

December 2020

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A First Glimpse at November's TEU Counts

Note: The ports we survey take anywhere from a few days to a few weeks to report their container trade statistics. The Port of Oakland is normally the first to post these numbers, while the Port of New York/New Jersey is nearly always the last. Because West Coast ports are generally much quicker in releasing their monthly TEU tallies than their rival ports elsewhere in the country, these "First Glimpse" numbers are necessarily incomplete and may give a misleading indication of the latest trends.

Word from those unfailingly reliable folks down at the Chinese Customs office has it that China's exports to the United States jumped to \$51.9 billion in November, a year-over-year gain of 46%. (No word, though, of whether those numbers include Chinese goods shipped to the USA from other countries.) China has accounted for 18.3% of all U.S. imports through the first ten months of this year and since just under sixty percent of the \$348.72 billion in Chinese goods that the U.S. imported during those months arrived in shipping containers, we should expect to see November's inbound laden TEU counts at America's seaports to show major year-over-year increases over what was a fairly average November of last year.

That is certainly the expectation of the National Retail Federation's Global Port Tracker, which predicted in a December 9 press release that November would see container import traffic increase by 22.4% over the same month in 2019. Similarly, PIERS, the box-counting outfit affiliated with the venerable and esteemed Journal of Commerce, has predicted that U.S. ports will record a 27.2% year-over-year bump in loaded import TEUs from Asia in November.

Several ports have already announced their November container tallies. At the nation's premier maritime trade complex, the Ports of Los Angeles and Long Beach in Southern California's San Pedro Bay have reported a combined 27.5% jump in inbound loaded TEUs, while the Northwest Seaport Alliance ports (Seattle and Tacoma)

enjoyed a 23.3% leap in laden import TEUs. Only the often idiosyncratic Port of Oakland failed to see a significant year-over-year rise in inbound loads. Its 0.9% increase fell just short of single digits. Still, the big five U.S. West Coast ports did see a combined 24.6% gain in inbound loads over November of last year.

The two ports in British Columbia went different ways, at least statistically, in November. Inbound loads vaulted at Vancouver by a 34.9% margin but fell by 11.9% at Prince Rupert, leaving the two with a combined 17.4% year-over-year increase.

Back on the East Coast, the Port of New York/New Jersey rang up a... Frankly, we probably won't know how many TEUs – whether loaded or empty, inbound or outbound – PNYNJ handled in November until sometime next year, maybe by Groundhog Day. However, we do know that Savannah (+34.9%), Virginia (+21.1%), and Charleston (+12.8%) all have reported strong year-over-year gains in this year's penultimate month. The same was true of Houston, which reported a 20.7% increase in inbound loaded TEUs over last November.

Although inbound container loads are way up from a year ago, they were down approximately 5% from October. Indeed, only Savannah and the NWSA ports did not see import volumes slide lower from October to November.



Photo courtesy of The Northwest Seaport Alliance



Parsing the October 2020 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.

October 2020 Import Traffic

Inbound loads through the five major U.S. West Coast ports saw a 21.0% (+102,462 TEUs) year-over-year jump in October. Altogether, the five maritime gateways handled 1,110,345 inbound loaded TEUs, up 1.5% from the 1,093,808 inbound loads the same ports handled in September. Leading the pack was the Port of Los Angeles with a 29.0% leap, followed by a 19.4% increase at the Port of Long Beach. Together, the two San Pedro Bay ports handled 24.6% more inbound loads than they had a year earlier. Up in the San Francisco Bay Area, the Port of Oakland posted a more modest but still very respectable 10.4% (+8,172 TEUs) year-over-year gain in inbound loads. Up in the Pacific Northwest, the Ports of Seattle and Tacoma, operating jointly as the Northwest Seaport Alliance reported a 4.7% bump in inbound (+5,100 loaded TEUs) traffic.

Across the border in British Columbia, Vancouver posted an astonishing 41.9% (+57,081 TEUs) surge in inbound loads, while Prince Rupert saw a 17.3% (+9,963 TEUs) in inbound loads.

Along the storm-lashed Gulf Coast, the Port of Houston and the Port of New Orleans both posted year-over-year

Exhibit 1	October 2020 - Inbound Loaded TEUs at Selected Ports					
	Oct 2020	Oct 2019	% Change	Oct 2020 YTD	Oct 2019 YTD	% Change
Los Angeles	506,613	392,769	29.0%	3,901,356	3,969,407	-1.7%
Long Beach	402,408	337,062	19.4%	3,209,591	3,141,920	2.2%
San Pedro Bay Totals	909,021	729,831	24.6%	7,110,947	7,111,327	-0.01%
Oakland	86,755	78,583	10.4%	827,719	816,550	1.4%
NWSA	114,569	109,469	4.7%	1,014,198	1,168,450	-13.2%
USWC Totals	1,110,345	917,883	21.0%	8,952,864	9,096,327	-1.6%
Boston	11,653	15,091	-22.8%	114,523	126,658	-9.6%
NYNJ	n/a	n/a	n/a	n/a	n/a	n/a
Maryland	51,653	44,150	17.0%	431,143	443,907	-2.9%
Virginia	131,770	124,142	6.1%	1,068,544	1,159,263	-7.8%
South Carolina	96,563	95,302	1.3%	846,068	901,750	-6.2%
Georgia	233,215	199,483	16.9%	1,847,392	1,872,669	-1.3%
Jaxport	31,229	30,893	1.1%	262,703	297,993	-11.8%
Port Everglades	26,882	23,304	15.4%	245,787	263,095	-6.6%
Miami	46,378	41,628	11.4%	350,423	367,830	-4.7%
USEC Totals*	629,343	573,993	9.6%	5,166,583	5,433,165	-4.9%
New Orleans	11,526	11,250	2.5%	115,494	115,315	0.2%
Houston	135,175	110,545	22.3%	1,045,454	1,043,022	0.2%
USGC Totals	146,701	121,795	20.4%	1,160,948	1,158,337	0.2%
Vancouver	193,219	136,138	41.9%	1,467,681	1,444,922	1.6%
Prince Rupert	67,607	57,644	17.3%	533,162	558,722	-4.6%
BC Totals	260,826	193,782	34.6%	2,000,843	2,003,644	-0.1%
US/BC Totals	n/a	n/a	n/a	n/a	n/a	n/a
US Total	n/a	n/a	n/a	n/a	n/a	n/a
USWC/BC	1,371,171	1,111,665	23.3%	10,953,707	11,099,971	-1.3%

Source Individual Ports

* Indicates absence of data for PNYNJ.

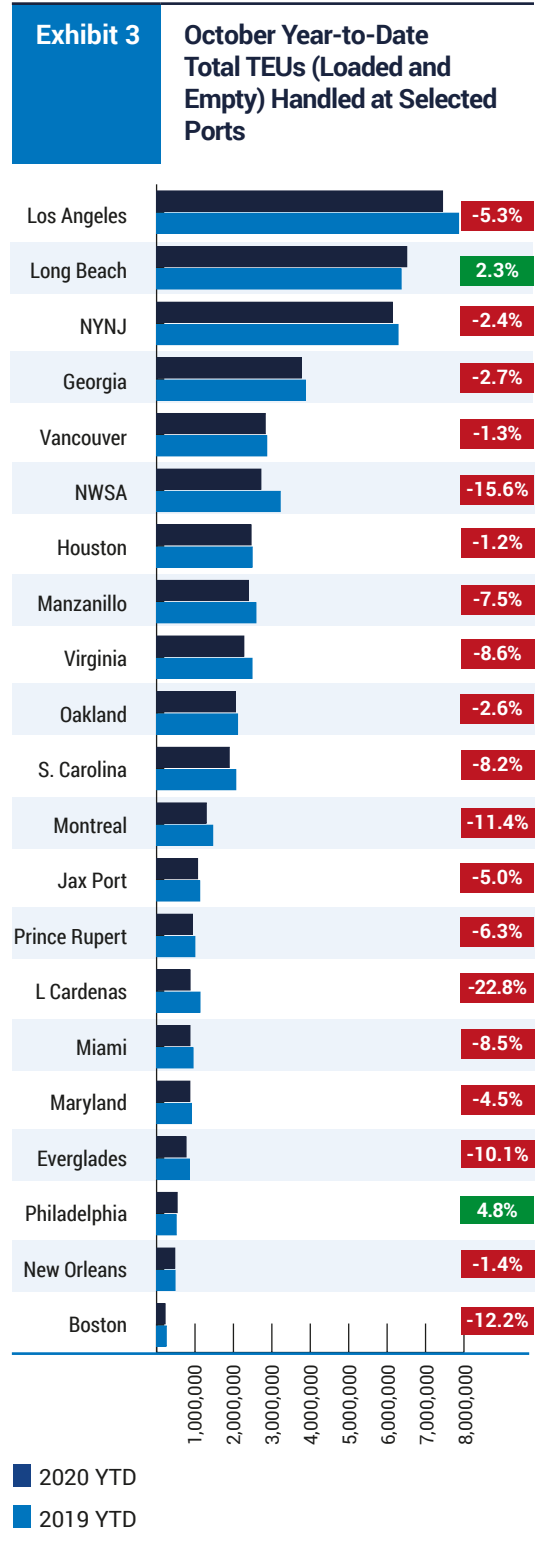


Parsing the October 2020 TEU Numbers Continued

	October 2020 - Outbound Loaded TEUs at Selected Ports			October Year-to-Date Total TEUs (Loaded and Empty) Handled at Selected Ports		
	Oct 2020	Oct 2019	% Change	Oct 2020 YTD	Oct 2019 YTD	% Change
Los Angeles	143,936	140,332	2.6%	1,280,226	1,487,405	-13.9%
Long Beach	114,679	131,635	-12.9%	1,226,232	1,223,702	0.2%
San Pedro Bay Totals	258,615	271,967	-4.9%	2,506,458	2,711,107	-7.5%
Oakland	86,942	87,393	-0.5%	772,713	774,596	-0.2%
NWSA	64,282	79,321	-19.0%	654,026	763,876	-14.4%
USWC Totals	409,839	438,681	-6.6%	3,933,197	4,249,579	-7.4%
Boston	8,047	7,999	0.6%	65,624	69,728	-5.9%
NYNJ	n/a	n/a	n/a	n/a	n/a	n/a
Maryland	23,438	20,134	16.4%	182,322	194,846	-6.4%
Virginia	83,705	83,557	0.2%	768,982	810,597	-5.1%
South Carolina	69,093	69,952	-1.2%	643,125	692,228	-7.1%
Georgia	117,148	127,971	-8.5%	1,195,740	1,239,923	-3.6%
Jaxport	50,594	44,848	12.8%	423,584	414,696	2.1%
Port Everglades	33,368	38,158	-12.6%	279,800	355,763	-21.4%
Miami	27,573	37,507	-26.5%	290,583	345,658	-15.9%
USEC Totals*	412,966	430,126	-4.0%	3,849,760	4,123,439	-6.6%
New Orleans	23,449	26,358	-11.0%	233,082	251,607	-7.4%
Houston	97,185	109,362	-11.1%	1,021,250	1,048,021	-2.6%
USGC Totals	120,634	135,720	-11.1%	1,254,332	1,299,628	-3.5%
Vancouver	89,333	87,362	2.3%	872,815	943,375	-7.5%
Prince Rupert	15,322	13,917	10.1%	161,930	159,474	1.5%
British Columbia Totals	104,655	101,279	3.3%	1,034,745	1,102,849	-6.2%
US/Canada Total	n/a	n/a	n/a	n/a	n/a	n/a
US Total	n/a	n/a	n/a	n/a	n/a	n/a
USWC/BC	514,494	539,960	-4.7%	4,967,942	5,352,428	-7.2%

Source: Individual Ports

* Indicates absence of data for PNYNJ.



Source: Individual Ports



Parsing the October 2020 TEU Numbers *Continued*

Exhibit 4 USWC Ports Shares of Worldwide U.S. Mainland, October 2020

	Oct 2020	Sep 2020	Oct 2019
Shares of U.S. Mainland Ports Containerized Import Tonnage			
LA/LB	29.2%	29.7%	26.8%
Oakland	3.5%	3.9%	3.7%
NWSA	4.5%	4.5%	5.0%
Shares of U.S. Mainland Ports Containerized Import Value			
LA/LB	36.1%	37.5%	34.4%
Oakland	3.3%	3.6%	3.5%
NWSA	6.2%	5.9%	6.5%
Shares of U.S. Mainland Containerized Export Tonnage			
LA/LB	21.4%	22.2%	21.2%
Oakland	7.1%	6.9%	6.5%
NWSA	7.6%	7.1%	8.1%
Shares of U.S. Mainland Containerized Export Value			
LA/LB	20.6%	20.4%	20.2%
Oakland	8.3%	7.3%	7.4%
NWSA	4.5%	4.0%	4.5%

Source: U.S. Commerce Department.

gains in inbound loads. Houston's inbound traffic was up 22.3% (+24,630 TEUs), while New Orleans eked out a 2.5% increase (+276 TEUs).

Overall, excepting the missing October data from PNYNJ, the other eight Atlantic Coast ports we monitor saw their inbound loads in October increase by 9.6% (+55,350 TEUs) from last year, with the Port of Savannah seeing the briskest year-over-year growth. Savannah grew its inbound trade by 33,732 laden TEUs (+16.9%). Maryland (+7,503 TEUs) and Virginia (+7,628 TEUs) also saw substantial gains in sheer numbers of containers, while Port Everglades (+15.4%) and Miami (+11.4%) posted strong percentage increases. Among all U.S. ports in October, only Boston faltered (-22.8% or -3,438 TEUs).

Exhibit 5 USWC Ports Shares of U.S. Mainland Trade With East Asia, October 2020

	Oct 2020	Sep 2020	Oct 2019
Shares of U.S. Mainland Ports' East Asian Container Import Tonnage			
LA/LB	45.9%	47.6%	42.4%
Oakland	3.8%	4.3%	4.4%
NWSA	6.7%	6.2%	7.4%
Shares of U.S. Mainland Ports' East Asian Container Import Value			
LA/LB	51.7%	53.9%	50.0%
Oakland	3.9%	4.3%	4.1%
NWSA	8.7%	8.1%	9.4%
Shares of U.S. Mainland Ports' East Asian Container Export Tonnage			
LA/LB	35.6%	35.1%	35.9%
Oakland	8.7%	8.9%	9.2%
NWSA	12.1%	10.5%	13.4%
Shares of U.S. Mainland Ports' East Asian Container Export Value			
LA/LB	40.1%	39.0%	41.5%
Oakland	12.4%	11.6%	11.8%
NWSA	8.6%	7.6%	9.0%

Source: U.S. Commerce Department.

October 2020 Outbound Traffic

Containerized exports have been weak pretty much all year, and October was no exception. Among the U.S. ports we track, only Los Angeles (+2.6%), Maryland (16.4%), Jaxport (+12.8%), Virginia (+0.2%), and Boston (+0.6%) posted year-over-year gains. Both Vancouver (2.3%) and Prince Rupert (+10.1%) in British Columbia recorded higher export totals this October than last.

Owing to a 12.9% drop in outbound loads at Long Beach in October, export loads through the two San Pedro Bay ports were down by 4.9% (-13,352 TEUs) from last October. Oakland recorded a 0.5% drop, but export loads through the NWSA ports plummeted by 19.0%. In total, outbound loads through the five major USWC ports were down by 6.6% (-28,482 TEUs) from a year earlier.



Parsing the October TEU Numbers *Continued*

Along the hurricane-plagued Gulf Coast, New Orleans (-11.0%) and Houston (-11.1%) reported year-over-year declines in outbound loads.

Exhibit 4: USWC Ports and the Worldwide Container Trade. Exhibit 4 features some unsurprising numbers on containerized imports (regardless of point of origin) entering mainland U.S. ports. The two San Pedro Bay ports saw their combined percentage of containerized import tonnage in October slip to 29.2% from 29.7% in September while also remaining well above their 26.8% share in October 2019. Those numbers were mirrored by the two ports' combined share of the value of the nation's containerized import trade, with a 36.1% share in October down from a 37.5% share in September and well ahead of their 34.4% share of last October. Meanwhile, the Port of Oakland's October share of import tonnage declined to 3.5% from 3.9% in September and from 3.7% a year ago. Oakland's share of import value also edged lower in October to 3.3% from 3.6% in September and from its 3.5% share last October. Further north, the two NWSA ports saw their combined 4.5% share of import tonnage in October remain on a par with September but fall 5.0% from a year earlier. In value terms, the NWSA ports' import share improved to 6.2% from 5.9% in September but still fall below their 6.5% share in October 2019.

On the export side, the Southern California ports gained market share over October 2019 in terms of both tonnage and value. Oakland likewise gained market share in both categories year-over-year. More mixed were the October to October comparisons at the NWSA ports, which saw their combined share of U.S. containerized export tonnage fall even as their value share remained unchanged.

Over the latest three-month period (August-October), containerized imports from East Asia through the San Pedro Bay ports rose 20.0% in tonnage terms but only 12.2% in dollar value.

Exhibit 5: USWC Ports and the East Asia Trade. The numbers on containerized imports arriving at U.S. mainland ports from East Asia in October reflected shippers' migration to a more diversified import strategy. The Ports of Los Angeles and Long Beach saw their combined share of the nation's containerized import tonnage from East Asia slip to 45.9% in October from 47.6% in September. Still, the two ports' combined share

of East Asian imports was up from 42.4% last October. The two Southern California gateways also sustained a modest month-to-month decline to 51.7% from 53.9% in their joint share of the declared value of those imports. Nonetheless, their combined share was up from 50.0% in October 2019. Elsewhere along the coast, Oakland's 3.8% share of containerized import tonnage from East Asia was down both from 4.3% a month earlier and from 4.4% last October. Oakland's 3.9% value share was also off from September and from October 2019. Meanwhile, the two NWSA ports' 6.7% share of import tonnage was an improvement over September but below last October's 7.4% share. And, although the NWSA ports' collective share of the value of containerized imports from East Asia did edge up to 8.7% from September, October's share remained significantly below the 9.4% share the ports held a year earlier.

The USWC ports' share of containerized export tonnage to East Asia increased from September to October in San Pedro Bay and at the NWSA ports but not at Oakland. Interestingly, though, export value shares increased from September to October at all three gateways. Still, on a year-over-year basis, export tonnage shares fell at all major USWC ports, while export value shares declined at LA/Long Beach and Seattle/Tacoma but improved at Oakland.

Soybeans

Owing to a sharp increase in shipments to China, there was definitely a surge in U.S. soybean exports in October, up 49.2% from 7.38 million metric tons in September to 11.01 million metric tons in October, a volume just over twice the volume shipped abroad in the same month a year earlier. 75.9% of the soybean export tonnage this October was destined for China.

Kalama, the port on the Washington State side of the Columbia River, handled 13.3% of the total export tonnage, with the Northwest Seaport Alliance Ports of Tacoma and Seattle accounted for another 10.7%. Two other Washington State ports, Longview (6.7%) and Vancouver (3.0%) figured prominently in the trade, while Oregon's Portland wrangled a 0.6% share of the nation's soybean exports in October. Altogether, U.S. ports in the Pacific Northwest garnered 34.3% of the nation's soybean export tonnage that month.



Parsing the October TEU Numbers *Continued*

Additionally, the Ports of Los Angeles and Long Beach earned a 2.7% share by virtue of their commanding 45.9% share of the nation's containerized exports of soybeans. Typically, only around ten percent of America's soybeans are shipped abroad in containers.

Who's #1?

The Port of Los Angeles was the nation's busiest container port in October with total traffic (loaded + empty) amounting to 980,729 TEUs. The Port of Long Beach ran second with 806,603 TEUs, while the Port of New York/New Jersey (PNYNJ) placed far behind in third place with 755,437 TEUs. (Trailing far behind was Savannah with 464,805 TEUs.)

For those who believe empty boxes shouldn't count, we can't give you an answer right now because PNYNJ hasn't yet (December 18) said how many loaded TEUs it handled two months ago. Let the record state that Los Angeles handled 650,549 loaded TEUs as opposed to 517,087 laden TEUs at Long Beach.

The YTD totals (loads + empties) for the first ten months of the year showed Los Angeles in the lead with 7,444,464 TEUs. Long Beach with 6,513,908 TEUs bested PNYNJ's total of 6,137,859 TEUs. Strictly in terms of loads, LA has handled 5,181,580 laden TEUs through October, with 4,435,823 loaded TEUs crossing the docks at the presumably second-place Long Beach. We'll update readers on the PNYNJ number not in a New York Minute but rather in the fullness of time, at the end of the day, when the cows come home.

Portland's Comeback

Oregon's premier port has been staging a return to the container trades. Through the first three-quarters of this year, the Port of Portland handled a total of 36,533 TEUs. That hardly puts the Columbia River port in the major leagues of containerized trade, but it does represent

considerable progress over the 26 TEUs the port handled in all of last year. Up until the Great Recession, Portland was routinely handling a quarter of a million TEUs annually. Its best year, container-wise, came in 2003 when 339,571 TEUs crossed its docks. Given the maritime industry's growing reliance on mega-ships to transport containers, it is unlikely Portland will see those historic volumes return. Still, there are probably a lot of shippers in the Northwest who are happy to have some measure of containerized trade being restored.

The Costs of Doing Business in California

Trucks moving all those containers in and out of ports eat up a lot of fuel. According to our friends at the California Center for Jobs & the Economy, the November average price per gallon of diesel in California was \$3.35. That means that truckers in California cough up (admittedly not the best expression to use during a pandemic) 43.6% more per gallon than the \$2.33 forked over by truckers moving containers at ports elsewhere in the country.

That's not the only measure of California's exceptionalism. The average commercial price for electricity in the 12 months ended September 2020 was 74.4% higher in the Golden State than the US average of the other 49 states. In fact, California's commercial prices were the 3rd highest in the nation, and the highest among the contiguous states. Only Alaska and Hawaii had higher commercial electricity prices.

If you think electricity prices for commercial users are ridiculously high in California, consider that the average price paid by industrial users in the same period was 126.6% higher than the average for all states other than California.

We can't help but think these fuel prices have a bearing on the competitiveness of the Golden State's ports.



Jock O'Connell's Commentary: The Iceman Saileth

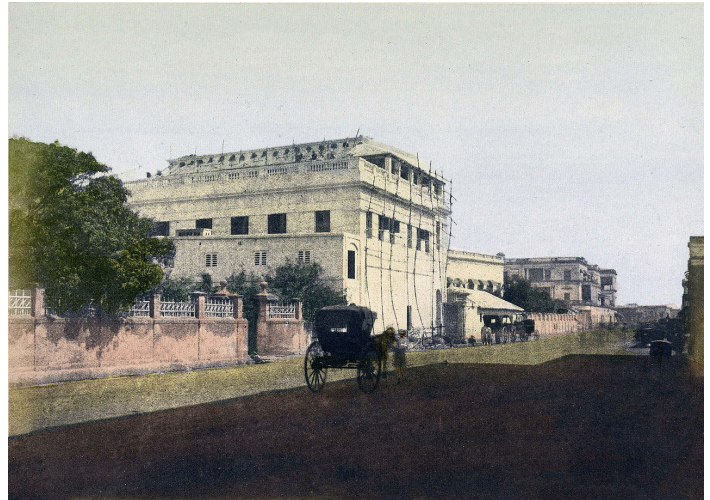
It's December, normally the month of festive holidays and joyful gatherings. Even if life is far from normal these days, I thought I should keep in the spirit of the occasion by offering a commentary that is unlikely to offend even the most obstreperous or innumerate among us. So bear with me while I borrow from Gavin Weightman's *The Frozen Water Trade* to share a tale of logistical audacity that makes even the boldest exploits of today's shippers look timid.

Imagine, for a moment or two, that you're a senior official with the British East India Company in Calcutta (now Kolkata). It is September 1833, and it is not just hot and muggy it's very hot and muggy. And for some perverse reason of national pride or a horribly misguided sense of racial superiority, you're saddled with a corporate dress code that obliges you dress yourself in wool all the way up to the starched collar that's all but strangling you. Your stiff upper lip naturally glistens with perspiration. But that's the way it is, old boy.

In May of that year, Daniel Wilson, Calcutta's Lord Bishop, had written to his family in England: "The weather is perfectly suffocating. None can pity us but those who know our sufferings. The mind, body, functions, tempers, words, and feelings are all morbidly affected...a constant heat which unnerves, depresses, annihilates the European mind and energies."

But life is about to improve, at least for some with connections or money.

With the steadily rising temperature keeping pace with the level of humidity on the first Thursday of that September 187 years ago, a sailing ship some seventy miles down the circuitous Hooghly River stops to take on an East India Company pilot. She is the brig *Tuscany*, an American vessel under the command of Captain Clement Littlefield of Kennebunkport. Over the next days, the local press – notably, the *Calcutta Courier* and the *India Gazette* – anxiously reports news of her slow progress upriver until she arrives at the Calcutta docks eight days later to much celebration. So eager were British authorities to expedite the offloading of the ship's cargo that they waived all



A painting of the Ice House in Calcutta

import duties and suspended a prohibition against discharging freight at night.

Why the big fuss?

The East India Company, a private enterprise that effectively ruled much of the Indian subcontinent and commanded an army twice the size of Britain's, had transformed Calcutta into a major trading entrepôt. Vessels from around the world routinely called there to trade in an astonishing array of goods. So what was so special about this one ship?

Simple. This was decades before mechanical refrigeration, and *Tuscany* was carrying a most improbable cargo – blocks of ice harvested earlier in the year from a frozen lake not far from Salem, Massachusetts.

The ship had sailed from Boston on May 12 with approximately 160 tons of ice in blocks carefully stowed in her hold. Despite sailing through the warmest of climates, some two-thirds of the cargo survived to be offloaded more than 12,000 nautical miles away in Calcutta. As described by the *Calcutta Courier*: "These blocks are beautifully transparent and of great size, some of them nearly a foot thick (Boston winters must be very severe)."



Commentary *Continued*

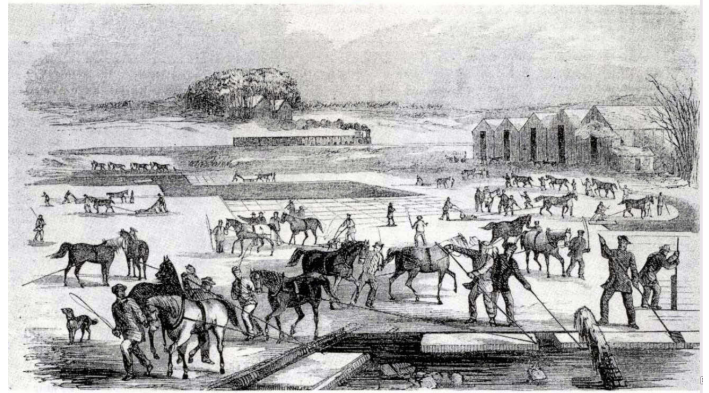
So at the end of a day spent running an empire, you leave your office that autumn of 1833 to stroll across to your private club to seek relief from the climate. You ask the barman for a gin and quinine. For medicinal purposes, of course. Malaria, after all, lurks at every corner. But now your drink arrives, complete with a sliver or two of ice. From Boston. It was magical, certainly one of the most outlandish accomplishments of 19th century logistics.

A committee was soon formed to build a suitable icehouse. Unlike those wooden ones that lined lakes and streams throughout northern states of America, the Calcutta icehouse would be a stone palace where the British would preserve future shipments of New England ice.

In the estimation of the editors of the Calcutta Courier: "The first transport of Ice, from the shores of the United States to the banks of the Ganges, is an event of no mean importance; and the names of those who planned and effectively carried through the adventure at their own cost, deserve to be handed down to posterity with the names of other benefactors of humanity."

The venture was spawned by the genius (perhaps madness) and daring of one Frederic Tudor, described in a contemporary account as a "diminutive, pig-headed Bostonian who devoted most of his working life to supplying ice to the tropics." Before wagering on a shipment of ice from Boston to distant India, Tudor had already established a lucrative trade supplying New England ice to customers in Havana, New Orleans, Charleston, Savannah, and New York City, by far the largest single market Tudor's ships served. As for that initial supply of ice to India, it lasted until December and netted Tudor some \$3,300.

New England's ice trade with India (which eventually came to include Bombay and Madras) continued for nearly fifty years until new technologies in refrigeration and electricity made it obsolete. But the business of slicing up the surface ice on lakes and rivers in the Northeast persisted well into the 20th century. In an ominous foreshadowing of a more contemporary development, gradually milder winters drove ice harvesters from the lakes and ponds of Massachusetts and New York to frozen bodies of water further north.



Ice Harvesting in Massachusetts in the early 1850s

By the end of the 19th century, Maine's Kennebec River had become the industry's mother lode, supplying ice to customers around the world while providing wintertime employment to thousands of otherwise idle farmhands and fishermen. According to some estimates, the ice harvest in 19th century Maine proved more valuable than all the gold the 49ers found in California.

In time, household ice boxes in America were replaced by electric refrigerators. Having written that sentence, I'm prompted to wonder how many readers not of a certain age have any idea of what an icebox was or what it looked like. Well, children, it was that insulated box that *Honeymooners* Ralph and Alice Kramden had in their kitchen and which old Mrs. Kowalski had in her third floor walk-up across the street from our house back in the 1950s. Every few days, the ice man would drive up in his truck to replenish her ice box with a twelve-inch cube he would hoist onto a rubber mat flung over his shoulder. If he was so inclined, he might even use a pick to chip off a couple of shards of cold, crystal clear ice for the neighborhood street urchins, who were as thrilled by the ice on a hot summer day as were the British residents of Calcutta over a century earlier.

Best wishes to all for your respective holidays and for a happy, healthy, and prosperous 2021.

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



Happy New Year

By John McLaurin, President, Pacific Merchant Shipping Association

It has been a tough year. COVID-19 has impacted and disrupted everyone around the world. Millions have died. And while the hope of vaccines is just now being realized, infections will continue to grow exponentially for several more months.

In addition to the impacts of COVID-19 from a health standpoint, the disease has also negatively affected businesses – leaving millions without jobs, without shelter, without food. It has exposed weaknesses in our healthcare system and our safety networks. Food insecurity, a nice phrase for hunger, has spread across the country with equal speed and ease as has the virus.

In the United States, we also witnessed a divisive election, and a post-election reaction from the President that borders on bizarre and surreal. The very concept of democracy has often been questioned and at times seemed in doubt. We also suffer from a Congress that is impotent, more concerned about maintaining individual power than with solving problems – especially ones of a humanitarian nature.

On top of all that, it seemed that this year personal loss and tragedies were occurring more frequently. We lost some folks in our industry this year who had fought cancer for years, teaching us important lessons about grace while undergoing countless surgeries and treatments, and we suddenly lost others who simply were out walking their dog.

But there is hope. The season of Christmas, Hanukkah and the start of a New Year are upon us. A time for reflection and optimism.

A COVID-19 vaccine is now being distributed. More vaccines are on the way. Our health care workers and first responders have taught all of us the meaning of words like courage, dedication, public service, perseverance –

and most importantly love. We owe them much, if not our very survival.

From an industry standpoint, it has been a seesaw year – plunging volumes followed by record imports. The surge in volume has brought its own challenges. I would argue the biggest challenge is found in ourselves – in the constant finger-pointing, that it is always the other person's fault. Like our national politics, anecdotal stories told by those who shout the loudest draw the most attention, offering little in the way realistic solutions.

Our challenge for 2021 will be for everyone to take a hard look in the mirror, accept responsibility for one's own actions and work to bring about change. But it will also require everyone to be willing to change, perhaps of a transformative nature, and not simply demand that it's somebody else's fault or responsibility.

Record amounts of cargo has been moved and compressed in the final months of this year. All of this is happening in the middle of a pandemic, where people's lives are at risk for simply showing up for work – something conveniently or selfishly ignored by some.

The entire supply chain is at capacity. Utilization is at 100%. There are no more containers available to stuff; no more ships available to sail or space to load them; no more room on marine terminals; no more chassis to use; no more warehouses to deliver. We can't violate the laws of physics and create more space. This isn't a complaint, it's simply a fact. It isn't a problem, it's a challenge. But the challenge is not in the volume of cargo, it is within all of us to ask whether we can honestly develop real solutions that work for all. If not, we are just shouting at the rain.

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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Dwell Time Is Slightly Up for November

