LA/LB	42.4%	43.8%	45.4%
Oakland	4.4%	4.6%	4.0%
NWSA	7.4%	7.8%	8.3%
Shares of U.S. Mainland Ports' East Asian Container Import Value			
LA/LB	50.0%	50.6%	53.3%
Oakland	4.1%	4.3%	4.3%
NWSA	9.4%	9.9%	10.1%
Shares of U.S. Mainland Ports' East Asian Container Export Tonnage			
LA/LB	35.9%	34.7%	37.2%
Oakland	9.2%	9.4%	8.8%
NWSA	13.4%	14.1%	13.1%
Shares of U.S. Mainland Ports' East Asian Container Export Value			
LA/LB	41.8%	43.5%	43.6%
Oakland	11.8%	10.4%	11.2%
NWSA	8.9%	9.1%	8.4%

Source: U.S. Commerce Department.

the goods contained in those TEUs – in hopes of further illuminating recent trends in the container trade along the USWC. For the most part, these numbers contain little good news for USWC port official.

Exhibit 4: USWC Ports and the Worldwide Container Trade. Exhibit 4 documents the continuing erosion of the USWC ports' share of containerized imports (regardless of nation of origin) entering mainland U.S. ports. The two San Pedro Bay ports saw their combined percentage of containerized import tonnage slide in October to 26.8% from 29.8% a year earlier. The two experienced a parallel drop in the declared value of containerized imports to 34.4% from 37.8% last October. Oakland saw its shares in both import value and tonnage rise from last year. The



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

NWSA ports meanwhile sustained year-over-year declines in both value and tonnage shares.

On the export side, the Southern California ports continued to lose market share, whether measured in tonnage or dollar value. Oakland fared much better, with year-over-year gains in both tonnage and value shares. The NWSA ports' export shares trended downward in tonnage but upward in value.

Exhibit 5: USWC Ports and the East Asia Trade. Here are the numbers that most bring despair to USWC port officials – the figures on containerized imports arriving at U.S. mainland ports from East Asia. In October, the Ports of Los Angeles and Long Beach saw their combined share of import tonnage continue to slide to 42.4% from 45.4% a year earlier, while their collective share of import value slipped to 50.0% from 53.3%. Elsewhere along the coast, Oakland improved its East Asia import tonnage although its value share dipped slightly. Meanwhile, the NWSA ports suffered significantly diminished shares in both import tonnage and value.

On the export side, San Pedro Bay's share of containerized export tonnage to East Asia slid to 35.9% from 37.2%, while their combined share of the value of those containerized imports shrank to 41.8% from 43.6%. Oakland's shares as well as those of the NWSA ports grew in both measures.

Impact of the Panama Canal Expansion. This has been the subject of any number of analyses incorporating research methodologies ranging from sophisticated to flimsy. Here we simply note that, in the October immediately following the June 26, 2016 opening of the larger set of locks, the San Pedro Bay share of containerized tonnage imported into U.S. mainland ports from the Far East was 46.7%. As noted above, the SPB share this October had slipped to 42.4%.

Who's #2?

Contrary to what we've seen in other publications in the past few days, the Port of Long Beach defended its status as the nation's second busiest container port in October. Through the year's first ten months, Long Beach held a slender 80,024 TEUs lead over the Port of New York/New Jersey with 6,366,786 TEUs over PNYNJ's total of 6,286,762 TEUs. Neither port is close to toppling the Port of Los Angeles from its status as the nation's busiest container port. Through October, LA has handled 7,861,965 TEUs this year.

Diesel Costs

We understand that the data cited in last month's newsletter about how much higher energy prices are in California than most anywhere else in the country created something of a stir. Those numbers showed, for example, that those driving a semi or operating a fleet of trucks in California paid 37.8% more for fuel than truckers elsewhere in the nation. The data, compiled by the Center for Jobs and the Economy in Sacramento, highlighted one of the major reasons why transporting a container through a California port normally costs more than moving that same box through ports along other North America coasts.

The energy numbers for November are, if anything, even more discouraging. For those fretting about port competitiveness, there is no solace to be found in the fact that, in November, truck drivers in Los Angeles County paid on average 39.5% more for a gallon of diesel fuel than truckers serving the Port of Savannah in Georgia. Worse still is that diesel in Alameda County – the home of the Port of Oakland – cost 41.9% more than in Georgia last month.

First Glimpse at November's Numbers

Knowing there was a good chance President Trump would ratchet up tariffs on ever more Chinese goods this past weekend, some forecasters concluded that importers would rush to build inventories in November just as they did last year when a round of December import levies was on the horizon. Still, there was also reason to believe that this November's inbound box counts would be down somewhat from last year's hyperactive November. What probably no one expected was that inbound loaded containers at the Port of Los Angeles in November would be down by 12.2% from a year earlier or that the Port of Long Beach would likewise see a substantial 8.3% drop. All told, the two ports handled 78,033 fewer loaded inbound TEUs last month than they had last November.

But there's more going on here than the effects of tariff threats. LA's loaded inbound container volume was not merely down from the previous year. It was its lowest since 2015, when the port handled 358,423 loaded inbound TEUs. Next door at the Port of Long Beach, the number of inbound loads this November was below not just last November but in the ante bellum November before that. Only November



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

2016's 270,610 inbound loads at Long Beach were lower than this year. Numbers such as these are indicative of the more fundamental issues of competitiveness the two ports have been seeking to address.

Meanwhile, the Port of Oakland also reported a significant 7.2% fall-off in import loads from last November, but at least this November was Oakland's second-best November for import loads.

Also reporting sharply negative numbers for imports in November was Virginia with inbound loads down 7.8%. Among early reporters, Savannah and Prince Rupert both posted year-over year gains in inbound loads, 2.8% at the former and a whopping 29.7% at Prince Rupert.

November's container numbers thus far seem hardly in line with the latest Global Port Tracker forecast from the National Retail Federation and Hackett Associates. In a December 9 press release, they opined that containerized import traffic in November would be up 8.0% from a year earlier. The forecast assumed that retailers would be frontloading imports "ahead of this month's scheduled tariffs". From what we're seeing so far, they haven't been nearly as spooked by the prospects of higher import duties as they were last year. But as former Boston mayor, convicted felon, and all-around scoundrel James Michael Curley used to say, there are always more ballots to be counted.

Jock O'Connell's Commentary: A Book Report

During a flight from San Francisco to Paris via Amsterdam early this month, I had ample time to read a new book on global maritime trade that has been eliciting a generally generous response from a number of prominent shipping industry leaders and editorial pundits.

The book is "Trade War: Containers Don't Lie, Navigating the Bluster". The author is Lori Ann LaRocco, who has written previously on maritime trade, most recently in "Dynasties of the Sea: The Untold Story Stories of the Postwar Shipping Pioneers" (2018). When not authoring works about the ocean shipping business, her day-job is senior editor for guests at CNBC Business News.

"Trade War" is a slender volume featuring an attractive compendium of colorful charts and tables. For a book, the statistics cited are surprisingly up to date, with trade data drawn from the first half of this year. Yet, the chief effect of the proliferation of graphics is to cut the book's actual text to fewer than 100 pages of prose that, alas, too often betrays the hasty editorial shortcuts needed to get the volume into print. Indeed, paragraphs often appear disjointedly at odd intervals in the narrative, and some passages and direct quotes do double or even triple service throughout the book.

There is also a bit of false advertising involved. In a foreword by Arturo Sarukhan, a former Mexican ambassador to the U.S., readers are promised "a compelling, timely, and well-documented case for the need to defend our trade flows, our joint platforms and integrated supply chains, and the openness of our economies and, dare I say, our societies..."

If Ms. LaRocco fulfilled that promise in the draft Ambassador Sarukhan was sent, the relevant chapters appear to have been left out of the final edition. Instead, the book remains largely a recitation of statistics amidst a summary of the various policy moves over the past couple of years that have brought the global economy to its current state of malaise. In that sense, the book is less an analysis than a useful compendium of information...up to a point.

Just about as my KLM flight began to level off over Lake Tahoe, I came across a couple of statements that brought my seatback to its full upright position.

First was this bold contention: "There is a direct correlation between the growth of global trade and the expansion of ports around the world." Oh my, I thought, I paid \$29.50 plus tax for this level of expert insight?

Commentary Continued

Suddenly, watching a Dutch police procedural on the seatback screen in front of me became a more compelling option.

But I persevered, only then to be met with this preposterously false claim: *“With 90 percent of the world’s economy moved by maritime transport, the ocean highway is the best way for anyone to monitor the flow of trade and gauge the status of trade talks.”* [Emphasis added.]

I had to reread that passage two or three times to ensure it wasn’t just a rehashing of that ancient chestnut about 90 percent of the world’s trade being waterborne. That’s a claim that’s been reliably cited since at least the days of Titus Livy, the first century CE Roman historian, and is probably no more precise then as it is now. Still, you see it all the time, usually in the works of young journalists trying to persuade their editors that articles on maritime logistics merit the electronic equivalent of above-the-fold placement.

One problem I’ve long had with this factoid is no one ever bothers to reveal the metric being used. Even studies from presumably reputable organizations staffed by presumably reputable economists – the United Nations’ International Maritime Organization immediately comes to mind – repeat the claim without indicating what metric is being employed. Is it simply the share of metric tons of transborder trade or is a more dynamic measure like kilometer-tons the basis of the calculation? The UN’s Conference on Trade and Development lately hedged that 90% number by reporting that oceanborne carries “over 80% of global merchandise trade by volume.”

One thing 90% of X isn’t is a share of the value of goods being traded across national boundaries. And it certainly isn’t 90% of the world’s economy.

But Ms. LaRocco wasn’t writing about maritime’s share of internationally traded goods. She was laying claim to a much more exalted role for the shipping industry. As she goes on to argue: “The volume of trade provides the tea leaves that tell the story of the health of a country’s economy based on its imports and exports.” That’s a very strange observation, especially from someone being billed on her current book tour as an authority on international trade.

Some countries are simply more insular than others or less dependent on trade. Austria and Australia are both

wealthy nations. Yet foreign trade accounts for well over twice as much of Austria’s economy than it does of Australia’s. To be sure, one is much more geographically isolated than the other, but their respective volumes of trade seems to have had little impact on their economic wellbeing. By contrast, consider Hungary and Austria, which border each other and share a major commercial waterway, the occasionally blue Danube. Austria’s per capita GDP is 80% higher than Hungary’s, even though Hungary is significantly (80%) more dependent on trade than its former Habsburg partner. Ms. LaRocco would be wiser to acknowledge that there are more factors at play than imports and exports in telling the story of a nation’s economic development.

Similarly, one is inclined to wonder, is a nation with a prodigious trade deficit therefore weaker economically than one with a huge trade surplus? The United States has not had an annual merchandise trade surplus since 1975 and yet currently enjoys its longest period of sustained economic growth in recent history. Meanwhile, Germany’s impressive merchandise trade surplus is not preventing its policymakers from dithering their way into a recession. Ms. LaRocco, I’m afraid, wouldn’t be the first soothsayer to misread the tea leaves.

If anything, her contention that 90 percent of the world’s economy is moved by maritime transport seems strikingly reminiscent of those famously fatuous economic impact studies which make most of indirect or tertiary effects – like the one a few years ago that attested that the Ports of Seattle and Tacoma alone accounted for two-thirds of Washington State’s economy. Hello, Boeing, Microsoft, Amazon, Starbucks, Costco, Nordstrom?

Unlike goods traded commercially, a nation’s economic size is customarily measured in terms of gross domestic product – the value of all goods and services produced in each country. In the United States, GDP in 2018 totaled \$20.58 trillion and has been up another 2% or so this year. Last year, U.S. foreign merchandise trade totaled \$4.24 trillion. 90 percent? Not even close.

A major error Ms. LaRocco makes is in ignoring the extent to which services generate the great majority of GDP in developed economies like the United States and much of Europe. The World Bank estimates that in 2018 services contributed fully 77.4% to America’s GDP. The shares for the United Kingdom were 70.5%; for Germany,



Commentary Continued

61.5%; for France, 70.3%; for Japan 69.1%. Even for export-driven economies like China and Vietnam, services still represented 52.2% and 41.2% of their economies, respectively. And services, it's safe to say, are seldom trafficked by sea.

Now let's concede that her statement was an instance of editorial excess, one uncorrected by editorial sobriety. Perhaps she was thinking in terms similar to what the folks down at the intercontinental missile range meant when they boasted about their latest rocket's "throw-weight". Surely when the commodities being traded include billions of barrels of oil and millions of tons of grains and ores, maritime shipping obviously does the heavy lifting. And, if you're transporting such goods halfway around the world, those kilometer-ton numbers add up fairly quickly. So, while it is reasonable to conclude that a very high percentage of the sheer weight of goods being moved around the world are transported by ships and barges, that is not what Ms. LaRocco wrote.

It's also the case that most countries trade heavily with their immediate neighbors. The United States, for example, conducts nearly 30% of its merchandise trade with Canada and Mexico. According to the Bureau of Transportation Statistics, North American transborder trade in 2018 amounted to 573,782,196 metric tons. Of that, 33.7% was carried on ships or barges. However, when recalculated to reflect the dollar value of the goods being traded, ships and barges accounted for only 7.9% of North American transborder trade last year.

Germany is the world's third most prodigious exporter, after China and the U.S. Fully 35% of its trade involved countries it directly borders. Eurostat, the European Union data collection agency, observes that E.U. members have traditionally traded goods more with other member states than with countries outside the E.U. So, while it is true that barges move a great deal of intra-European trade on the continent's river systems and that the bulk of trade between the continent and the United Kingdom, Ireland, Malta, and Cyprus is waterborne, it's also true that rail, trucks, and pipelines carry much more than a sliver of intra-European trade.

Ms. LaRocco's focus on maritime trade and especially on containerized trade also overlooks how much of the world's trade goes nowhere near a waterfront. While commodities with relatively low weight-to-value ratios such as scrap paper and metals find seaborne modes of conveyance economically advantageous, much of the world's trade in high-technology electronics gear, pharmaceuticals, and other goods with high value-to-weight ratios travel internationally the way most of us do – in an airplane. Last year, 27.5% of America's \$4.21 trillion in foreign trade went by aircraft. Nearly thirty percent (29.7%) of U.S. exports were airborne.

In some regions, airports play a greater role in international trade than do seaports. In the three Customs Districts that encompass California, 42.4% of the merchandise export trade moves by air. In the San Francisco Customs District, fully 56.0% of exports last year were airlifted to their destinations around the world and 40.7% of the district's imports arrived by air.

So, were it not for her impetuous efforts to elevate the stature of maritime shipping to a level even higher than it justly merits and her dubious contention that tracking imports and exports offers a unique method for assessing national economies, I might have recommended this book to anyone seeking more than a colorful collection of charts and graphs about an industry that brings so much cheer during the holiday season.

Best wishes to all!

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



A Year In Review

By John McLaurin
President, Pacific Merchant Shipping Association

The end of the year is a good time for reflection – to look back on the past twelve months and measure it against one's expectations, hopes and dreams.

On a personal level, the year was a series of wide, deep and sometimes painful fluctuations. Family became closer and more important than ever – but for all of the wrong reasons. I hate cancer more than ever before. I will be glad to raise a glass New Year's Eve and say goodbye to 2019.

For the nation, 2019 was also a year in which the concept of truth in our political and governmental systems became less relevant. Governance has become a forgotten art form. It has lost out to the desire to simply retain (or seek) political power. Politics, long described as a full contact sport, has become a vicious blood sport where the infliction of pain to one's opponent is far more important than solving problems for the common good.

With regard to the West Coast trade community, it has been a difficult year. Market share continues to decline – and does not show signs of changing any time soon. The Trump tariffs are definitely having an impact on cargo volumes, but those impacts deal primarily with the **suppression** of cargo volumes. The **shifting** of cargo away from West Coast ports has been well documented and commented on by Jock O'Connell in these pages over the past few years.

There are some who state that publicly discussing loss of West Coast market share is a self-fulfilling prophesy.

I wish international trade could be influenced in such a simplistic way.

As Jock has pointed out numerous times, the rerouting of cargo from the West Coast is due to a number of systemic and structural changes. The challenge for 2020 is whether, collectively, West Coast supply chain stakeholders and public officials have the capacity to engage in an honest discussion and come together to redirect our focus about how to compete with other North American gateways.

This is a discussion that should be done openly, publicly and be guided by hard facts and analysis. It will not be an easy discussion.

To regain lost volumes of cargo in 2020 and beyond requires innovation, not the maintenance of outdated legacy operating systems. It requires recognition of the importance of trade on our local economy – and the realization and acknowledgment that it cannot be taken for granted. And it requires us to avoid self-inflicted wounds.

Our world is changing, irrespective of our national trade policies. We have to fight to regain what we have lost. Silence and inaction is not an option.

Happy New Year.

Interested in membership in PMSA?

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

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November Dwell Time Numbers Are Down

