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In Case You Missed It: A Year to Be Proud

By Thomas Jelenić, Vice President, Pacific Merchant Shipping Association

Over the last few months, there has been a number of articles and commentary on the state of congestion in the Southern California ports. Much of the discussion has focused on the deluge of pandemic cargo arriving at the ports of Los Angeles and Long Beach. With upwards of 30 container vessels at anchorage this winter, the delays being experienced along the entire supply chain have been cause for consternation by cargo owners and pontification by pundits. In fact, most of the discussion has missed the point. No other gateway in North America could have moved 17.3 million TEU in the face of a pandemic. The year 2020 should be remembered as a year where nearly everything went wrong, yet cargo is still flowing.

First, let us start with the strangeness caused by the pandemic. Everyone understands that there were record cargo volumes in 2020, but many do not understand that 2020 was not a record year for San Pedro Bay. That distinction is still marked by 2018 when cargo volumes exceeded the 2006 peak by 11%. The year 2020 was also remarkable for spring's severe decline of cargo volumes and the late year surge that followed as retailers and manufacturers attempted to simultaneously re-stock shelves, respond to the pandemic-induced on-line shift in shopping patterns, and prepare for the holiday season. The severity of the crash and the swiftness of the rebound was incredible. From the low in March, cargo volumes grew by 85% to its monthly high in October. While the ports experience cargo volume seasonality every year, there has never been a year where volumes have fluctuated so dramatically. Looking back to 2017, 2018, and 2019, the difference between the lowest month and the highest month was much lower: 37%, 44%, and 27%, respectively. Without doubt, the pandemic caused chaos with the timing and flow of cargo volumes. The real surprise is that cargo flow did not grind to a halt.

The fact that cargo flow did not stop was not an accident. From the beginning of the pandemic, the ports took immediate action to keep both cargo owners informed while advocating to public officials on both the importance and the needs of the waterfront. Marine terminals and labor modified work schedules to ensure proper sanitization procedures could be put in place and took steps to minimize the risk of the pandemic on the waterfront. After responding to the crisis by shrinking capacity, ocean carriers expanded capacity to meet the unexpectedly quick return of cargo demand.

While most headlines and trade journals focused on congestion and remarked on what had gone wrong, few focused on the amazing feat of what was being achieved. In fact,

nothing had gone wrong in the ports. Rather, the entire supply chain was suffering under the pandemic. Through regular communication by port stakeholders, flexibility between labor and terminals, and simply hard work, the supply chain never buckled.

We should take a moment to appreciate and be thankful for the work put in by everyone on the waterfront. From the ocean carriers to the marine terminal operators to the ports of Los Angeles and Long Beach to the ILWU, cargo flowed all year. Our colleagues, especially the members of ILWU, have worked under the risk of the pandemic. Some have become sick; too many have died. In a year of crisis, the men and women on the waterfront ensured that the goods to protect us during a pandemic and keep our economy functioning were always available.

The impacts to the supply chain have been real, but there will be plenty of time to examine what could have been done to further mitigate the impact of the pandemic. Many stakeholders will be looking for fault for years to come and while some trade journals will question the reliability of Southern California's ports pointing back for the next decade to the year the supply chain "buckled" in the ports. In fact, no other gateway could have achieved what the ports of Long Beach and Los Angeles have achieved in a year of adversity. The ports of Los Angeles and Long Beach met the needs of the trade community, the local community, and the nation.

Thank you.



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