



MARCH 2024

Nearly Complete February 2024 Numbers

*BOPC Received
3-22-2024*

While we have most of the February TEU tallies from the 23 North American ports we monitor, we should note that containerized trade numbers in February are almost always skewed by the timing of the Lunar New Year. Factory closures in a broad swath of East Asia during the holiday cause shipments to be either accelerated or delayed. The result is that February numbers are boosted or diminished by the whims of the holiday calendar. This February, the year-over-year (y/y) gains in imported containers at U.S. ports were also a function of a slowdown in imports in February 2023 as the COVID era import surge finally ran out of gas. Inbound loads through the ports we monitored in February 2023 were down by 26.1% when compared to February 2022. And there's also the small matter of the Sadie Hawkins Day Bump: this February was a day longer.

As for this year's February, we turn first to a couple of oracles to tell us how the ports that have a financial stake in accurately counting the boxes they handle will fare in the year's shortest month.

First up, a February 9 forecast from the National Retail Federation's Global Port Tracker (NRF/GPT) predicted February 2024 would see the arrival of 1.86 million import loads at the thirteen U.S. port it surveys. That, as the NRF/GPT calculated, would

have represented an imposing 20.4% increase over February 2023. The NRF/GPT subsequently revised that outlook in a March 8 news release. It currently expects February's inbound loads to total 1.9 million TEUs for a 22.7% y/y jump.

A somewhat similar different set of numbers comes from Descartes Systems Group, a supply chain monitor, which reports an estimated 2.14 million TEUs were imported through U.S. ports in February. Descartes calculates that constituted a 23.3% year-over-year increase.

For the time being, here's what we're hearing directly from some of the nation's principal seaports.

The **Port of Savannah** was the first major U.S. port to announce its February container trade numbers. Inbound loads that month (218,997) were up 18.9% from a year earlier and up 46.3% from the same month in pre-pandemic 2019. Outbound loads (121,933) were up 10.1% y/y and up 15.8% over February 2019. Total container traffic in this year's first two months totaled 879,709 loads and empties, up 7.7% from the same point last year and 13.9% ahead of the volume of January-February 2019.

At the **Port of Long Beach**, February inbound loads (329,850) were up 29.4% from a year earlier, while outbound loads (87,474) declined by

Until We Meet Again

By John McLaurin, PMSA President

I have had the honor and privilege to work at the Pacific Merchant Shipping Association (PMSA) for the last 29 years. To have worked with, and for, incredibly talented and wonderful people in such an innovative industry has been an amazing experience.

The years flew by. And now they are coming to an end.

Deciding to retire was a difficult decision for me, although not so much for my family. But I do believe change is good – both for organizations and individuals. I am comforted to know that PMSA is moving forward with strong leadership, a wonderful Board of Directors, and an incredibly talented staff.

[Continued on page 14](#)

21.1%. Measured against this time in pre-pandemic 2019, inbound loads were down 8.9%, while outbound loads were lower by 16.9%. Year to date, total box trade movement through the Southern California gateway amounted to 1,348,738 TEUs, up 17.3% from the same months in 2019.

Year-over-year jumps were even more stupendous next door at the **Port of Los Angeles**, where inbound





Partial Tallies

Continued

loads in February (408,764) were up 63.9% over a year earlier. Outbound loads (132,755) were meanwhile up 61.1% y/y. Total container traffic YTD (1,637,086) was up 34.9% over the first two months of last year. Measured against the pre-pandemic February of 2019, inbound loads this February were up 17.4%, while outbound loads were down 6.9%. Total container moves through the port YTD were up 5.1% from this point in 2019.

In Northern California, the **Port of Oakland** posted a set of strong y/y gains. Inbound loads (76,734) were up 32.1% from a year earlier, while outbound loads (69,242) were up 24.2%. Measured against February 2019, inbound loads this February were up 9.7%, while outbound loads were up 2.1%. Total container traffic through the East Bay port YTD (363,238) remained down by 8.8%.

At the **Northwest Seaport Alliance Ports of Tacoma and Seattle**, inbound loads in February (81,823) were off 1.5% from a year earlier and down 17.9% from February 2019. Outbound loads (50,150) were up 9.6% y/y but still 17.9% below the mark set in the same month five years earlier. Total container moves YTD through the

Washington State gateways (437,887) were down 26.5% from the first two months of 2019.

Up in British Columbia, the **Port of Vancouver** handled 153,005 inbound loads in February, a gain of 22.6% from a year earlier and, more importantly, 18.2% more inbound loads than it had seen in February 2019. However, outbound loads (72,838) in February, while up 9.6% y/y, remained 21.6% below the 92,869 loads that had sailed from the port five years earlier. Total container moves YTD (553,347) were 3.5% lower than the volume of loads and empties handled to this point in 2019.

Further north, the **Port of Prince Rupert** handled 30,324 inbound loads in February, up 30.5% from a year earlier but still down 12.8% from February 2019. Outbound loads (9,322) were up 10.9% y/y but remained 20.2% below February 2019. Total container traffic YTD (116,952) was down 27.7% from 2019.

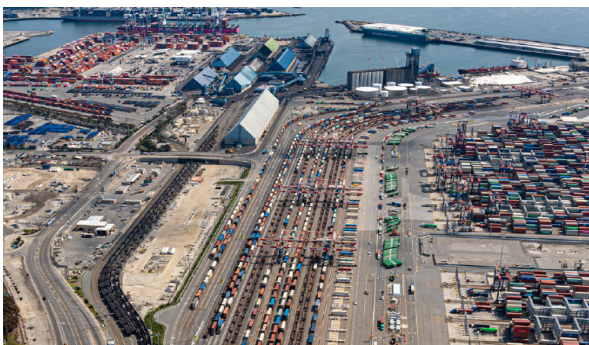
Back on the Atlantic seaboard, the **Port of Virginia** received 130,965 inbound loads in the year's second month, a 20.4% gain from a year earlier and 46.3% more inbound loads than the port handled back in February 2019. Outbound loads (99,969) were

were up 3.7% y/y and 30.4% more than in February 2019. Total container traffic so far this calendar year (558,594) was up 19.3% from 2019.

The **Port of Charleston** reported the arrival of 104,118 inbound loads in February, up 11.0% y/y and up 34.1% than in February 2019. Outbound loads (59,639), however, were down 2.9% from a year earlier as well as down 3.9% from February 2019. YTD, total container traffic through the South Carolina port (410,887) was down 1.4% from last year but up 7.1% from 2019.

At **Port Houston**, everything in February was up by double digits. Inbound loads (166,849) were up 17.5% y/y and 91.9% higher than the 86,953 inbound loads the Texas port handled in February 2019. Meanwhile, outbound loads (145,766) increased by 25.4% from a year earlier and were 68.6% more than February 2019's 86,460 inbound loads. Total container traffic so far this year (708,926) was 11.9% ahead of last year and up 71.5% from 2019.

The **Port of New York/New Jersey** is the only major container port that had not released its February container figures in time for inclusion in this month's newsletter.



On Track with Rail

More tracks, longer trains, greener locomotives – moving cargo more efficiently as we work towards zero emissions.



Port of **LONG BEACH**
THE PORT OF CHOICE



FOR THE RECORD

Complete January 2024 TEU Tallies

What a difference a month makes. In a February 9 press release, the National Retail Federation's Global Port Tracker (NRF/GPT) ventured a forecast stating that 1.81 million inbound loads would arrive in January at the thirteen major U.S. ports it monitors. That, as the NRF/GPT release noted, would represent a meager 0.3% increase from a year earlier. However, in a press release on March 8, NRF/GPT reported that actual inbound loads in January totaled 1.96 million TEUs, which was said to represent an 8.6% y/y increase.

At PMSA, we track container traffic through 19 U.S. mainland ports as well as three ports in Canada. As **Exhibit 1** shows, the U.S. ports we monitor collectively reported handling 2,084,583 inbound loads in January, an 8.1% y/y increase but a smaller 4.5% (+89,952) gain over the first month of pre-pandemic 2019. U.S. West Coast ports alone recorded 937,829 inbound loads, a 17.3% bump over the preceding January but still 37,594 (-3.9%) fewer inbound loads than in January 2019. U.S. East Coast ports handled 981,098 inbound loads this January, up 1.1% y/y and 7.4% ahead of the monthly tally five years ago. U.S. Gulf Coast ports posted a 4.6% y/y increase in January but an even more impressive 55.9% (+59,417) jump since the first month of 2019.

Nationally, as **Exhibit 2** displays, out-bound loads in January did edge up

Exhibit 1	January 2024 Inbound Loaded TEUs at Selected Ports				
	Jan 2024	Jan 2023	Jan 2019	Change from 2022	Change from 2019
Los Angeles	441,763	372,040	429,923	18.7%	2.8%
Long Beach	325,339	263,394	323,838	23.5%	0.5%
San Pedro Bay Total	767,102	635,434	753,761	20.7%	1.8%
Oakland	72,081	66,637	81,893	8.2%	-12.0%
NWSA	80,410	79,067	128,615	1.7%	-37.5%
Hueneme	12,228	11,271	6,076	8.5%	101.3%
San Diego	6,008	7,154	5,078	-16.0%	18.3%
USWC Total	937,829	799,563	975,423	17.3%	-3.9%
Boston	11,490	10,570	11,728	8.7%	-2.0%
NYNJ	342,790	323,981	327,345	5.8%	4.7%
Philadelphia	33,524	32,802	26,143	2.2%	28.2%
Maryland	48,142	49,665	43,869	-3.1%	9.7%
Virginia	129,204	134,589	109,757	-4.0%	17.7%
South Carolina	99,765	108,786	88,107	-8.3%	13.2%
Georgia	219,079	210,804	209,583	3.9%	4.5%
Jaxport	26,388	24,205	30,321	-9.0%	-13.0%
Port Everglades	30,239	30,320	27,730	-0.3%	9.0%
Miami	40,477	44,234	39,286	-8.5%	3.0%
USEC Total	981,098	969,956	913,869	1.1%	7.4%
New Orleans	11,163	9,006	10,921	24.0%	2.2%
Houston	154,493	149,400	95,318	3.4%	62.1%
USGC	165,656	158,406	106,239	4.6%	55.9%
Vancouver	147,768	121,081	170,370	22.0%	-13.3%
Prince Rupert	35,804	39,012	54,481	-8.2%	-34.3%
British Columbia Total	183,572	160,093	224,851	14.7%	-18.4%
U.S. Totals	2,084,583	1,927,925	1,995,531	8.1%	4.5%

Source Individual Ports



January 2024 TEU Numbers

Continued

0.9% over last January but remained 8.7% (-91,319) below January 2019. Only the Gulf Coast ports posted a gain in outbound loads since 2019.

Now on to the January numbers supplied by the individual ports themselves. As usual, we start our port-by-port accounting in Southern California, where the nation's two busiest container ports started the year on a very positive note.

The **Port of Long Beach** was the first major port to post its January container trade figures. The 325,339 inbound loads discharged at the San Pedro Bay port in the year's first month represented a 23.5% jump over the same month in 2023 but a much slimmer 0.5% gain over pre-pandemic January 2019. Outbound loads (86,525), however, were down by 18.1% year-over-year and by 26.2% from January 2019. Counting both loads and empties, total container traffic (674,015) in January was up 17.5% from a year earlier and 2.5% higher than in January 2019.

Across the way at the neighboring **Port of Los Angeles**, the year-over-year gains in import traffic were likewise robust. Inbound loads in January (441,763) were up 18.7% from the same month in 2023 but just 2.8% ahead of January 2019. Outbound loads (126,554) surged by 23.2% but were nonetheless down 12.7% from January 2019. Total container traffic (855,652) this January was up 17.9% y/y and 2.5% over the five years since January 2019.

Taken together, the two San Pedro Bay ports posted a 20.7%

Exhibit 2

January 2024 Outbound Loaded TEUs at Selected Ports

	Jan 2024	Jan 2023	Jan 2019	Change from 2023	Change from 2019
Los Angeles	126,554	102,723	144,993	23.2%	-12.7%
Long Beach	86,525	105,623	117,288	-18.1%	-26.2%
San Pedro Bay Totals	213,079	208,346	262,281	2.3%	-18.8%
Oakland	62,596	57,279	75,350	9.3%	-16.9%
NWSA	46,215	38,637	72,859	19.6%	-36.6%
Hueneme	1,780	1,956	1,518	-9.0%	17.3%
San Diego	526	164	802	120.7%	-34.4%
USWC Totals	324,196	306,382	412,810	5.8%	-21.5%
Boston	4,318	5,896	5,723	-26.8%	-24.6%
NYNJ	104,724	112,269	111,833	-6.7%	-6.4%
Philadelphia	5,194	6,327	6,211	-17.9%	-16.4%
Maryland	17,612	20,342	15,947	-13.4%	10.4%
Virginia	94,376	96,431	77,948	-2.1%	21.1%
South Carolina	60,962	59,965	63,750	1.7%	-4.4%
Georgia	104,685	110,305	124,373	-5.1%	-15.8%
Jaxport	39,855	42,483	40,475	-6.2%	-1.5%
Port Everglades	32,088	31,760	33,662	1.0%	-4.7%
Miami	21,172	22,360	38,852	-5.3%	-45.5%
USEC Totals	484,986	508,138	518,774	-4.6%	-6.5%
New Orleans	20,782	17,418	25,875	19.3%	-19.7%
Houston	124,137	113,875	87,961	9.0%	41.1%
USGC Totals	144,919	131,293	113,836	10.4%	27.3%
Vancouver	54,157	59,966	91,398	-9.7%	-40.7%
Prince Rupert	11,443	11,215	17,156	2.0%	-33.3%
British Columbia Totals	65,600	71,181	108,554	-7.8%	-39.6%
U.S. Totals	954,101	945,813	1,045,420	0.9%	-8.7%

Source Individual Ports



Exhibit 3 January 2024 YTD Total TEUs

	Jan 2024	Jan 2023	Jan 2019	Change from 2023	Change from 2019
Los Angeles	855,652	726,014	852,450	17.9%	0.4%
Long Beach	674,015	573,772	657,286	17.5%	2.5%
NYNJ	667,346	645,430	622,531	3.4%	7.2%
Georgia	428,036	421,714	430,079	1.5%	-0.5%
Houston	332,961	319,990	214,952	4.1%	53.9%
Virginia	276,693	288,380	240,111	-4.1%	15.2%
Vancouver	262,880	247,473	313,527	6.2%	-16.2%
NWSA	211,283	213,095	326,228	-0.9%	-35.2%
South Carolina	208,538	215,238	205,689	-3.1%	1.4%
Oakland	180,487	179,228	212,493	0.7%	-15.1%
Montreal	108,202	118,870	132,936	-9.0%	-18.6%
JaxPort	101,953	100,182	121,397	1.8%	-16.0%
Port Everglades	93,138	92,145	89,866	1.1%	3.6%
Maryland	90,427	98,966	85,266	-8.6%	6.1%
Miami	89,635	96,188	104,183	-6.8%	-14.0%
Phila.	65,622	65,963	53,324	-0.5%	23.1%
Prince Rupert	62,567	76,564	100,868	-18.3%	-38.0%
New Orleans	45,873	37,388	54,474	22.7%	-15.8%
Hueneme	23,576	22,649	12,542	4.1%	88.0%
Boston	21,260	21,247	23,275	0.1%	-8.7%
San Diego	11,898	14,913	10,192	-20.2%	16.7%
Portland, Oregon	8,421	12,290	0	-31.5%	∞%
U.S. Ports Total	4,386,814	4,144,792	4,316,338	5.8%	1.6%

Source Individual Ports

Exhibit 4 Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, January 2024

		Jan 2024	Jan 2023	Jan 2019	Jan 2015
Import Tonnage	USWC	36.8%	31.8%	39.3%	45.1%
	LA/LB	28.0%	23.3%	28.7%	33.3%
	Oak.	3.0%	3.1%	3.7%	4.4%
	NWSA	3.8%	3.5%	5.3%	6.2%
Import Value	USWC	41.3%	38.0%	47.5%	54.3%
	LA/LB	33.3%	30.0%	37.0%	42.6%
	Oak.	2.7%	2.6%	3.5%	3.7%
	NWSA	4.2%	4.3%	6.4%	7.3%
Export Tonnage	USWC	31.3%	30.8%	38.2%	41.9%
	LA/LB	18.6%	18.3%	22.1%	25.9%
	Oak.	5.7%	5.3%	6.5%	6.1%
	NWSA	6.1%	5.4%	8.7%	9.2%
Export Value	USWC	27.0%	26.7%	32.0%	34.8%
	LA/LB	17.6%	17.2%	20.4%	23.6%
	Oak.	5.7%	5.4%	6.5%	5.5%
	NWSA	3.2%	3.2%	4.4%	5.2%

Source: U.S. Commerce Department

Exhibit 5 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, January 2024

		Jan 2024	Jan 2023	Jan 2019	Jan 2015
Import Tonnage	USWC	53.8%	50.1%	57.2%	66.7%
	LA/LB	43.8%	39.6%	44.8%	51.3%
	Oak.	3.4%	3.8%	4.1%	4.8%
	NWSA	5.4%	5.6%	7.8%	9.5%
Import Value	USWC	60.6%	57.1%	66.1%	74.4%
	LA/LB	50.2%	46.4%	52.7%	59.5%
	Oak.	3.3%	3.1%	3.9%	4.1%
	NWSA	6.0%	6.6%	8.8%	10.0%
Export Tonnage	USWC	50.0%	49.1%	58.5%	66.0%
	LA/LB	30.8%	29.8%	35.9%	43.0%
	Oak.	8.0%	7.5%	8.6%	8.1%
	NWSA	9.9%	8.8%	13.6%	14.0%
Export Value	USWC	52.4%	54.1%	62.0%	68.4%
	LA/LB	35.4%	35.4%	41.9%	48.5%
	Oak.	9.7%	9.6%	10.4%	9.0%
	NWSA	6.7%	7.1%	8.4%	10.0%

Source: U.S. Commerce Department



January 2024 TEU Numbers

Continued

year-over-year gain in inbound loads that brought them nearer to the volumes they had handled in the pre-pandemic January of 2019. Collectively, January's inbound loads were up by only 1.8% over the same month five years earlier, while outbound loads were 18.8% lower. Total container traffic through North America's principal maritime gateway grew by only 1.3% over the last five years.

The **Port of Oakland**, Northern California's chief maritime gateway, reported 72,081 inbound loads in January. While that represented an 8.2% rise from a year earlier, it was still down 12.0% from January 2019. Similarly, outbound loads (62,596) were up 9.3% y/y but down 16.9% from January 2019. Total container traffic (180,487) edged up 0.7% from a year earlier but remained down 15.1% from five years ago.

Up in Washington State, the **Northwest Seaport Alliance Ports of Tacoma and Seattle** recorded 80,410 import loads in the year's first month. While that was up 1.7% from the previous January, it was down 35.5% from the 128,615 import loads the ports handled in January 2019. Export loads (46,215) in January

jumped 19.6% y/y but remained 36.6% below January 2019. Total container traffic through the ports amounted to 211,283 in January, down 35.2% from five years earlier.

Across the border in British Columbia, the **Port of Vancouver** handled 147,768 inbound loads in January, a 22.0% bump over a year earlier but still down 13.3% from January 2019. Outbound loads (54,157) were down 9.7% y/y and 40.7% below January 2019. Total container traffic (262,880) through Canada's busiest container port was up 6.2% from a year earlier but down 16.2% from January 2019.

January saw little respite from falling TEU counts at the **Port of Prince Rupert**. Inbound loads (35,804) were down by 8.2% from a year earlier and 34.3% below the volume the port handled in January 2019. Outbound loads (11,443), while up 2.0% y/y, were down by 33.3% from January 2019. Total container traffic (62,567) was down 18.3% from a year earlier and down 38.0% from January 2019.

Along the Atlantic Seaboard, the **Port of New York/New Jersey** handled 342,790 inbound loads in January, a 5.8% year-over-year gain and a 4.7% increase over January 2019.

Outbound loads (104,724) were down 6.7% from the previous January and off by 6.4% from five years earlier. Total container traffic (667,346) was up 3.4% y/y and up by 7.2% from January 2019.

The **Port of Virginia** handled 129,204 inbound loads in January, a drop of 4.0% y/y but up 17.7% from January 2019. Outbound loads (94,376) slipped 2.1% from a year earlier but were 21.1% ahead of January 2019's volume.

The **Port of Charleston** handled 99,765 inbound loads in the year's first month, down 8.3% from a year earlier but up 13.2% from January 2019. Outbound loads through the South Carolina port (60,962) were up 1.7% y/y but down 4.4% from January 2019. Total container trade in January (208,538) was up 1.4% from the same month five years earlier.

The **Port of Savannah** reported 219,079 inbound loads in the year's first month, up 3.9% from a year earlier and up 4.5% over January 2019. 104,685 outbound loads sailed from the Georgia port in January, off 5.1% y/y and down by 15.8% from the same month five years ago.

Protecting Blue Whales and Blue Skies
Vessel Speed Reduction Program

A partnership for cleaner air,
 safer whales, and a quieter ocean

www.bluewhalesblueskies.org



January 2024 TEU Numbers

Continued

Along the Gulf Coast, **Port Houston** reported all-around gains despite restrictions on cargo traffic through the Panama Canal. The Texas port handled 154,493 inbound loads in the first month of the year, up 3.4% year-over-year but also up 62.1% over January 2019. Outbound loads (124,137) were up 9.0% y/y and up 41.1% from January 2019. Total container traffic in January (332,961) was up 4.1% from a year earlier and up 53.9% from January 2019.

Altogether, the U.S. ports we track handled 2,084,583 inbound loads in January, an 8.1% gain from a year earlier and a 4.5% increase over January 2019. Outbound loads (954,101) inched up 0.9% y/y but remained down 8.7% from January 2019. Total container traffic of loads and empties in the year's first month (4,386,814) was up 5.8% y/y and 1.6% over the first month of 2019.

A Pointed Clarification: A reader has queried us about our **Exhibit 3**, which ranks the North American container ports we monitor by the total number of loads and empties they handle each month. The reader noted that, after excluding the three Canadian ports from the list, only 19 and not 20 U.S. ports made the standings. What, she asked, is Number 20?

Frankly, we don't quite know.

To be sure, we do not advertise Exhibit 3 as a Top 20 list. Rather, it is a ranking of the ports from which we are able to obtain comparable data in a timely manner. Not all ports post monthly container trade statistics. Some don't helpfully distinguish loaded containers from empties. Some don't appear to be in a hurry



Photo courtesy of Port of Hueneme

to publish their latest figures. And some seem to regard their TEU tallies as proprietary information or even as state secrets. For example, when we recently asked for statistics on container traffic through a fast-growing port in a certain Southern state, we received a formal response from that state's port authority that, as we are not resident in the state, we are not entitled to such information. So, whether the Port of Mobile is the nation's 20th busiest container port, we can't truly say. Instead, we make the best of what's made available to us.

Container Contents Weights and Values

Exhibit 4 and **Exhibit 5** display the U.S. West Coast ports' shares of the nation's containerized trade through all mainland U.S. ports against which USWC port compete for discretionary cargos. The data are derived from import/export documents shippers file with Customs and Border Protection. For a broader perspective, we compare the most recent month for which data are available with the same month in the preceding year, in pre-pandemic 2019, and a decade earlier. For those who are inclined to add up the numbers, the USWC totals in these two exhibits include international container trade moving through smaller West Coast ports like San Diego, Hueneme, and Everett in

addition to the container figures from the USWC Big Five ports.

Exhibit 4 shows a significant uptick in the USWC share of all containerized import tonnage flowing into the mainland U.S. ports with which USWC ports directly compete. Nearly all of the net gain can be attributed to increased volumes of imports through the Ports of Los Angeles and Long Beach. Still, the latest USWC shares remain well below the historical benchmarks.

Exhibit 5 focuses on the USWC shares of U.S. containerized trade involving trading partners in East Asia. Again, the numbers indicate that the Ports of Los Angeles and Long Beach are capturing a significantly larger share of the containerized import trade as well as an appreciably bigger share of containerized exports to East Asia. The latest shares, however, remain sharply down from the historic benchmarks.

Twenty Odd Years of USWC Transpacific Container Trade

Between 2003 and 2023, containerized import tonnage shipped from East Asia through U.S. mainland ports increased by 103.0%, while containerized import tonnage through the five largest West Coast ports grew by just 40.2%. Understandably, as **Exhibit 6** reveals, the Big Five USWC



January 2024 TEU Numbers

Continued

ports' combined share of the inbound containerized trade from East Asia declined almost steadily from 73.9% in 2003 to 55.8% in pre-pandemic 2019 before reaching 51.1% last year.

Exhibit 7 depicts a similar downward trend in the USWC share of containerized export tonnage to our East Asian trading partners from a peak of 68.5% in 2005 to 58.7% in 2019 and then to 51.0% in 2023.

Top U.S. Containerized Import/Export Gateways by Value

For the record, here are two exhibits (**Exhibits 8 and 9**) displaying the Top U.S. maritime gateways ranked by the declared dollar value of their containerized imports and exports in CY 2023.

New Outlook on Agricultural Trade

The U.S. Department of Agriculture has revised its import and export forecasts for FY 2024. Imports of agricultural produce are expected to increase to \$201 billion, up 2.9% from

Exhibit 6

USWC Big Five Ports' Share of U.S. Containerized Import Tonnage from East Asia: 2003-2023

Source: U.S. Commerce Department

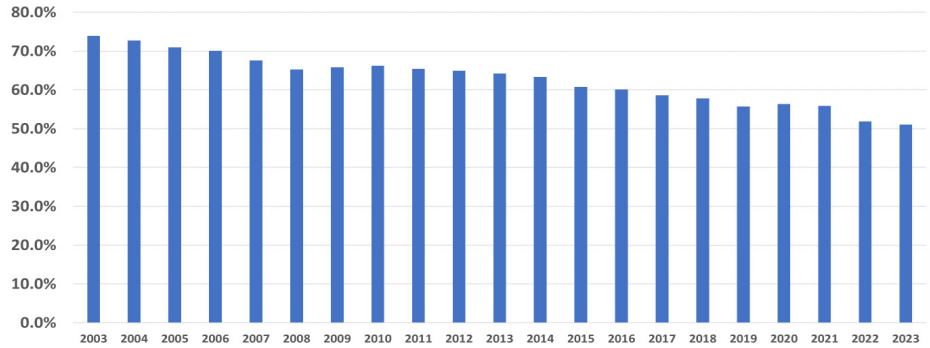


Exhibit 7

USWC Big Five Ports' Share of U.S. Containerized Export Tonnage to East Asia: 2003-2023

Source: U.S. Commerce Department

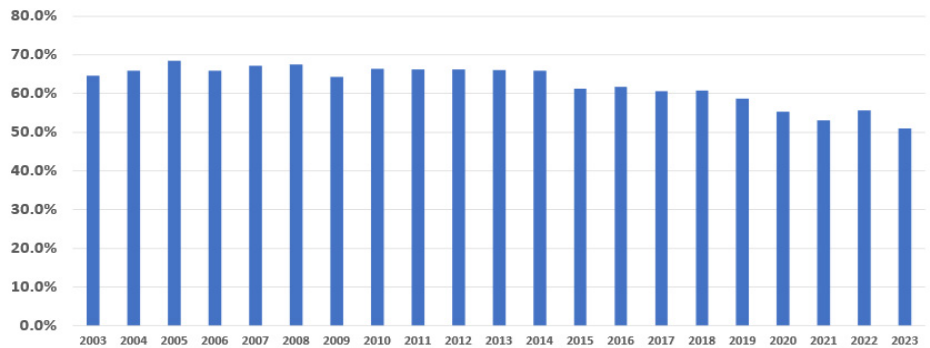


Exhibit 8

Top U.S. Containerized Import Gateways by Value, 2023

Source: U.S. Commerce Department

Los Angeles-Long Beach	\$300,469,900,384
New York/New Jersey	\$246,708,691,150
Savannah	\$88,989,212,639
Houston	\$70,760,347,790
Norfolk	\$67,288,256,007
Charleston	\$64,530,730,710
NWSA	\$47,325,104,418
Oakland	\$27,855,494,526
Baltimore	\$24,655,863,016
Miami	\$19,360,970,740
Philadelphia	\$16,322,712,957

Exhibit 9

Top U.S. Containerized Export Gateways by Value, 2023

Source: U.S. Commerce Department

Los Angeles-Long Beach	\$3,843,884,116
New York/New Jersey	\$3,056,839,663
Houston	\$2,833,613,300
Norfolk	\$2,528,630,136
Savannah	\$2,076,035,358
Charleston	\$1,282,073,127
Oakland	\$1,195,767,391
Port Everglades	\$937,704,970
Miami	\$746,154,318
NWSA	\$708,029,022
San Juan	\$521,283,559



January 2024 TEU Numbers

Continued

2023. Exports should be about \$170 billion, down \$8 billion from the previous year. China is expected to remain the largest market for U.S. agricultural exports at \$28.7 billion, down some \$800 million from the previous forecast. The fall-off is attributed to China's higher imports of soybeans and corn from South America.

AI's Threat to the Grid

As ports up and down the West Coast embark on ambitious and expensive plans to electrify nearly every element of their operations in order to comply with increasingly stringent air quality mandates, the question persists: Can utilities in the Western States produce and deliver the juice needed to make these plans work?

Lately, we've all been fascinated (and probably made at least somewhat anxious) by the remarkably fast adoption of Artificial Intelligence by individual internet users. Two months after its release in November 2022, OpenAI's ChatGPT had over 100 million active users worldwide. It thus became the most rapidly adopted new technology in history, with an impact widely compared to the Internet itself.

Yet nearly all public discussion about AI revolves around two big questions. What will be AI's impact on the labor market and how can the malicious use of the technology be minimized?

Commonly overlooked is AI's enormous need for electricity. Every Internet interaction taps into servers stored in data centers around the

globe. If there's an anonymous-looking, windowless building down the street that emits a steady, audible hum, it may well be one of these facilities. Right now, these data centers account for about 1 to 1.5% of global electricity use, according to the International Energy Agency. But that demand is expected to surge as AI gains popularity.

Earlier this month, *Barron's* reported that energy companies are increasingly citing AI as a major driver of electricity demand. If anything is to slow AI's rise, the article noted, it's the limits imposed by the grid's capacity.

And it's not just its soaring need for electrical power that poses a problem for planners. A February report from Yale University stated that "artificial intelligence uses massive amounts of energy for computation and data storage and **millions of gallons of water to cool the equipment at data centers**". [Emphasis added.] Sure, it rained a lot this winter, record snowpacks shroud our mountains, and reservoirs are full. But how often does that happen?

A recent *Scientific American* article highlights the issue of AI's growing energy footprint.

"Researchers have been raising general alarms about AI's hefty energy requirements over the past few months. A continuation of the current trends in AI capacity and adoption are set to lead to NVIDIA shipping 1.5 million AI server units per year by 2027. These 1.5 million servers, running at full

capacity, would consume at least 85.4 terawatt-hours of electricity annually—more than what many small countries use in a year." {Emphasis added.}

A peer-reviewed analysis published last October ventures some early estimates of AI's potential drain on global energy supplies. In a midrange scenario, AI servers could use between 85 to 134 terawatt hours annually by 2027. That's about what Argentina, the Netherlands, and Sweden each use in a year. Of course, consumption is expected to be greatest in those regions where the population is more computer savvy and industry is more reliant on AI.

And this does not even address the drain from cryptocurrency mining and transactions.

So, installing rows and rows of charging stations to fuel the various modes used to convey containers around ports may be a desirable goal. And the funds may currently be available to finance the rollout of charging infrastructure. But, at the end of the day, without adequate or steady supplies of juice, how many of them will wind up standing idle, rusting away as testaments to an absence of holistic planning?



JOCK O'CONNELL'S COMMENTARY

Whither Portland?

The Port of Portland on the Columbia River has definitely seen its ups and downs, as has the city it serves. There was a time when the City of Portland was widely touted as a model of enlightened municipal government. Civic officials from around the country and even from abroad made pilgrimages to the "City of Roses" to learn the secrets of promoting economic prosperity and cultural innovation while fostering an inclusive, environmentally conscious, and socially progressive atmosphere in which to live, work, and drink lots of coffee.

These days, if any municipal leaders flock to Portland, it's to figure out what went wrong. Civil disturbances, rampant drug abuse, homelessness, and a downright nasty political climate have gravely tarnished the city's reputation, although, to be sure, Michelin still thinks the town features some fine restaurants.

As for its Port, it's also had its moments...mainly in the past.

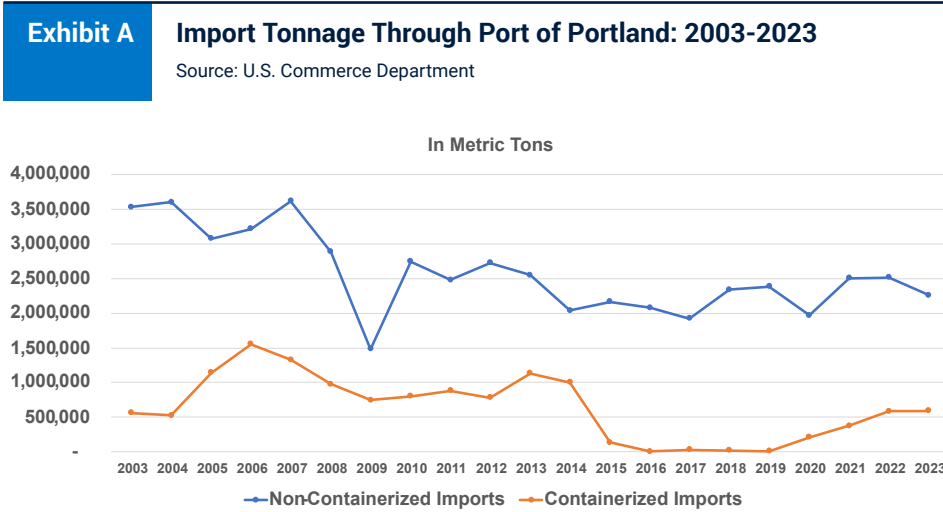
From a financial perspective, the Port of Portland is primarily a thriving airport with a maritime subsidiary. In the fiscal year that ended on June 30, 2023, 76.2% of the Port's \$401.1 million in operating revenue came from its commercial aviation sector, Portland International Airport (PDX). The other 23.8% came from activities categorized as "Marine & Other", a category that oddly includes both the Port's maritime operations and Hillsboro Airport, a general aviation airfield said to be Oregon's second busiest airport.

As for the Port's non-aviation business, **Exhibit C** shows that maritime container traffic through the Port of Portland actually topped out at 338,941 TEUs in 2003. But even such a seemingly high container volumes did not translate into profits.

According to a February 2017 report in *The Oregonian*, the "Port operated the terminal itself for more than 30 years, turning a profit during only two of them. It subsidized the operation as part of the public agency's mission to support the state's economy. But by 2007, Port leaders saw a private operator as the only sustainable option."

In 2010, the Port signed a 25-year lease with the Philippines-based International Container Terminal Services, Inc. (ICTSI) for \$4.5 million in annual payments. ICTSI's tenure at the Port was not an altogether happy one. In 2012, the International Longshore and Warehouse Union (ILWU) complained that ICTSI had failed to reassign to the ILWU two jobs that involved the handling of refrigerated containers after ICTSI had assumed control of container operations at the Port's Terminal 6 the previous year. The two positions were under the jurisdiction of another union, the International Association of Machinists. (Full disclosure: In 1957, before heading off for eight weeks of summer camp on Maine's Long Lake, I briefly played on a Little League team sponsored by the IAM.)

The dispute over who got to plug in or unplug reefers at the Port played out over the next few years and would eventually cost the union dearly. But not before work slowdowns and other dilatory practices drove major ocean carriers away. In March 2015, Hanjin, the South Korean-based shipping line, that then accounted for 78% of all





Commentary

Continued

container traffic at the Port, stopped calling at T6. Hapag-Lloyd soon followed suit, with Westwood Shipping Lines ceasing service to T6 in May 2016.

After a May 2014 National Labor Relations Board judge ruled that the ILWU was intentionally and unlawfully slowing work at the Port, the dispute dragged on in the courts. In November 2019, ICTSI won a \$94 million preliminary award following a jury’s verdict against the ILWU for unlawful labor practices including “work stoppages, slowdowns, ‘safety gimmicks’ and other coercive actions” between August 2013 and March 2017. Finally, in February 2024, the judge reduced the amount to \$19 million.

But the damage was done. As **Exhibit C** illustrates, the years of contentious labor relations had dramatic consequences for container shipping through the Port.

In 2018, the Port commissioned an outside consultant to identify a sustainable business model for container shipping through Terminal 6. The study, while acknowledging the terminal’s role in linking the region’s businesses and consumers to the global economy, also noted that geography and the evolution of container shipping gravely limited the Port’s options as a gateway for containerized cargo. The study concluded that T6’s future would best be realized as a multi-use facility.

Now, in 2024, the future of container shipping at T6 continues to look grim. Unlike other West Coast ports that operate as landlords leasing space to terminal operators, the Port of

Exhibit B Export Tonnage Through Port of Portland: 2003-2023

Source: U.S. Commerce Department

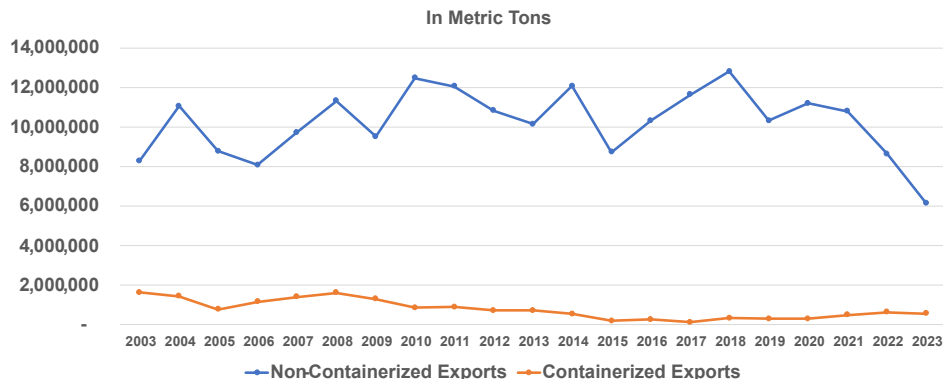
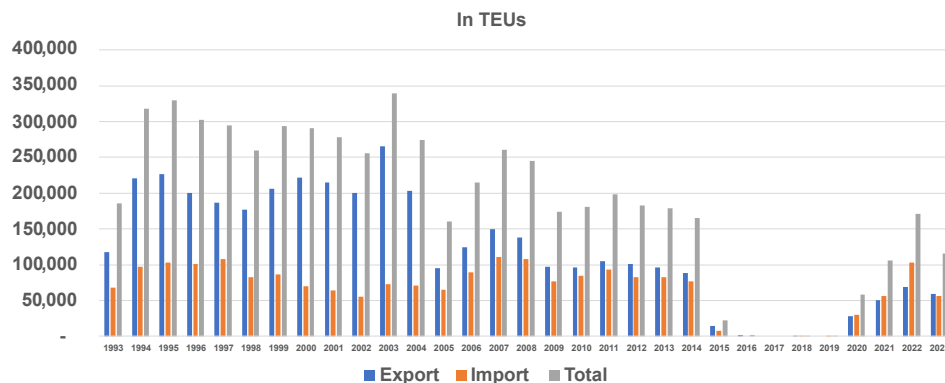


Exhibit C Port of Portland Container Traffic

Source: Port of Portland



Portland continues to operate T6.

In a January 16 letter to members of the Legislative Joint Committee on Ways and Means of the Oregon Legislature, Curtis Robinhold, the Port’s executive director, requested a \$10 million infusion of state funds: “This practice has never been financially sustainable. Facing a projected loss of \$14 million this year, we are requesting necessary gap funding as we negotiate rate increases with carriers and seek a third-party terminal operator for a long-term lease.”

He warned that “without other funding to offset ongoing losses associated with container operations, we will be forced to begin conversations about ending container service at T6”. [Italics added.] The Port’s request was later pared down to \$8 million.

The Port justified its requested bailout by citing the Port’s role in supporting the local and regional economy. “Container operations at T6 are important for Oregon businesses and our region’s economy, and that’s why we’ve continued doing everything



Commentary

Continued

possible to maintain container service. We remain committed to working with our shipping community, with other industry stakeholders and with state leaders as we determine what's next," Keith Leavitt, Port chief trade and economic development officer, told a reporter at *Transport Topics*.

In a March 13 statement provided by the Port, Mr. Leavitt confirmed that the Port had "endured losses of more than \$30 million from container operations over the past three years, including a projected \$14 million shortfall in the current fiscal year."

Voicing an optimistic outlook, Leavitt went on to say "we remain focused on securing a long-term lease with a third-party operating partner, following the model used by other container terminals up and down the West Coast."

Indeed, this would seem to be the only viable pathway forward. For, even though the Port's financial request was pared back to \$8 million, the Port's bid for a state subsidy went unrewarded.

In a March 11 letter signed by both the Speaker of the Oregon House of Representatives and the President of the State Senate, the legislative leaders acknowledged the role of T6 in supporting the state's economy, but they also recognized "the unique challenges Terminal 6 faces, including the region's small import market compared to other West Coast Ports, and Portland's distance from the ocean". The door was not completely shut: "while we were unable to allocate the \$8 million in funding requested during the 2024 legislative session,



Finetooth, CC BY-SA 3.0 <https://creativecommons.org/licenses/by-sa/3.0/>, via Wikimedia Commons

we commit to continue conversations for opportunities of funding." Still, the letter ended with an implicit challenge: "the State is more likely to offer funding if the Port has signed contracts with new shippers."

That, as everyone knows, is likely to be a tall order. At the moment, the Port's container trade involves a South Korean carrier, SM Line, which currently serves the Port via its China Pacific Express (CPX) service. Any efforts to attract other carriers might put it in direct competition with the much larger and more strategically located Northwest Seaport Alliance Ports of Tacoma and Seattle.

For Portland, the problem is that both of those Ports are currently handling far fewer containerized cargos than they had in the years prior to the COVID pandemic. Last year, the NWSA Ports handled 21.3% fewer inbound loads and 35.5% fewer outbound loads than they had in 2019. Both, though, are far better suited by geography and infrastructure to handle the post-panamax vessels favored by ocean carriers.

The clear implication of that last sentence in the legislators' letter is that,

absent the emergence of new ocean carriers to move containers through T6, the Legislature would be no more willing to underwrite the Port's container operations than it was during its now concluded session, during which it did manage to appropriate \$10 million to dredge the navigation channel at Coos Bay.

While the end of containerized trade through the Port of Portland is not entirely inevitable, it does increasingly appear to be the most likely outcome.

Even so, international trade will still be conducted through the Port. Statistics provided by the U.S. Commerce Department show that containerized trade represents a minority share of the Port's overall maritime business. Last year, for example, just 12.0% of total tonnage of international trade through the Port was containerized. By value, containers carried 24.0% of the \$9.981 billion in merchandise that passed through the Port last year. Airborne shipments from Portland International Airport (PDX) accounted for just under half of the dollar value of Oregon's merchandise export trade.

Still, a loss of container service



Commentary

Continued

will disrupt existing patterns of goods movement and will result in added costs to importers/exporters and their clients. A rejiggering of Portland's existing supply chains will then ensue, and that may be a beneficial outcome if it brings hitherto ignored logistical efficiencies into play. The end of containerized shipping at T6 may not necessarily mean the end of containerized shipping at Portland.

Could there have been a worse outcome for the Port of Portland?

Well, it could have been named the Port of Calais.

How's that?

While most Oregonians were probably taught in grade school the tale of how Portland, Oregon got its name, here's the short version. Two guys from New England flipped a coin for the privilege of naming what was then locally known as "Stumptown" after their respective hometowns, and the guy from Portland, Maine won.

Well, not so fast. True, there was a coin toss. The flip involved two business partners, Asa Lovejoy of Boston and Francis Pettygrove of Calais,

Maine. In 1843, the two had established a land claim some fourteen miles upriver from the confluence of the Willamette and Columbia Rivers. As the settlement took shape, it became clear it would need a name. So at a dinner one night in the home of one Francis Ermatinger in nearby Oregon City, Lovejoy and Pettygrove hit upon a game of chance to determine the town's name. Using a coin Pettygrove had in his pocket, they agreed to a two-out-of-three-toss contest. Boston, it would be called, if Lovejoy won. Portland, if Pettygrove won. On the third toss, Portland got its name. (The "Portland Penny" is now on display at the Oregon Historical Society.)

But wait. Although Pettygrove's wife Sophia hailed from the Maine Portland, his own connection to the city was practically non-existent. He was indeed born in Calais, a town on Maine's eastern border just across the St. Croix River from the Canadian Province of New Brunswick. But his biography next puts him in New York City, where a merchant firm dispatched the barely 20-year-old lad to open a store in far-off Oregon.

So why, at that fateful dinner 23

years later, he would opt to name Stumptown after the town after Henry Wadsworth Longfellow's hometown rather than after his own on the St. Croix is something of a mystery. Perhaps, it was because Portland, Maine was then the 25th most populous city in America. But maybe it was because Pettigrew knew that the locals back home pronounced Calais not as we pronounce the French town on the English Channel but rather as "callous", a word when used as an adjective means "unkind, cruel, and without sympathy".

Not exactly the moniker a community might aspire to. So, Portland it was and Portland it is.

Oh and there's one more thing to add here. Last year, Oregon's Port of Portland handled 116,063 TEUs. Should the container trade at T6 be suspended, then Maine's Port of Portland, which handled 44,013 TEUs last year, would inherit the bragging rights as the nation's leading (and only) container port named Portland.

It's not clear the citizens of Portland, Oregon could endure that indignity.

We Make Cargo Move



**The Port
OF HUENEME**



Until We Meet Again

Continued from page 1

By John McLaurin, PMSA President

While I won't miss the countless hours spent in hearings, public meetings, and Zoom calls, I will miss the people – my coworkers, PMSA members, supply chain partners, policymakers, and the like. Which explains why I embarrassed myself when I started to cry when I informed my Board that I was retiring. I repeated that performance when I informed my colleagues. Retiring is easy, but saying goodbye is really hard.

We all stand on the shoulders of someone else. For me, I have had incredible mentors and support from so many people. Mike Murphy hired me right out of school – and then later again when we were both in Washington D.C. He was a person of grace and integrity.

Capt. Jerry Aspland, the former president of ARCO Marine and the California Maritime Academy, was at every twist and turn of my career – offering support and advice. I realized many years ago that the only way I could repay Capt. Aspland for his generosity was to show the same in helping others. I hope I haven't disappointed him.

And then there is G. Scott Jones of General Steamship Corporation, whose knowledge of the maritime industry and influence in West Coast organizations and issues could fill volumes, and who, as Chair of the

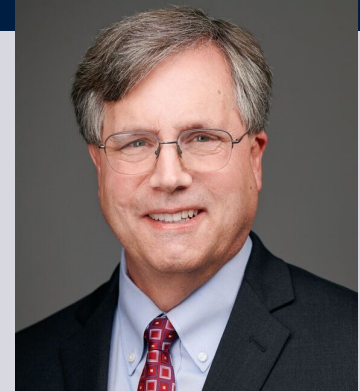
PMSA Board, hired me for this position. I shall be forever grateful for his willingness to take a chance on a young person who barely knew the pointy end of the ship from the blunt end. He taught me a lot about the industry, politics, and life, with additional lessons about courage, integrity, and even diplomacy.

So, I leave this industry with good friends, wonderful experiences, a sense of accomplishment, lots of laughter, and wonderful stories (which have become somewhat embellished over the years). The maritime industry is comprised of many different people, organizations, and segments. It is extremely creative and innovative. I have had the good fortune of making a lot of friends over the years. I have also had the opportunity to work with colleagues who are smart, talented, honest, and incredibly nice individuals. Saying goodbye to them is the most difficult of all.

To say that I have been lucky or blessed in my career would be an understatement. Thanks to the members and Board of Directors of PMSA, my colleagues, and friends for such a wonderful career. I wish you as much joy, health, happiness, and love in your lives as I have in mine.

A hui hou.

NUMBER OF THE MONTH



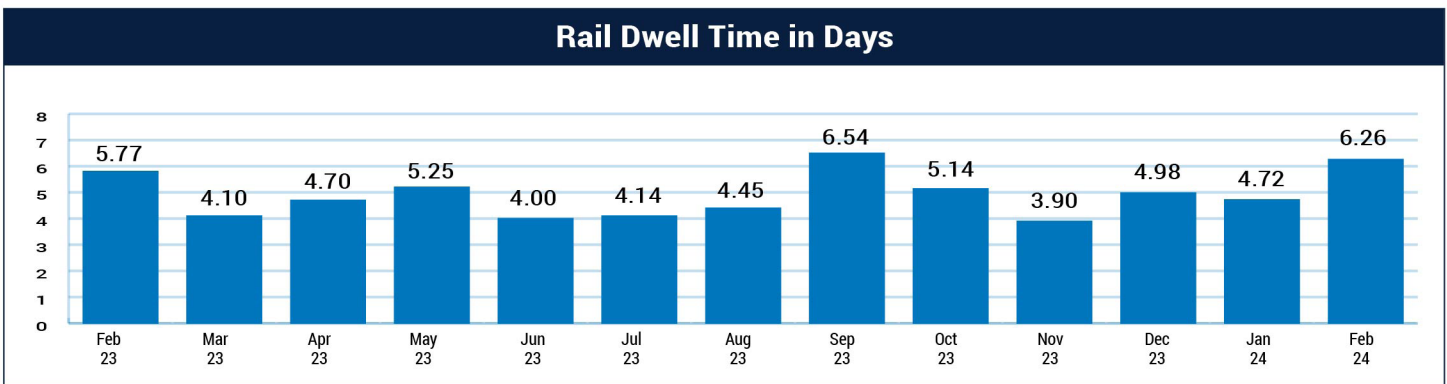
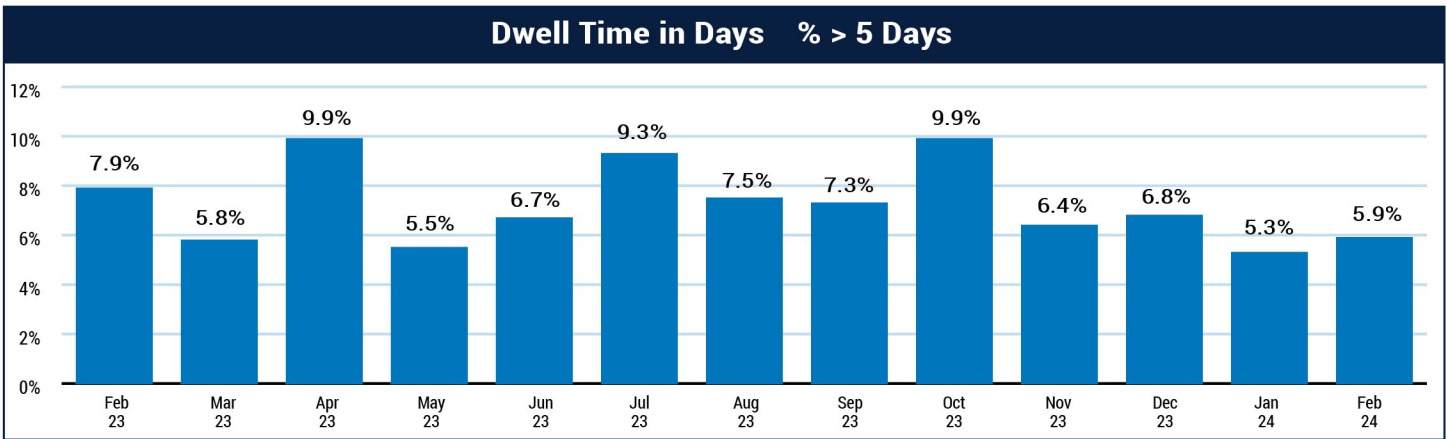
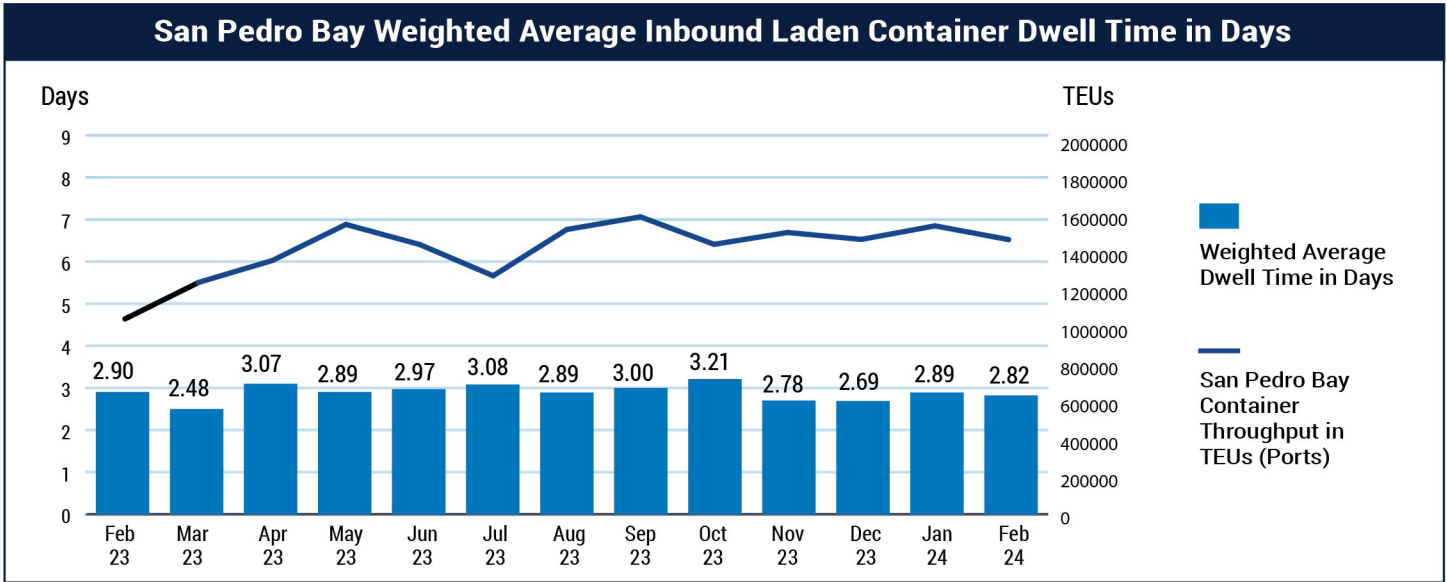
1995

THE YEAR
JOHN MCLAURIN
TOOK OVER AS
PRESIDENT
OF PMSA

*THANK YOU,
JOHN FOR YOUR
29 YEARS OF
DEDICATION AND
SERVICE.*



Container Dwell Time for February Remains Steady, While Rail Dwell Time Continues to Rise



PMSA Copyright © 2024

It is prohibited by law to forward this publication to any other person or persons. This material may not be re-published, broadcast, rewritten or distributed without written permission from PMSA. Follow PMSA on Twitter @PMSAShip and Facebook.