PMSA

# West Coast Trade Report

June 2022

## May's Incomplete TEU Tallies

Not all ports revealed their May container statistics before this newsletter went to print on June 22. As longtime readers know, this newsletter does not rely on predictive models but instead prefers to await the TEU counts compiled by the ports we survey each month. Although this means our TEU tallies for the latest month are not complete, it at least allows us to avoid the inconsistencies that dog some forecasts, especially at a time when pundits are divided on whether containerized imports will be up or down as we move through the summer and into the fall.

For the sake of benchmarking expectations for May, we note that an outlook dated June 8 from the National Retail Federation's Global Port Tracker (GPT) projects import traffic in May through the thirteen U.S. ports it monitors will amount to 2.31 million TEUs. That, it says, would represent a 0.9% decline from the 2.33 million TEUs that arrived in May 2021.

However, a separate accounting we received on June 15 from the McCown Container Volume Observer anticipates that the nation's ten largest ports will handle 2,287,801 inbound TEUs during May, which reportedly represents a 2.9% gain over last May. Normally, the ten largest ports handle about 95% of the container traffic captured by GPT. So, it's statistically unlikely the numbers from the three additional ports GPT monitors would account for the conflicting outlooks.

Photo courtesy of Port of Long Beach

As Mark Twain once wrote: "You pays your money and you takes your choice."

So, here's what we definitely know so far about container traffic at North America's ports during the year's fifth month.

The first major port to post its May container figures was the **Port of Long Beach**. Inbound loads (436,977 TEUs) were the highest this year and were up 9.0% from April. However, they still numbered 7,759 fewer TEUs than in May 2021, a dip of 1.7%. Outbound loads (118,234 TEUs) were down by 12.6% from a year earlier. Even while recording its highest-ever volume of outbound empties (325,105 TEUs), the Southern California port nonetheless handled 1.8% fewer TEUs this May than it had a year earlier. Still, it was the port's second busiest month in its history.

Next door at the **Port of Los Angeles**, inbound loads totaled 499,960 TEUs, the most inbound loads the port has handled this year. That was a 9.5% bump over April, but a 6.7% drop from May of 2021, the busiest month in the port's history. Outbound loads (125,656 TEUs) were up 14.4% from a year earlier, while total container flows through the port reached 967,900 loads and empties. Year-to-date, the nation's largest port has handled 4,537,291 TEUs, down slightly (-0.3%) from the same period last year.

Together, the two San Pedro Bay ports handled 936,937 inbound loads in May, a 9.3% increase over April but a 4.4% decline from a year earlier. Outbound loads in May at the two ports totaled 243,890 TEUs, up 10% from the previous month but down a very slender 0.5% from May 2021. Empty outbounds totaled 665,670 TEUs, 51,310 more TEUs than in April but 9,759 fewer TEUs than in May 2021.

At the **Port of Oakland**, inbound loads totaled 98,789 TEUs, up 17.2% over April and 6.7% year-over-year.

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## May's Incomplete TEU Tallies Continued

Outbound loads (75,067 TEUs) were also up by 14.0% over April but only marginally (+341 TEUs) over the previous May. Owing to a 12.3% fall-off in outbound empties, the Northern California port actually handled fewer total TEUs (224,298) than it had a year earlier when 226,406 TEUs crossed its docks.

May was not the best of months at the ports of the Pacific Northwest. On the U.S. side of the border, import loads at the Northwest Seaport Alliance **Ports of Seattle and Tacoma** fell 10.1% to 120,624 TEUs from 134,246 TEUs the previous May. Export loads dropped by 28.3% to 45,543 TEUs from 63,558 TEUs a year earlier. Export loads in May were the fewest of any May in the joint history of the two Washington State ports. All international container moves through the NWSA ports in May totaled 253,882 TEUs, down 6.2% from the previous May. YTD, all container traffic (including domestic shipments involving Alaska and Hawaii) totaled 1,497,608 TEUs, a decline of 2.5% from the first five months of 2021.

Across the border, the **Port of Vancouver** struggled to recapture pre-COVID (and pre-flood) volumes of container trade. Inbound loads in May (168,057 TEUs) were down by 11.3% from a year earlier, while outbound loads (61,801 TEUs) plunged 33.2% from 92,611 TEUs in May 2021. Total box trade through the port in May was 320,182 TEUs, down 13.9% from a year earlier. YTD, Vancouver has handled 1,483,846 TEUs, a year-over-year decline of 9.7%.

Further up the Pacific Coast, the **Port of Prince Rupert** saw its tribulations continue in May, with inbound loads down 20.5% year-over-year to 45,053 TEUs. Outbound loads in May totaled 10,918 TEUs, the fewest for any May in the past decade. Total container traffic through the port amounted to 86,559 TEUs, down 16.7% from a year earlier.

Inbound loads at the **Port of Houston** in May (158,798 TEUs) were down 2.6% from April but up 19.5% from a year earlier. Outbound loads (106,358 TEUs) were also down from the previous month but rose 11.4% from May of last year. Overall container traffic at the Texas port totaled 335,366 TEUs, a 16.4% year-over-year bump. Through May, Houston's 1,573,242 total TEUs make it the nation's 5th busiest container port.

Along the Eastern Seaboard, the **Port of Savannah** recorded 253,508 loaded inbound TEUs, a 2.6% gain over April and a 7.6% increase over the previous May. Outbound loads totaled 122,287 TEUs, a decline of 11.3% from a year earlier. Total container traffic through the Georgia port amounted to 519,388 TEUs, 8.5% over the previous May. YTD, the port has handled 2,396,986 TEUs.

Up the coast, the **Port of Charleston** handled 126,320 inbound loaded TEUs in May, 10.2% fewer than arrived in April but up nonetheless by 18.0% year-over-year. Outbound loads, meanwhile, totaled 53,312 TEUs, the fewest in any month since January 2016. Total container traffic amounted to 255,104 TEUs, the lowest volume since February. YTD, the South Carolina port has handled 1,240,472 loaded and empty TEUs, 12.4% more than last year at this point.

At the **Port of Virginia**, inbound loads in May totaled 166,907 TEUs. That represented an all-time record high for any month in the port's history. Outbound loads (97,665 TEUs), on the other hand, were down 2.1% from a year earlier. Total container moves through the port in May amounted to 340,119 TEUs, the most in the port's history.

We Make Cargo Move

The Port OF Hueneme

## Exhibit 1 April 2022 - Inbound Loaded TEUs at Selected Ports

| | Apr 2022 | Apr 2021 | % Change | Apr 2020 | % Change | Apr 2022 YTD | Apr 2021 YTD | % Change | Apr 2020 YTD | % Change |
|---|---|---|---|---|---|---|---|---|---|---|
| Los Angeles | 456,208 | 490,127 | -6.9% | 370,111 | 23.3% | 1,803,146 | 1,830,735 | -1.5% | 1,275,122 | 41.4% |
| Long Beach | 400,803 | 367,151 | 9.2% | 253,540 | 58.1% | 1,607,752 | 1,512,234 | 6.3% | 1,046,663 | 53.6% |
| **San Pedro Bay Total** | **857,011** | **857,278** | -0.03% | **623,651** | 37.4% | **3,410,898** | **3,342,969** | 2.0% | **2,321,785** | 46.9% |
| Oakland | 84,303 | 101,886 | -17.3% | 80,003 | 5.4% | 347,720 | 357,024 | -2.6% | 298,475 | 16.5% |
| NWSA | 99,291 | 121,294 | -18.1% | 96,992 | 2.4% | 464,378 | 481,956 | -3.6% | 375,565 | 23.6% |
| Hueneme | 11,790 | 8,975 | 31.4% | 4,002 | 194.6% | 46,865 | 28,556 | 64.1% | 17,982 | 160.6% |
| San Diego | 6,046 | 6,116 | -1.1% | 5,765 | 4.9% | 26,202 | 26,062 | 0.5% | 25,271 | 3.7% |
| **USWC Total** | **1,058,441** | **1,095,549** | -3.4% | **810,413** | 30.6% | **4,296,063** | **4,236,567** | 1.4% | **3,039,078** | 41.4% |
| Boston | 4,767 | 9,865 | -51.7% | 11,546 | -58.7% | 18,443 | 37,335 | -50.6% | 46,896 | -60.7% |
| NYNJ | 415,216 | 359,265 | 15.6% | 284,074 | 46.2% | 1,641,946 | 1,457,992 | 12.6% | 1,178,673 | 39.3% |
| Maryland | 38,311 | 44,501 | -13.9% | 45,258 | -15.3% | 159,893 | 165,580 | -3.4% | 167,918 | -4.8% |
| Virginia | 142,639 | 137,954 | 3.4% | 100,310 | 42.2% | 562,644 | 509,071 | 10.5% | 405,882 | 38.6% |
| South Carolina | 140,730 | 105,054 | 34.0% | 82,899 | 69.8% | 509,696 | 396,298 | 28.6% | 337,761 | 50.9% |
| Georgia | 247,177 | 236,479 | 4.5% | 166,679 | 48.3% | 929,526 | 909,196 | 2.2% | 672,482 | 38.2% |
| Jaxport | 28,906 | 24,214 | 19.4% | 23,461 | 23.2% | 102,631 | 109,958 | -6.7% | 98,916 | 3.8% |
| Port Everglades | 36,571 | 28,974 | 26.2% | 23,164 | 57.9% | 134,418 | 117,068 | 14.8% | 107,226 | 25.4% |
| Miami | 43,634 | 47,644 | -8.4% | 28,943 | 50.8% | 175,837 | 187,736 | -6.3% | 135,611 | 29.7% |
| **USEC Total** | **1,097,951** | **993,950** | 10.5% | **766,334** | 43.3% | **4,235,034** | **3,890,234** | 8.9% | **3,151,365** | 34.4% |
| New Orleans | 12,686 | 11,138 | 13.9% | 9,926 | 27.8% | 38,364 | 41,421 | -7.4% | 45,531 | -15.7% |
| Houston | 162,969 | 128,834 | 26.5% | 100,034 | 62.9% | 600,052 | 477,105 | 25.8% | 383,306 | 56.5% |
| **USGC** | **175,655** | **139,972** | 25.5% | **109,960** | 59.7% | **638,416** | **518,526** | 23.1% | **428,837** | 48.9% |
| Vancouver | 179,599 | 171,689 | 4.6% | 148,718 | 20.8% | 611,184 | 648,672 | -5.8% | 517,866 | 18.0% |
| Prince Rupert | 53,627 | 28,051 | 91.2% | 52,730 | 1.7% | 181,693 | 165,356 | 9.9% | 187,451 | -3.0% |
| **British Columbia Total** | **233,226** | **199,740** | 14.0% | **201,448** | 13.0% | **792,877** | **814,028** | -3.3% | **705,317** | 11.6% |
| **US/BC Total** | 2,565,273 | 2,429,211 | 5.6% | 1,888,155 | 35.9% | 9,962,390 | 9,459,355 | 5.3% | 7,324,597 | 36.0% |
| **US Total** | 2,332,047 | 2,229,471 | 4.6% | 1,686,707 | 38.3% | 9,169,513 | 8,645,327 | 6.1% | 6,619,280 | 38.5% |
| **USWC/BC Total** | 1,291,667 | 1,295,289 | -0.3% | 1,011,861 | 27.7% | 5,088,940 | 5,050,595 | 0.8% | 3,744,395 | 35.9% |

Source Individual Ports

## Exhibit 2 April 2022 - Outbound Loaded TEUs at Selected Ports

| | Apr 2022 | Apr 2021 | % Change | Apr 2020 | % Change | Apr 2022 YTD | Apr 2021 YTD | % Change | Apr 2020 YTD | % Change |
|---|---|---|---|---|---|---|---|---|---|---|
| Los Angeles | 99,878 | 114,449 | -12.7% | 130,321 | -23.4% | 407,285 | 457,883 | -11.1% | 534,142 | -23.7% |
| Long Beach | 121,876 | 124,069 | -1.8% | 102,502 | 18.9% | 477,056 | 499,339 | -4.5% | 482,127 | -1.1% |
| **San Pedro Bay Totals** | **221,754** | **238,518** | -7.0% | **232,823** | -4.8% | **884,341** | **957,222** | -7.6% | **1,016,269** | -13.0% |
| Oakland | 65,834 | 80,290 | -18.0% | 82,164 | -19.9% | 259,750 | 313,131 | -17.0% | 322,158 | -19.4% |
| NWSA | 46,600 | 59,729 | -22.0% | 66,955 | -30.4% | 184,413 | 251,317 | -26.6% | 281,313 | -34.4% |
| Hueneme | 2,946 | 2,243 | 31.3% | 1,000 | 194.6% | 13,522 | 7,164 | 88.7% | 4,494 | 200.9% |
| San Diego | 798 | 308 | 159.1% | 248 | 221.8% | 4,133 | 1,706 | 142.3% | 1,062 | 289.2% |
| **USWC Totals** | **337,932** | **381,088** | -11.7% | **383,190** | -11.8% | **1,346,159** | **1,530,540** | -12.0% | **1,625,296** | -17.2% |
| Boston | 1,854 | 6,669 | -72.2% | 5,354 | -65.4% | 10,119 | 26,040 | -61.1% | 24,599 | -58.9% |
| NYNJ | 112,235 | 121,671 | -7.8% | 97,312 | 15.3% | 435,928 | 451,806 | -3.5% | 466,381 | -6.5% |
| Maryland | 18,892 | 21,515 | -12.2% | 15,523 | 21.7% | 80,328 | 82,719 | -2.9% | 77,383 | 3.8% |
| Virginia | 99,589 | 95,618 | 4.2% | 71,158 | 40.0% | 353,563 | 362,618 | -2.5% | 322,081 | 9.8% |
| South Carolina | 55,571 | 73,333 | -24.2% | 56,611 | -1.8% | 233,599 | 287,758 | -18.8% | 272,428 | -14.3% |
| Georgia | 125,330 | 128,205 | -2.2% | 120,852 | 3.7% | 429,278 | 487,899 | -12.0% | 505,539 | -15.1% |
| Jaxport | 49,433 | 51,129 | -3.3% | 31,524 | 56.8% | 183,305 | 190,585 | -3.8% | 152,083 | 20.5% |
| Port Everglades | 35,331 | 33,506 | 5.4% | 20,119 | 75.6% | 131,953 | 126,246 | 4.5% | 121,432 | 8.7% |
| Miami | 27,167 | 30,462 | -10.8% | 24,964 | 8.8% | 106,880 | 116,172 | -8.0% | 126,034 | 84.8% |
| **USEC Totals** | **525,402** | **562,108** | -6.5% | **443,417** | 18.5% | **1,964,953** | **2,131,843** | -7.8% | **2,067,960** | -5.0% |
| New Orleans | 23,521 | 23,246 | 1.2% | 20,076 | 17.2% | 78,638 | 90,273 | -12.9% | 98,650 | -20.3% |
| Houston | 114,860 | 91,766 | 25.2% | 91,808 | 25.1% | 392,420 | 378,045 | 3.8% | 436,416 | -10.1% |
| **USGC Totals** | **138,381** | **115,012** | 20.3% | **111,884** | 23.7% | **471,058** | **468,318** | 0.6% | **535,066** | -12.0% |
| Vancouver | 62,110 | 85,768 | -27.6% | 91,942 | -32.4% | 228,719 | 329,855 | -30.7% | 347,784 | -34.2% |
| Prince Rupert | 12,404 | 10,000 | 24.0% | 22,526 | 55.1% | 50,697 | 56,397 | -10.1% | 67,161 | -24.5% |
| **British Columbia Totals** | **74,514** | **95,768** | -22.2% | **114,468** | -34.9% | **279,416** | **386,252** | -27.7% | **414,945** | -32.7% |
| **US/BC Total** | 1,076,229 | 1,153,976 | -6.7% | 1,052,959 | 2.2% | 4,061,586 | 4,516,953 | -10.1% | 4,643,267 | -12.5% |
| **US Total** | 1,001,715 | 1,058,208 | -5.3% | 938,491 | 6.7% | 3,782,170 | 4,130,701 | -8.4% | 4,228,322 | -10.6% |
| **USWC/BC Total** | 412,446 | 476,856 | -13.5% | 497,658 | -17.1% | 1,625,575 | 1,916,792 | -15.2% | 2,040,241 | -20.3% |

Source Individual Ports

# For the Record: April TEU Numbers

**Exhibit 1** displays the complete inbound loaded TEU traffic numbers for April 2022 at the North American ports we regularly survey. Its most notable revelation is that U.S. East Coast (USEC) ports handled 39,510 more inbound loads than did U.S. West Coast (USWC) ports. Given that there was a 3.4% year-over-year fall-off in inbound loads through USWC ports while USEC ports enjoyed a 10.5% increase, that's hardly a shock. Also notable is that the U.S. Gulf Coast ports we track posted a 25.5% gain over last April. Some of our favorite maritime industry pundits evidently see this as further evidence that importers are shying away from USWC ports because of fear of (a) labor strife along the West Coast this summer or (b) another round of extremely congested conditions at USWC ports or (c) some other ephemeral condition.

**Exhibit 2** presents data on outbound loaded TEUs in April. What's immediately apparent is that America's ports continue to post depressing export numbers. Nationally, mainland U.S. ports handled 5.3% fewer outbound loads than they had in April 2021. The fall-off has been especially noticeable along the Pacific Coast, where ports on both sides of the U.S.-Canada border recorded a 13.5% drop in outbound loads from a year earlier. Only the Gulf Coast ports showed a year-over-year gain in outbound loads in April.

**Exhibit 3** shows the total (full + empty) YTD container traffic over the first four months of 2022. For

**Exhibit 3** April 2022 YTD Total TEUs

| | Apr 2022 YTD | Apr 2021 YTD | % Change | Apr 2020 YTD | % Change |
|---|---|---|---|---|---|
| Los Angeles | 3,569,391 | 3,539,397 | 0.8% | 2,488,748 | 43.4% |
| Long Beach | 3,281,477 | 3,122,316 | 5.1% | 2,202,650 | 49.0% |
| **San Pedro Bay Ports** | **6,850,868** | **6,661,713** | 2.8% | **4,691,398** | 46.0% |
| NYNJ | 3,189,378 | 2,848,979 | 11.9% | 2,316,907 | 37.7% |
| Georgia | 1,877,598 | 1,815,109 | 3.4% | 1,415,755 | 32.6% |
| Houston | 1,237,876 | 1,027,039 | 20.5% | 994,627 | 24.5% |
| Virginia | 1,196,163 | 1,085,414 | 10.2% | 861,609 | 38.8% |
| NWSA | 1,167,869 | 1,200,367 | -2.7% | 1,036,556 | 12.7% |
| Vancouver | 1,157,867 | 1,270,234 | -8.8% | 1,013,078 | 14.3% |
| South Carolina | 985,368 | 872,466 | 12.9% | 770,017 | 28.0% |
| Oakland | 790,548 | 852,893 | -7.3% | 783,582 | 0.9% |
| Montreal | 560,922 | 545,291 | 2.9% | 567,551 | -1.2% |
| JaxPort | 433,623 | 466,214 | -7.0% | 394,214 | 10.0% |
| Miami | 408,261 | 426,637 | -4.3% | 348,857 | 17.0% |
| Port Everglades | 375,831 | 349,338 | 7.6% | 340,693 | 10.3% |
| Prince Rupert | 350,934 | 330,381 | 6.2% | 330,036 | 6.3% |
| Maryland | 321,974 | 335,385 | -4.0% | 342,275 | -5.9% |
| Philadelphia | 244,929 | 223,240 | 9.7% | 209,112 | 17.1% |
| New Orleans | 147,513 | 177,071 | -16.7% | 203,010 | -27.3% |
| Hueneme | 90,554 | 72,466 | 25.0% | 65,354 | 38.6% |
| San Diego | 52,229 | 50,954 | 2.5% | 50,519 | 3.4% |
| Portland, Oregon | 48,564 | 28,694 | 69.2% | 13,741 | 253.4% |
| Boston | 35,556 | 75,955 | -53.2% | 92,994 | -61.8% |
| US/Canada Total | 21,524,425 | 20,715,840 | 3.9% | 16,841,885 | 27.8% |
| US Only Total | 19,454,702 | 18,569,934 | 4.8% | 14,931,220 | 30.3% |

Source Individual Ports

## April 2022 TEU Numbers Continued

the U.S. ports we monitor, total container movements came to 19,454,702 TEUs, a 4.8% (+884,768 TEUs) increase over the same months in 2021. A modest majority of the U.S. and Canadian ports showed increased traffic over this point a year earlier, with the 340,399 TEU increase at PNYNJ and the 210,837 TEU gain at Houston the most impressive. The three Canadian ports we track collectively handled 2,069,723 TEUs through April, a 3.6% decline from last year.

### Weights and Values

Here we try to peer inside all those boxes enumerated in Exhibits 1-3 to get a sense of how tonnage matches up with dollar values. 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. Commerce then makes the data available with a time-lag of approximately five weeks.

**Exhibit 4** testifies to the USWC's declining share of containerized imports through mainland U.S. ports in April. For imports, USWC tonnage and value shares were uniformly lower than a year ago. Factoring in the box trade through the smaller Pacific Coast ports we track, the overall USWC share of U.S. mainland ports' container import trade with all other nations slid to 35.5% from 38.8% in tonnage terms and to 40.0% from 44.7% in value terms.

On the export front, the San Pedro Bay ports saw a bump in their share of containerized tonnage shipped abroad,

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

| | Apr 2022 | Mar 2022 | Apr 2021 |
|---|---|---|---|
| **Shares of U.S. Mainland Ports Containerized Import Tonnage** | | | |
| LA/LB | 26.7% | 28.6% | 28.0% |
| Oakland | 3.2% | 3.1% | 4.0% |
| NWSA | 3.7% | 4.3% | 4.9% |
| **Shares of U.S. Mainland Ports Containerized Import Value** | | | |
| LA/LB | 31.9% | 33.6% | 33.7% |
| Oakland | 2.7% | 3.0% | 3.8% |
| NWSA | 4.2% | 5.2% | 6.3% |
| **Shares of U.S. Mainland Containerized Export Tonnage** | | | |
| LA/LB | 20.8% | 19.7% | 19.2% |
| Oakland | 6.7% | 6.5% | 7.6% |
| NWSA | 5.6% | 5.7% | 6.9% |
| **Shares of U.S. Mainland Conatainerized Export Value** | | | |
| LA/LB | 16.9% | 16.8% | 17.8% |
| Oakland | 6.5% | 6.7% | 7.3% |
| NWSA | 3.0% | 3.4% | 3.9% |

Source: U.S. Commerce Department.

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

| | Apr 2022 | Mar 2022 | Apr 2021 |
|---|---|---|---|
| **Shares of U.S. Mainland Ports Containerized Import Tonnage** | | | |
| LA/LB | 44.0% | 46.3% | 46.0% |
| Oakland | 3.6% | 3.6% | 5.1% |
| NWSA | 6.0% | 7.0% | 7.7% |
| **Shares of U.S. Mainland Ports Containerized Import Value** | | | |
| LA/LB | 48.2% | 49.2% | 50.9% |
| Oakland | 3.2% | 3.6% | 4.7% |
| NWSA | 6.4% | 7.8% | 9.4% |
| **Shares of U.S. Mainland Containerized Export Tonnage** | | | |
| LA/LB | 38.6% | 35.5% | 31.7% |
| Oakland | 9.8% | 9.4% | 10.4% |
| NWSA | 10.2% | 10.4% | 11.5% |
| **Shares of U.S. Mainland Conatainerized Export Value** | | | |
| LA/LB | 37.2% | 34.9% | 35.9% |
| Oakland | 10.6% | 10.9% | 12.5% |
| NWSA | 6.6% | 7.4% | 8.2% |

Source: U.S. Commerce Department.

## April 2022 TEU Numbers Continued

while Oakland and the NWSA ports saw declines. Overall, though, USWC ports large and small saw their shares of containerized export tonnage slip to 34.1% from 34.4%, while their combined share of containerized export value declined to 27.2% from 29.6% in April 2021.

**Exhibit 5** displays the USWC shares of U.S. containerized trade with the Far East in April. On the import side, USWC shares dipped across the board. Including smaller ports, the USWC share of containerized import tonnage dropped to 54.8% from 60.0% a year earlier. In value terms, all USWC ports great and small sustained a drop in their combined share to 59.0% from 65.9%.

As for containerized export tonnage to East Asia, only the San Pedro Bay ports posted gains. However, such was the bump in exports at LA/LB that the overall USWC share of containerized export tonnage rose to 60.1% from 55.1% year-over-year. The improvement in the San Pedro Bay ports' share of export value was not enough to overcome the declines at Oakland and at the big Washington State ports. As a result, the overall USWC share of the value of U.S. containerized exports headed to East Asia dipped to 55.5% from 57.4% a year earlier.

### Congress to the Rescue

President Biden signed the much-anticipated Ocean Shipping Reform Act of 2022 into law the other day. Whether it proves to be the panacea its proponents promised it would be falls into that wait-and-see category. It seeks to address several complaints from shippers, especially regarding detention and demurrage charges. That's more of an insider's issue that was unlikely to galvanize widespread support for legislation. What got the measure though Congress was the desire to, paraphrasing President Biden, figuratively punch the foreign-owned ocean carriers in the nose. Substantial hikes in oceanic shipping fees and the resulting sharp increases in shipping line profits was one factor. Another was the alleged role of the ocean carriers and port terminal operators in failing to handle export containers bearing farm produce as expeditiously as they have been shipping empty containers back to Asia.

Judging from recent media reports, the OSRA – along with new U.S. Department of Agriculture subsidies to growers exporting through USWC ports – will go a long way to prevent such travesties as occurred this May, when shippers of three of California's top five agricultural exports (almonds, pistachios, and walnuts)…

*[Pausing here to consult the latest data]*

…each exported more tonnage than in any previous May.

That, at least, is what the organizations responsible for administering each crop's federal marketing order are reporting.

According to the California Almond Board, export tonnage in May totaled 87,727 metric tons, up 29.4% from 67,817 metric tons the previous May. That established a new high watermark for almond exports in the month of May. Almonds, by the way, are the top agricultural export of California, America's top state for agricultural exports.

Meanwhile, walnut exports totaled 40,133 tons, according to the California Walnut Board. That not only represented a 55.8% year-over-year jump, it also set a new record for walnut exports in the month of May.

Similarly, the Administrative Committee for Pistachios is reporting that shipments of pistachios to overseas markets in May amounted to 22,770 tons, a 65.3% surge over the 13,779 tons exported a year earlier. That, too, was more than in any previous May.

### Yay! Jeff Tops Bob in Latest Top 100 U.S. Importer Standings

Regular readers may recall our keen interest in whether the *Journal of Commerce*'s latest (2021) ranking of the Top 100 U.S. importers would show that an outfit called Bob's Discount Furniture would again triumph over that business venture Jeff Bezos started up in Seattle back in 1994. As we pointed out in our April issue, the *Journal*'s 2020 tally showed Bob (54,646 loaded import TEUs) besting Jeff (46,259 TEUs). Both trailed far, far behind Walmart's 930,000 TEUs. In fact, Bob ranked 24th ahead of Jeff's 30th spot in the *Journal*'s 2020 ranking.

The *Journal*'s brand-new standings for 2021, released a month ago, showed a couple of intriguing developments. First, while Jeff's enterprise did finally leap ahead of Bob's,

## April 2022 TEU Numbers Continued

it remained the nation's 30th largest importer. In case anyone is the least bit interested, Bob, having imported 13,546 fewer TEUs than he had the previous year, slipped to 36th place.

What's even odder is that in 2021, a year in which congested ports commanded headlines worldwide, Jeff imported just 869 more loaded TEUs than he had the year before. Even more peculiar, the new list credits #1 importer Walmart with 930,000 import loads in both years, even though #2 Target posted a 19.1% increase and #3 Home Depot a 13.4% gain.

What with all the talk about ports being swamped by surging imports, we would have expected that, between them, the Walton clan and Jeff might have brought in rather more than the 869 additional loaded TEUs than the *Journal* believes they collectively did.

### CARB's Anti-Tire Mandates

We're waiting for the California Air Resources Board (CARB) to adopt new standards on tire pollution. Since the advent of the Prius and subsequent iterations of stealth passenger cars, pedestrians and bicyclists have learned that it's the sound of rubber tires on pavement rather than the throaty roar of internal combustion engines that heralds the presence of potentially lethal vehicles.

Comes now a report alleging that tires produce way more particle pollution than exhaust fumes. "Tyres [we're quoting from an article in the *Guardian*] are rapidly eclipsing the tailpipe as a major source of emissions from vehicles," said Nick Molden, at Emissions Analytics, the leading independent emissions testing company that did the research. "Tailpipes are now so clean for pollutants that, if you were starting out afresh, you wouldn't even bother regulating them."

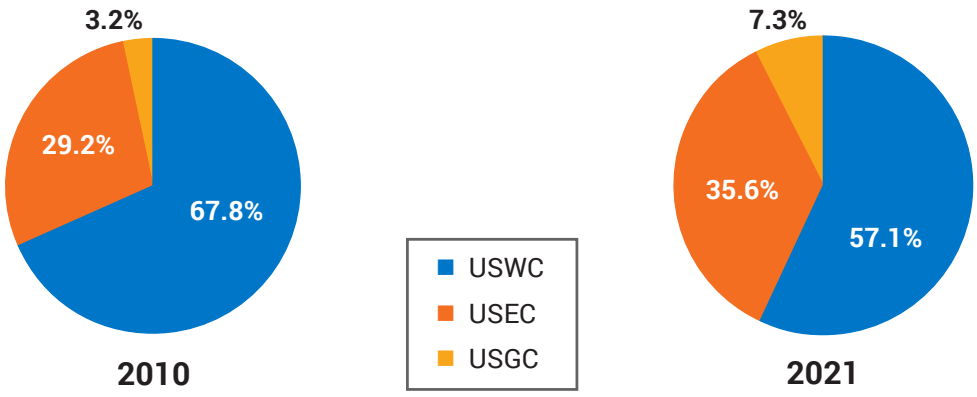
As CARB's website observes: *Vehicles emit inhalable particles from two major sources: the exhaust system, which has been extensively characterized and regulated; and non-exhaust sources including brake wear, tire and road wear, clutch wear and road dust resuspension. The non-exhaust sources have not been regulated because they are difficult to measure and control. However, with increasingly stringent standards for exhaust emissions, the non-exhaust fraction has become increasingly important. Model predictions (both MOVES and EMFAC) suggest that traffic-related emissions of both PM2.5 and PM10 will eventually be dominated by non-exhaust sources.*

Don't get us started on particulate emissions from brakes.

### Charting the Shift in Imports from East Asia

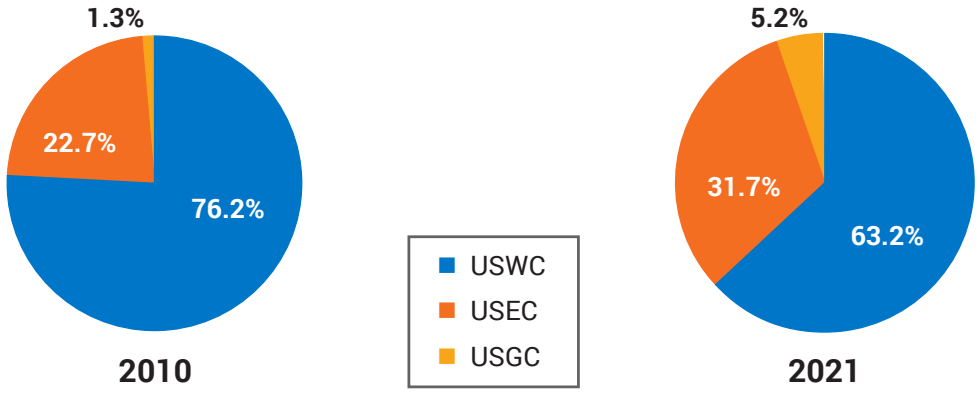
Any way you slice the pie, it's clear that more goods from East Asia are flowing to U.S. markets via ports on the East and Gulf Coasts. Here are a couple of pies that demonstrate the shifts in terms of tonnage (**Exhibit 6**) and the value of the containerized goods (**Exhibit 7**). What's perhaps interesting is that, while the U.S. West Coast ports' tonnage shares dropped 10.7% percentage points

**Exhibit 6** **Shifting Shares of Containerized Import Tonnage from East Asia**
Source: U.S. Commerce Department



## April 2022 TEU Numbers Continued

**Exhibit 7** **Shifting Shares of Containerized Import Value from East Asia**
Source: U.S. Commerce Department




between 2010 and 2021, their value share fell even faster by 13.0%.

So, what's at the bottom of this shift from West to East? To listen to some commentators, it's all about importers fleeing congestion at USWC ports or being fearful that the ILWU might again disrupt trade through Pacific Coast ports. No doubt, that's part of the story. But a much more fundamental factor can be found in a clue offered in this newsletter's Exhibit 2, which shows that containers bearing U.S. exports overwhelmingly originate in East and Gulf Coast ports.

Through April of this year, 64.4% of U.S. containerized export tonnage sailed from USEC and USGC ports. This is not a recent development. East and Gulf Coast ports have long generated the preponderance of America's containerized export trade. What this reflects, more than anything else, is the location of the bulk of the nation's goods-producing industries.

Although manufacturing employment in states like California and Washington has fallen sharply since 2000, manufacturing output has not declined in terms of the value of what's being produced. What's happened is that there has been a dramatic shift in the types of exportable goods being produced since the collapse of the dot. com boom two decades ago and the earlier contraction of the defense-related industry that had buoyed the economies of Southern California and the Seattle region.

The exportable goods now produced by West Coast manufacturers are less and less the kinds of things shipped by sea. Instead, they are now much more likely to be the sort of high-value, low-weight advanced technology items that are typically shipped by air. Through April of this year, for example, airborne exports from California, Oregon, and Washington State have totaled $115.36 billion as opposed to the $44.34 billion in exports from those states that were shipped overseas in containers. By comparison, airborne exports from states along the East and Gulf Coasts amounted to $89.32 billion, while containerized exports were valued at $50.17 billion.

So what?

Start by overlaying a map of where the nation's durable and non-durable goods manufacturing takes place and a map showing where most Americans reside.

Next blend in the billions of federal and state dollars that have been invested in developing East and Gulf Coast ports (investments scarcely matched along the West Coast).

Then open a wider set of locks through Panama.

What's the result? Seaborne trade is now increasingly able to go where it always wanted to go, namely to ports adjacent to centers of industry and population.

## Jock O'Connell's Commentary:

# Is Oakland really a baseball town?

With a key vote by the San Francisco Bay Conservation & Development Commission on the fate of Howard Terminal coming up on June 30, I thought someone should raise an impertinent question: Do the Oakland A's really want to stay in Oakland?

A's president Dave Kaval and the city's mayor both like to say that the A's are "Rooted in Oakland." Of course, the A's previously had roots elsewhere. As a charter member of Major League Baseball, the Athletics were rooted in Philadelphia from 1901 to 1955, when the franchise pulled up those roots and replanted itself in Kansas City. They stayed rooted there for just thirteen years, during which time they routinely traded their top players to wealthier clubs. (Sound familiar?) They then put down new roots in Alameda County.

Now, in the most recent manifestation of the team's itinerant DNA, the franchise's owner (a billionaire, don't you know) is threatening to replant the team's roots in the Nevada desert unless Oakland's City Council accedes to a list of demands involving a new stadium and a massive real estate development next door to the Port of Oakland.

Problem is that, as much as Oakland's mayor may feel passionately about keeping the A's in Oakland, A's rooters have been much less enthusiastic about the team. Specifically, and measurably, attendance at the team's home games hardly measures up to the overbearing rhetorical support the franchise gets from Bay Area sportscasters who, probably more than anyone else, have a vested interest in keeping the ballclub from moving to a less hospitable climate.

What's puzzling is why Oakland A's owner John Fisher wants to build a stadium on the Oakland waterfront that can accommodate 34,000 spectators when the team routinely draws crowds measured in four digits. Last year, for example, average attendance at whatever the Oakland-Alameda County Coliseum is called these days was just 8,767. Only the Miami Marlins suffered a higher level of fan indifference.

Total attendance at A's home games last year numbered 701,430. That's actually fewer than the 869,703 fans the old Philadelphia Athletics drew at Shibe Park in 1925. More people (726,639) showed up to watch the A's play in Kansas City's Municipal Stadium in 1967, the year before the team decamped for Oakland.

Through the A's first thirty-four home games, average homefield attendance has been 8,449. Let that sink in: Of the thirty Major League Baseball teams, the Oakland A's have drawn the fewest spectators. The biggest crowd so far this year came out on June 3 to see the A's host the Boston Red Sox. 17,852 spectators saw that game. Impressive? Not exactly. What's been Oakland's peak turnout this season was actually less than the *average* home attendance of twenty-two other MLB teams.

There are a couple of schools of thought explaining the team's pathetic attendance numbers. One is management's penchant for raising ticket prices after disappointing fans by trading away rising stars before the players are in a position to demand a salary commensurate with their talents.

The alternate explanation, the dodge favored by Fisher and Kaval, is that the Coliseum is a substandard relic that repels fans.

That blame-the-infrastructure excuse is sheer flimflam. Forget that the Coliseum is infinitely more accessible via freeway, BART, and even Amtrak than the proposed wrong-side-of-the-tracks waterfront facility Fisher and Kaval are pushing. Forget that their favored location does not offer the acres of supervised parking that the Coliseum features. Forget about tailgate parties before the game. Forget about a short walk to your seat.

But to listen to Kaval and his supporters, the Coliseum is just too old and antiquated to attract many fans. Clearly, that's why a team playing in a quirky 110-year-old ballpark in Boston -- with hundreds of seats offering views obstructed by the 26 support poles that hold up the upper deck -- drew 2.5 times as many fans per game last year as did the A's.

Maybe that's because Boston's a baseball town and Oakland isn't. Or, much more likely, it's because -- unlike the skinflint who owns the A's -- the proprietor of the Red Sox is willing to pay the price of putting a competitive team on the field.

For those keeping score at home, the A's now vie with the

## Commentary Continued

Baltimore Orioles for having the lowest payroll in baseball. They got there by stripping their lineup of its most promising players and slashing an already meager payroll. Not surprisingly, the team's 23-46 win-loss record is the very worst in Major League Baseball.

Seriously now, does anyone really think that a nifty new waterfront stadium will prompt Fisher and Kaval to give Oakland fans a team worth watching? Their proposed ballpark is simply a lure to get public approval of the massive real estate development that will surround it. Once it becomes evident that Fisher and Kaval are not going to invest in the ball club, fans will have little reason to risk crossing the tracks, and attendance will regress to current levels.

Let's be clear. A new ballpark is not about baseball or the interests of local fans. And it's definitely not in the interests of the neighboring Port of Oakland, an infinitely more vital economic asset than a sports franchise. Instead, it's about all those condominiums, hotel rooms, shops and restaurants that will earn a billionaire further billions. As for baseball, if the A's play more than five seasons in the waterfront stadium Fisher and Kaval want to build, it may only be because they sold the team.

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

# The Emerging Threat to Port Industrial Lands and Why You Should Care

**By Jordan Royer, Vice President, Pacific Merchant Shipping Association**

The challenges to the supply chain over the last two years are well documented – warehouses bursting at the seams, stacks of containers, rail car and chassis equipment shortages, ships at anchor. All of us have been impacted by it. It is out in the open.

But there is another challenge to the supply chain and the entire manufacturing and industrial economy: land use planning. Let me explain.

Photo courtesy of Northwest Seaport Alliance

While the language of land use planning can be dry and obtuse, it can also be wielded by powerful interests skilled at exploiting loopholes and funding political campaigns of those who will make decisions that dictate how a city will grow and what kind of jobs will be created and sustained – and on the flip side, what kind of jobs will go away. In Seattle and Tacoma, the jobs at risk are good paying, family wage jobs in the port industrial areas.

Under Washington State's Growth Management Act (GMA), ten manufacturing industrial centers (MICs) were created – two in Seattle, and one in Tacoma. These MIC zones in Seattle and Tacoma focus on port industrial and manufacturing activities while ensuring that incompatible uses are not allowed. While there are always overlays, loopholes, and exceptions, the protections have worked out fairly well.

Now however, there are new challenges on the horizon. In Seattle, there is a lot of interest in developing housing directly adjacent to Terminal 46, a container terminal that is now stacked with containers due to a congested supply chain. A process that was started with former Mayor

## The Emerging Threat Continued

Jenny Durkan, now being advanced by current Mayor Bruce Harrell involves a stakeholder group to study how to protect industrial lands. Stakeholders included port and industrial leaders and waterfront labor representatives all with a strong interest in protecting industrial jobs. It also includes developers and property owners who are making the argument that bringing in new housing can help relieve the region's housing price crunch, and that Seattle doesn't need as much industrial land as it once did. The example of industrial waterfront activities migrating from San Francisco to Oakland is often cited by those who believe industry would be better focused in Tacoma leaving Seattle to focus more on urban growth and entertainment.

The good news is that the Harrell administration seems genuinely interested in supporting the Port of Seattle, waterfront trade and jobs. The last two years have shown how important these activities are. The bad news is housing advocates will continue to make the case that Seattle shouldn't be focused on industrial jobs and that with the new light rail line going through the industrial areas, housing should be given a priority – threatening waterfront operations and jobs. Information about the process can be found here.

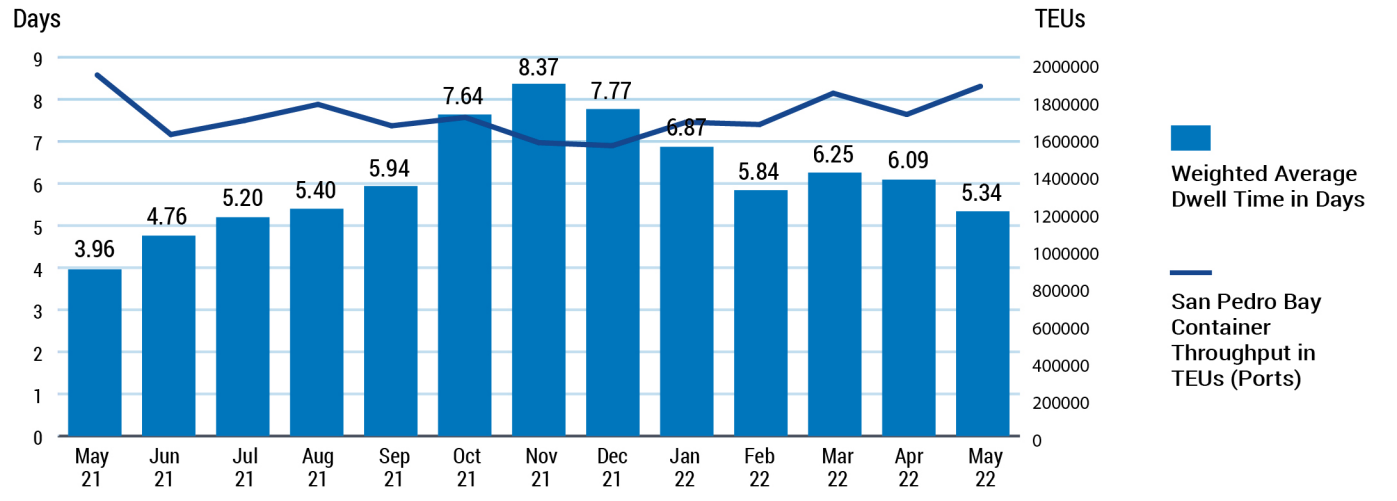
Meanwhile, Tacoma is going through a similar planning process where neighbors of the port, the Puyallup Tribe, and environmentalists are trying to limit business growth if connected to fossil fuels. There continues to be controversy over the liquefied natural gas (LNG) facility that has been built to supply cleaner fuel to ocean going vessels. The Subarea Plan, as it is called, has given advocates a tool to make it more difficult for businesses to operate, and although a push to require conditional use permits has been turned back, there will likely be other creative ways to make it harder to operate in the Tideflats MIC. Employees, businesses, and port leaders need to continue to engage in the planning process to make sure their voices are represented in the final product. Information on the Subarea Plan can be found here.

Seattle and Tacoma are growing cities. Planning documents used by elected officials need to be updated. Careful thought needs to be given to the kind of infrastructure that will be required to accommodate growth. But the bedrock industries that have operated at full strength over the last two years of the pandemic, providing needed products to our community, should be considered as well. These businesses cannot operate just anywhere. The State Legislature recognized this when they created the MICs under Growth Management. We need to make sure that local elected officials in Seattle and Tacoma recognize this as well, and we need to be present when land use language is developed to make sure maritime and manufacturing businesses can continue to grow and thrive.

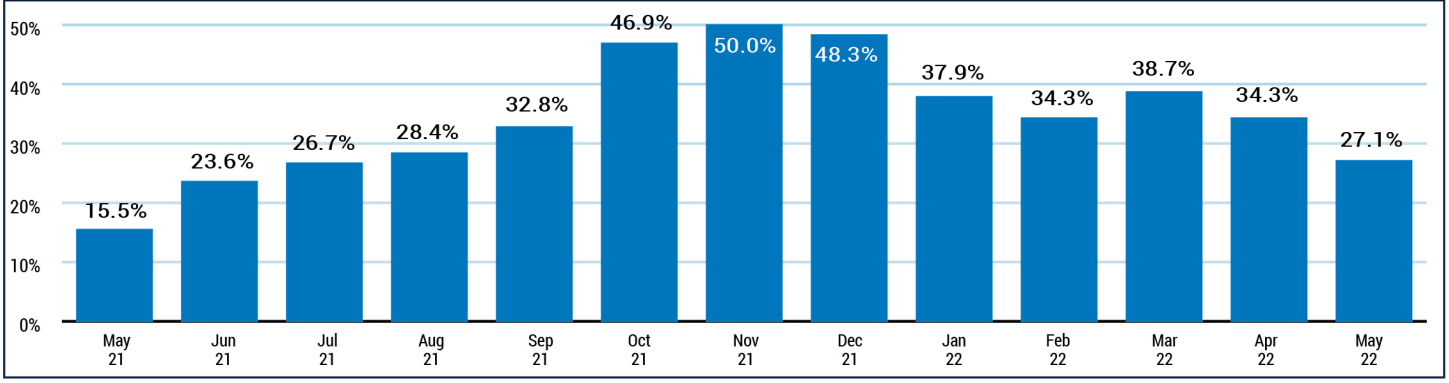

**Interested in membership in PMSA?**
Contact Laura Germany for details at: lgermany@pmsaship.com or 510-987-5000.

# Import Dwell Time Is Down For May While Rail Dwell Time Is Up

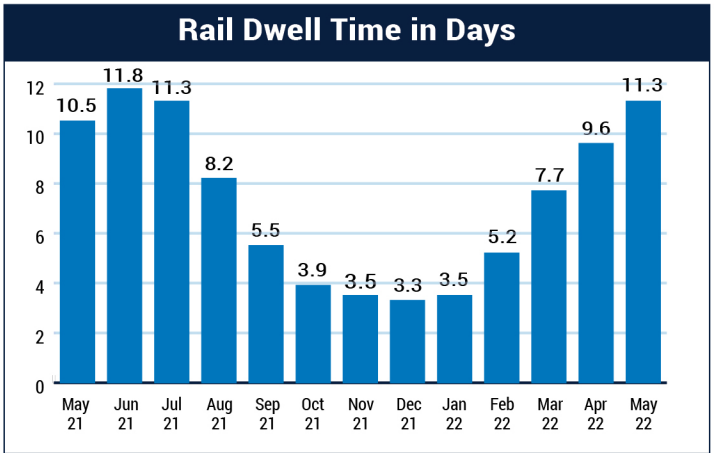
## San Pedro Bay Weighted Average Inbound Laden Container Dwell Time in Days



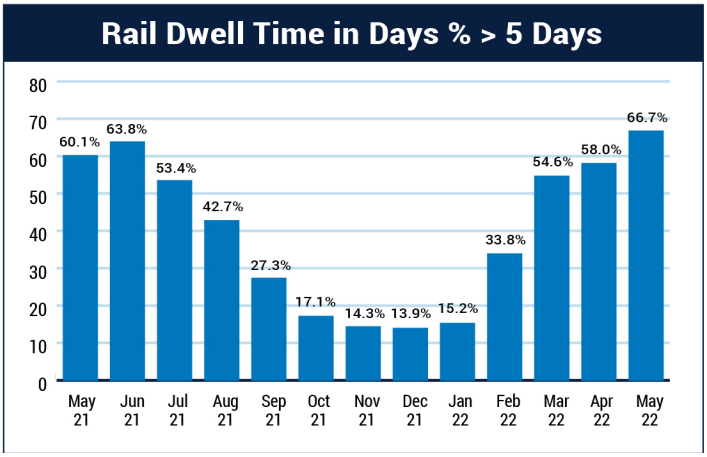

## Dwell Time in Days % > 5 Days




## Rail Dwell Time in Days




## Rail Dwell Time in Days % > 5 Days

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