



## A First Glimpse at the TEU Tallies for April

**Note:** *The ports we survey take from a few days to a few weeks to report their container trade statistics. Because West Coast ports are generally much more agile in compiling and releasing their monthly TEU counts than are ports elsewhere in the country, these “First Glimpse” numbers are necessarily incomplete and may give a misleading indication of the latest trends.*

Let us start by agreeing to pay little heed to all those press releases announcing ginormous year-over-year leaps in April’s containerized import numbers. April 2020 was the pits, and nearly every port did exceptionally well this April by comparison. The more illuminating question is how each port’s figures compared with their TEU counts for April in the pre-pandemic year of 2019, when the only thing skewing maritime trade flows were those tariffs supposedly geared to restoring America’s greatness. So, for those ports which have thusfar reported their April 2021 TEU tallies, here’s how they stack up with April 2019.

At the Port of Los Angeles, inbound loads this April (490,127 TEUs) were up a remarkable 35.9% over the 360,745 loads the port discharged in April 2019. However, export loads (114,449 TEUs) were not merely down by 26.4% from the 155,533 export loads recorded two years earlier, but this April was the worst April for laden outbound containers at LA since 2006, when the port

exported just 113,399 loaded TEUs. Overall, LA handled 946,966 total TEUs this April, 28.65% more than the 736,466 TEUs the port handled in April 2019.

At the Port of Long Beach, inbound loaded TEUs (367,151 TEUs) this April were up 15.5% over the same month two years earlier when 317,883 loads arrived at the port. Outbound loads, though, crept up just 0.2%. Total TEU traffic (loads plus empties) jumped 18.2% to 746,188 from 628,122.

At the Port of Oakland, inbound loads (100,096 TEUs) were up 24.0% from 80,702 TEUs in April 2019, while outbound loads slipped by 0.2%. Overall, Oakland handled 0.9% more total TEUs this April (217,993) than it did two years earlier (216,002).

Up in the Pacific Northwest, the Northwest Seaport Alliance Ports of Tacoma and Seattle handled 120,145 inbound loaded TEUs this April, a 6.7% improvement over April 2019. Outbound loads were way off over the same period, by 27.5%.

Across the border, Vancouver received 171,687 inbound loaded TEUs in April, an 18.3% bump over April 2019. Outbound loads, however, were down by 10.1% from two years earlier. The other British Columbia port we track, Prince Rupert, stood out in April as the only major Pacific



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## A First Glimpse at the TEU Tallies for April Continued

Coast port that saw its inbound traffic collapse from last year. Moreover, its total of 28,051 laden import TEUs this April was down 46.8% year-over-year but also down by 45.7% from April 2019. Even worse, this April's loaded import TEU count at Prince Rupert was the lowest in any April dating back to 2013.

Back East, Boston's April saw the arrival of 9,865 loaded TEUs, down 19.4% from two years earlier, while its 6,669 outbound loads were off by 14.0%. Down in the Southeast, Charleston's 105,954 inbound loaded TEUs this April were 19.8% higher than the 87,675 inbound loads the South Carolina port managed two years earlier. Outbound loads, however, hardly changed. The port handled just 38 more outbound loads this April than it had two years ago. Total

container traffic this April amounted to 225,136 TEUs, 10.0% more than crossed Charleston's docks two years earlier.

On the Gulf Coast, Houston handled 143,265 inbound loaded TEUs this April, a 42.4% jump from the same month two years ago. Its outbound loads (91,766 TEUs) were down by 14.0% from April 2019.

Regionally, the Big Five U.S. West Coast ports handled 1,077,519 inbound loaded TEUs this April, up 34.6% from last April but a more modest gain of 23.6% over April 2019. Outbound loads this April totaled 376,546 TEUs, down 14.4% from the number of outbound loads in April 2019.

## Deconstructing the March 2021 TEU Numbers

**Please note:** *The TEU tallies cited 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 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.*

March began a period when the usual year-over-year comparisons of TEU counts are all but meaningless. The COVID-19 outbreak severely stunted world trade as well as global economic output to the extent that even a minuscule rebound in trade would yield absurdly high growth numbers. So for this and at least the next couple of months, we will be offering two sets of comparative statistics. **Exhibit 1** contrasts inbound loads this March not only with the numbers from last March but also with the volumes reported in the more normal or at least pre-pandemic March of 2019. (Exhibit 2 will provide the same dual comparisons for outbound loads.)

**Exhibit 1** displays the complete inbound loaded container traffic numbers for March as reported by the sixteen mainland U.S. and two British Columbian ports we track. Inbound loads for all eighteen ports totaled 2,544,968 TEUs, up 60.5% from a year earlier. But, since world trade in March of last year was deformed by the onset of the

COVID-19 pandemic, the more remarkable statistical display can be found in the columns that contrast containerized imports this March with March in the pre-plague year of 2019. Here we see clearer evidence of just how dramatic the recent import surge has been, with the number of inbound loaded TEUs in March 37.2% higher than in March of 2019. The difference was 690,438 more TEUs for the U.S. and British Columbia ports we monitor and 645,757 more inbound loads at the sixteen ports on the American side of the border.

The bulk of the surge's burden fell on the five major USWC ports, which collectively saw a 54.3% jump in inbounds since March 2019. Less extreme but still substantial were the 27.2% and 17.9% increases at East and Gulf Coast ports.

Meanwhile, containerized exports, as **Exhibit 2** reveals, continued to spiral lower. **Exhibit 3** amply attests to just how much busier the North American port have become in the past two years.

### Weights and Values

We appreciate that the TEU is the container shipping industry's preferred metric. Here, though, we offer two alternative measures – the declared weight and the declared value of the goods housed in those TEUs. The



## Exhibit 1 March 2021 - Inbound Loaded TEUs at Selected Ports

	Mar 2021	Mar 2020	% Change	Mar 2019	% Change	Mar 2021 YTD	Mar 2020 YTD	% Change	Mar 2019 YTD	% Change
Los Angeles	490,115	220,255	122.5%	297,187	64.9%	1,340,608	905,011	48.1%	1,075,426	24.7%
Long Beach	408,172	234,570	74.0%	247,039	65.2%	1,146,183	793,123	44.5%	873,742	31.2%
<b>San Pedro Bay Totals</b>	<b>898,287</b>	<b>454,825</b>	<b>97.5%</b>	<b>544,226</b>	<b>65.1%</b>	<b>2,486,791</b>	<b>1,698,134</b>	<b>46.4%</b>	<b>1,949,168</b>	<b>27.6%</b>
Oakland	97,538	67,035	45.5%	74,714	30.5%	255,141	218,472	16.8%	226,586	12.6%
NWSA	139,914	84,035	66.5%	117,007	19.6%	355,087	278,573	27.5%	345,291	2.8%
<b>USWC Totals</b>	<b>1,135,739</b>	<b>605,895</b>	<b>87.4%</b>	<b>735,947</b>	<b>54.3%</b>	<b>3,097,019</b>	<b>2,195,179</b>	<b>41.1%</b>	<b>2,521,045</b>	<b>22.8%</b>
Boston	11,338	11,326	0.1%	11,856	-4.4%	27,470	36,350	-24.4%	35,641	-22.9%
NYNJ	393,159	271,511	44.8%	282,981	39.9%	1,098,727	894,599	22.8%	905,849	21.3%
Maryland	38,938	40,522	-3.9%	43,700	-10.9%	121,079	122,660	-1.3%	129,856	-6.8%
Virginia	130,066	99,129	31.2%	107,040	21.5%	371,117	305,572	21.4%	322,154	15.2%
South Carolina	113,867	76,019	49.8%	92,875	22.6%	291,244	254,862	14.3%	258,649	12.6%
Georgia	249,395	147,034	69.6%	186,369	33.8%	671,717	505,803	32.8%	545,637	23.1%
Jaxport	29,754	22,629	31.5%	30,202	-1.5%	85,744	75,455	13.6%	86,225	-0.6%
Port Everglades	32,387	29,960	8.1%	28,507	13.6%	88,093	84,062	4.8%	83,598	5.4%
Miami	47,320	33,887	39.6%	38,690	22.3%	140,092	106,668	31.3%	110,101	27.2%
<b>USEC Totals</b>	<b>1,046,224</b>	<b>732,017</b>	<b>42.9%</b>	<b>822,220</b>	<b>27.2%</b>	<b>2,895,283</b>	<b>2,386,031</b>	<b>21.3%</b>	<b>2,477,710</b>	<b>16.9%</b>
New Orleans	10,471	13,696	-23.5%	13,165	-20.5%	30,721	40,111	-23.4%	33,409	-8.0%
Houston	134,259	92,434	45.2%	109,604	22.5%	348,271	283,272	22.9%	291,875	19.3%
<b>USGC Totals</b>	<b>144,730</b>	<b>106,130</b>	<b>36.4%</b>	<b>122,769</b>	<b>17.9%</b>	<b>378,992</b>	<b>323,383</b>	<b>17.2%</b>	<b>325,284</b>	<b>16.5%</b>
Vancouver	169,140	111,341	51.9%	130,472	29.6%	476,982	369,148	29.2%	430,336	10.8%
Prince Rupert	49,135	29,820	64.8%	43,122	13.9%	137,305	134,721	1.9%	132,361	3.7%
<b>BC Totals</b>	<b>218,275</b>	<b>141,161</b>	<b>54.6%</b>	<b>173,594</b>	<b>25.7%</b>	<b>614,287</b>	<b>503,869</b>	<b>21.9%</b>	<b>562,697</b>	<b>9.2%</b>
<b>US/BC Totals</b>	<b>2,544,968</b>	<b>1,585,203</b>	<b>60.5%</b>	<b>1,854,530</b>	<b>37.2%</b>	<b>6,985,581</b>	<b>5,408,462</b>	<b>29.2%</b>	<b>5,886,736</b>	<b>118.7%</b>
<b>US Total</b>	<b>2,326,693</b>	<b>1,444,042</b>	<b>61.1%</b>	<b>1,680,936</b>	<b>38.4%</b>	<b>6,371,294</b>	<b>4,904,593</b>	<b>29.9%</b>	<b>5,324,039</b>	<b>119.7%</b>
<b>USWC/BC</b>	<b>1,354,014</b>	<b>747,056</b>	<b>81.2%</b>	<b>909,541</b>	<b>48.9%</b>	<b>3,711,306</b>	<b>2,699,048</b>	<b>37.5%</b>	<b>3,083,742</b>	<b>20.4%</b>

Source Individual Ports



## Exhibit 2 March 2021 - Outbound Loaded TEUs at Selected Ports

	Mar 2021	Mar 2020	% Change	Mar 2019	% Change	Mar 2021 YTD	Mar 2020 YTD	% Change	Mar 2019 YTD	% Change
Los Angeles	122,899	121,146	1.4%	158,924	-22.7%	343,434	403,821	-15.0%	446,472	-23.1%
Long Beach	139,710	145,442	-3.9%	131,436	6.3%	375,380	379,624	-1.1%	354,010	6.0%
<b>San Pedro Bay Totals</b>	<b>262,609</b>	<b>266,588</b>	<b>-1.5%</b>	<b>290,360</b>	<b>-9.6%</b>	<b>718,814</b>	<b>783,445</b>	<b>-8.2%</b>	<b>800,482</b>	<b>-10.2%</b>
Oakland	94,169	83,782	12.4%	88,202	6.8%	232,904	239,904	-2.9%	231,389	0.7%
NWSA	70,154	79,395	-11.6%	86,856	-19.2%	186,889	214,359	-12.8%	225,325	-17.1%
<b>USWC Totals</b>	<b>426,932</b>	<b>429,765</b>	<b>-0.7%</b>	<b>465,418</b>	<b>-8.7%</b>	<b>1,138,607</b>	<b>1,237,708</b>	<b>-8.0%</b>	<b>1,257,196</b>	<b>-9.4%</b>
Boston	8,505	6,513	30.6%	6,645	28.0%	19,371	19,245	0.7%	18,226	6.3%
NYNJ	126,699	136,780	-7.4%	130,038	-2.6%	330,135	369,069	-10.5%	355,229	-7.1%
Maryland	21,736	21,450	1.3%	20,589	5.6%	61,204	61,860	-1.1%	55,092	11.1%
Virginia	94,846	90,761	4.5%	89,282	6.2%	267,000	250,923	6.4%	243,872	9.5%
South Carolina	79,077	73,077	8.2%	77,704	1.8%	214,425	215,817	-0.6%	203,539	5.3%
Georgia	135,283	136,774	-1.1%	155,083	-12.8%	359,693	384,687	-6.5%	384,716	-6.5%
Jaxport	52,434	40,167	30.5%	45,740	14.6%	139,456	120,559	15.7%	125,322	11.3%
Port Everglades	32,158	33,217	-3.2%	37,351	-13.9%	92,740	101,313	-8.5%	103,677	-10.5%
Miami	32,080	31,703	1.2%	38,947	-17.6%	85,710	101,070	-15.2%	108,426	-21.0%
<b>USEC Totals</b>	<b>582,818</b>	<b>570,442</b>	<b>2.2%</b>	<b>601,379</b>	<b>-3.1%</b>	<b>1,569,734</b>	<b>1,624,543</b>	<b>-3.4%</b>	<b>1,598,099</b>	<b>-1.8%</b>
New Orleans	22,551	27,944	-19.3%	26,364	-14.5%	66,955	78,574	-14.8%	70,957	-5.6%
Houston	106,745	114,972	-7.2%	118,295	-9.8%	286,279	344,608	-16.9%	292,716	-2.2%
<b>USGC Totals</b>	<b>129,296</b>	<b>142,916</b>	<b>-9.5%</b>	<b>144,659</b>	<b>-10.6%</b>	<b>353,234</b>	<b>423,182</b>	<b>-16.5%</b>	<b>363,673</b>	<b>-2.9%</b>
Vancouver	90,784	92,784	-2.2%	103,472	-12.3%	244,087	255,842	-4.6%	287,739	-15.2%
Prince Rupert	17,648	15,520	13.7%	17,832	-1.0%	46,396	44,396	4.5%	46,665	-0.6%
<b>BC Totals</b>	<b>108,432</b>	<b>108,304</b>	<b>0.1%</b>	<b>121,304</b>	<b>-10.6%</b>	<b>290,483</b>	<b>300,238</b>	<b>-3.2%</b>	<b>334,404</b>	<b>-13.1%</b>
<b>US/Canada Total</b>	<b>1,247,478</b>	<b>1,251,427</b>	<b>-0.3%</b>	<b>1,332,760</b>	<b>-6.4%</b>	<b>3,352,058</b>	<b>3,585,671</b>	<b>-6.5%</b>	<b>3,553,372</b>	<b>-5.7%</b>
<b>US Total</b>	<b>1,139,046</b>	<b>1,143,123</b>	<b>-0.4%</b>	<b>1,188,101</b>	<b>-4.1%</b>	<b>3,061,575</b>	<b>3,285,433</b>	<b>-6.8%</b>	<b>3,218,968</b>	<b>-4.9%</b>
<b>USWC/BC</b>	<b>535,364</b>	<b>538,069</b>	<b>-0.5%</b>	<b>586,722</b>	<b>-8.8%</b>	<b>1,429,090</b>	<b>1,537,946</b>	<b>-7.1%</b>	<b>1,591,600</b>	<b>-10.2%</b>

Source Individual Ports



## Deconstructing the March 2021 TEU Numbers Continued

percentages in the following exhibits are derived from data compiled by the U.S. Commerce Department that are published with a five-week time-lag.

### Exhibit 4: USWC Ports and the Worldwide Container Trade

Exhibit 4 shows how the three major USWC gateways have been faring with respect to their respective shares of containerized imports discharged at mainland U.S. seaports in March. However, we hasten to remind readers that the major USWC port complexes do not entirely monopolize the container trade through ports in the states of California, Oregon, and Washington. San Diego and Port Hueneme are both important conduits for refrigerated containers laden with fresh fruit imports from Central and South America. And Portland (the one in Oregon) is making strides in re-establishing itself as a container port, with the number of total TEUs handled in this year's first quarter up 125.6% from last year. Still, the Big Five did handle 94.9% of the containerized tonnage imported and 95.8% of the containerized tonnage exported through all USWC ports in this year's first quarter.

Altogether, USWC ports – big and small – handled 38.1% of all containerized imports that arrived at America's mainland ports in the first quarter. That was up from 35.1% a year earlier, which was unchanged from USWC share of containerized imports in the first quarter of 2019. Those same USWC ports handled 34.1% of all containerized export tonnage through U.S. mainland ports in the first quarter, down from 35.0% a year earlier and from 38.2% in the first quarter of 2019.

**Exhibit 3** March 2021 Total TEUs (Loaded and Empty) Handled at Selected Ports

	Mar 2021	Mar 2020	% Change	Mar 2019	% Change
Los Angeles	2,592,431	1,799,749	44.0%	2,208,734	17.4%
Long Beach	2,376,128	1,682,920	41.2%	1,806,723	31.5%
NYNJ	2,136,180	1,756,978	21.6%	1,792,845	19.2%
Georgia	1,348,476	1,077,865	25.1%	1,152,447	17.0%
Vancouver	932,962	734,855	27.0%	843,039	10.7%
NWSA	881,794	788,882	11.8%	932,288	-5.4%
Manzanillo	827,407	704,453	17.5%	752,325	10.0%
Virginia	799,008	654,365	22.1%	708,297	12.8%
Houston	751,199	773,087	-2.8%	694,167	8.2%
South Carolina	647,330	593,865	9.0%	597,933	8.3%
Oakland	631,121	581,573	8.5%	612,151	3.1%
Montreal	413,249	417,378	-1.0%	409,310	1.0%
JaxPort	348,264	306,662	13.6%	338,358	2.9%
Miami	317,051	276,982	14.5%	291,368	8.8%
Lazaro Cardenas	296,246	275,928	7.4%	341,727	-13.3%
Prince Rupert	274,085	237,990	15.2%	248,253	10.4%
Port Everglades	261,637	269,059	-2.8%	264,356	-1.0%
Maryland	250,273	252,239	-0.8%	266,138	-6.0%
Philadelphia	169,630	159,604	6.3%	140,485	20.7%
New Orleans	131,118	159,235	-17.7%	152,099	-13.8%
Boston	57,249	70,550	-18.9%	71,883	-20.4%
<b>US/Canada Total</b>	<b>15,319,185</b>	<b>12,593,838</b>	<b>21.6%</b>	<b>13,530,874</b>	<b>13.2%</b>
<b>US Mainland Only</b>	<b>13,698,889</b>	<b>11,203,615</b>	<b>22.3%</b>	<b>12,030,272</b>	<b>13.9%</b>

Source Individual Ports



## Deconstructing the March 2021 TEU Numbers Continued

**Exhibit 4** USWC Ports Shares of Worldwide U.S. Mainland, March 2021

	Mar 2021	Feb 2021	Mar 2020
<b>Shares of U.S. Mainland Ports Containerized Import Tonnage</b>			
LA/LB	27.5%	28.4%	21.7%
Oakland	3.8%	3.8%	4.0%
NWSA	5.2%	3.7%	4.9%
<b>Shares of U.S. Mainland Ports Containerized Import Value</b>			
LA/LB	34.2%	35.5%	28.2%
Oakland	3.1%	3.6%	3.7%
NWSA	6.5%	4.9%	6.7%
<b>Shares of U.S. Mainland Containerized Export Tonnage</b>			
LA/LB	19.0%	19.5%	20.9%
Oakland	6.9%	6.6%	6.5%
NWSA	7.2%	6.6%	7.3%
<b>Shares of U.S. Mainland Containerized Export Value</b>			
LA/LB	19.7%	20.3%	20.7%
Oakland	7.2%	7.9%	7.0%
NWSA	4.3%	3.9%	4.0%

Source: U.S. Commerce Department.

### Exhibit 5: USWC Ports and the East Asia Trade

**Exhibit 5** displays the shares of U.S. container trade involving the Far East handled by the major USWC ports. While the Big Five continue to dominate USWC containerized trade with the Far East, their shares are slipping. First quarter 2021 data show the Big Five handling 98.4% of all USWC import tonnage and 97.4% of all USWC export tonnage involving the Far East. Those shares were down, though, from the 99.4% of exports and 98.4% of imports they had handled in the last relatively normal first quarter in 2019.

In the year's first quarter, all of the ports in California, Oregon, and Washington handled 56.7% of all containerized imports that arrived from the Far East at

**Exhibit 5** USWC Ports Shares of U.S. Mainland Trade With East Asia, March 2021

	Mar 2021	Feb 2021	Mar 2020
<b>Shares of U.S. Mainland Ports' East Asian Container Import Tonnage</b>			
LA/LB	45.0%	46.2%	41.9%
Oakland	3.9%	4.6%	5.0%
NWSA	7.9%	5.7%	8.7%
<b>Shares of U.S. Mainland Ports' East Asian Container Import Value</b>			
LA/LB	50.9%	52.0%	48.5%
Oakland	3.7%	4.3%	4.8%
NWSA	9.4%	7.0%	11.2%
<b>Shares of U.S. Mainland Ports' East Asian Container Export Tonnage</b>			
LA/LB	30.1%	32.2%	37.4%
Oakland	8.9%	8.4%	10.5%
NWSA	11.5%	10.5%	12.7%
<b>Shares of U.S. Mainland Ports' East Asian Container Export Value</b>			
LA/LB	33.7%	38.2%	42.9%
Oakland	12.0%	12.4%	12.8%
NWSA	8.4%	7.5%	8.3%

Source: U.S. Commerce Department.

U.S. mainland ports. That was up from 54.6% a year earlier and from 56.1% in the first quarter of 2019.

On the export side of the ledger, all USWC ports handled 52.1% of all containerized export tonnage bound for the Far East from America's mainland ports. That was down sharply from 61.4% a year earlier and from a 60.8% share in March of 2019.

### Who's #1?

**The Port of Los Angeles was the nation's busiest container port in March 2021, having handled 957,599 total TEUs (loads and empties) that month.** The neighboring Port of Long Beach ran a competitive second with 840,387 total TEUs. Together, the San Pedro Bay complex managed to process 1,797,986 TEUs, a



### Deconstructing the March 2021 TEU Numbers Continued

staggering 85.9% leap over last March's abyss but also up 14.4% from the 1,571,050 total TEUs they had handled in February. In third came the Port of New York/New Jersey (PNYNJ) with 789,776 TEUs. Fourth place went to Savannah with 498,065 total TEUs. The NWSA Ports of Tacoma and Seattle ran fifth among the U.S. ports we track with a total of 330,175 TEUs in March.

The Port of Los Angeles was also the nation's busiest port during the first quarter of the year, with 2,592,431 total TEUs. Second was Long Beach with 2,376,128 TEUs, while PNYNJ placed third with 2,136,180 TEUs. Remarkably, the two San Pedro Bay ports handled 1,485,890 more TEUs in this year's first quarter than they had in the same period last year. That increase alone was greater than the 1,348,476 total TEUs that passed through the Port of Savannah in this year's first quarter.

For nitpickers who believe empty boxes shouldn't count, Los Angeles remained in the lead with 613,014 loaded TEUs crossing its docks in the month of March. In second place with 547,882 loads was the Port of Long Beach, easily ahead of PNYNJ's 519,858 total TEUs. Savannah was well behind with 384,678 laden TEUs.

In the category of inbound loads discharged in March, Los Angeles (490,115 TEUs) exceeded Long Beach (408,172 TEUs) and PNYNJ (393,159 TEUs). The tally of inbound loads at Savannah was 249,395 TEUs.

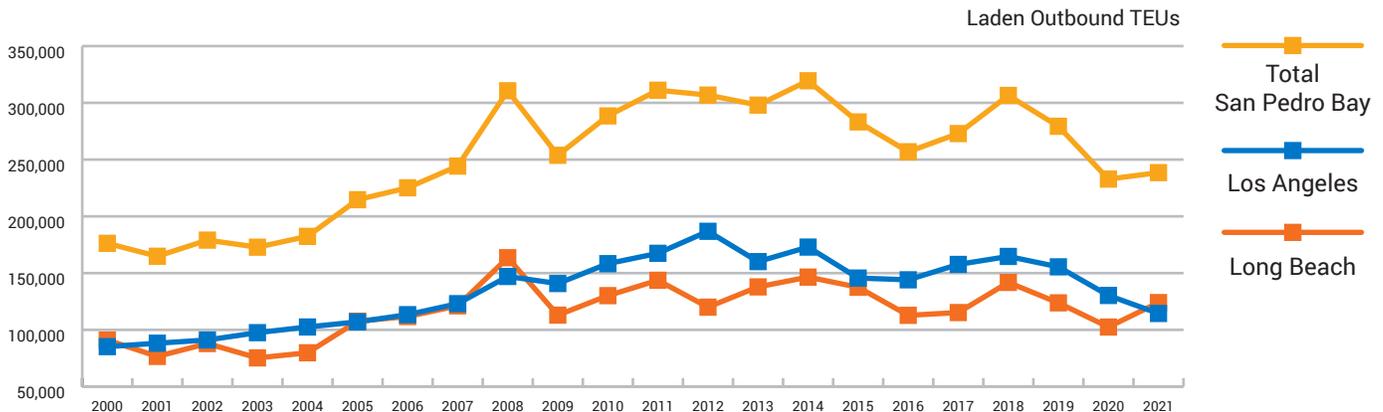
It's where we start talking about exports that the rankings start moving around. In terms of outbound loads in March, the most fascinating news is not that Savannah (135,283 TEUs) again bested PNYNJ (126,699 TEUs), but that the Georgia port also topped the Port of Los Angeles (122,899 TEUs), while falling shy of Long Beach (139,710 TEUs).

For the first quarter, Long Beach handled the most outbound loads (375,380 TEUs). That beat Savannah's 359,693 outbound loads as well as the 343,434 outbound loads that sailed from Los Angeles and PNYNJ's 330,135 outbound loads.

### San Pedro Bay's Lackluster History in the Container Export Trade

For all of the media attention usually lavished on the two big Southern California ports, the nation's busiest port complex actually comes up relatively short in its support of the nation's maritime export trade. That was again evident in the latest data. In the case of the Port of Los Angeles, one would have to go all the way back to 2006 before finding an April in which fewer outbound loaded TEUs sailed from the port than was the case this year. The port's peak April for exports was in 2012, when it sent out 186,838 loaded TEUs in April 2012. Meanwhile, the Port of Long Beach's history with export container has been bumpier in recent years, with the 124,069 laden outbound

**Exhibit A** Month of April Container Exports from San Pedro Bay Port  
Source: Port of Los Angeles





## Deconstructing the March 2021 TEU Numbers [Continued](#)

TEUs handled this April actually up very slightly from the 123,804 TEUs the port handled in the same month two years earlier. Still, the highest export total ever reported in the month of April at Long Beach was back in 2008, when 163,577 loaded TEUs sailed from the port. The two ports' combined share of all containerized export tonnage leaving mainland U.S. ports peaked in 2008 at 26.9%. In the first quarter of this year, that share had dipped to 19.3%.

### Containerized Exports Considered

Awhile back, there was an effort to float the cockamamie theory that, since the country's seaports were being flooded with containers laden with imported goods, there should somehow be a commensurate increase in outbound containers actually loaded with U.S. goods. Evidently, a journalist at one of the business news networks thought that exports and imports were opposite sides of the same coin. We disparaged this notion when it first appeared along with a set of spurious figures about the dollars of agricultural exports that allegedly were being denied passage abroad by shipping lines and terminal operators at the Ports of Los Angeles and Long Beach. As much as industry analysts have sought to push back against these bizarre notions (and the hefty dollar figures inappropriately derived from them), these bizarre views continue to be bandied about.

So, while awaiting a second vaccine dose to take effect, we took a look at what the U.S. exports to markets in the Far East. The top ten two-digit commodity classifications typically account for two-thirds of the value of all U.S. exports to that region of the world. In the pre-pandemic year of 2019, those ten commodity groups held a 67.4% share of the \$354.33 billion in U.S. exports to the Far East.

Now, what was the containerized share of the export value of those ten commodities groups? \$34.72 billion or 14.5% in 2019.

One thing to remember: Lots of stuff travels abroad in containers but, generally, it's not the most valuable stuff American industry sells to the world. Of those top ten commodity groups exported to the Far East in 2019, 53.2% got there by air, the mode of transport that usually handles the more expensive, time-sensitive commodities. Fixating on containerized trade can lead to mistaken ideas about what the country exports and what can be

done to encourage more exports.

### Pity the American Soybean Exporter

If you start with the premise that the world is conspiring against you and that things have never been worse, then you have to be pretty ingenious about finding ways to dismiss as failure what everyone else would regard as hard evidence of success. Take, for example, the dreadful plight of soybean exporters now pleading their woeful case before Congress, the Federal Maritime Commission, and a largely compliant farmland media. Tonnage-wise, containerized soybean exports in this year's first quarter totaled 1,558,922 metric tons, a 14.3% increase over the same period last year and a 24.2% improvement from the first quarter of 2019. But, apparently, that's not good enough for those eager to incite federal investigations into the allegedly predacious behavior of foreign-owned ocean carriers and terminal operators.

Of course, the baleful bleating heard from the farm belt could be more perverse. Pork belly producers have likewise been bellyaching about a shortage of shipping containers in the Midwest, despite the fact that containerized exports of pork bellies (HS 020329) in this year's first quarter were up 44.6% over the more normal first quarter of 2019.

Equally incomprehensible are the moans of America's dairypersons, whose first-quarter containerized exports only increased by 28.2% from the same period in 2019.

Meanwhile, U.S. ports shipped 13,109,227 metric tons of soybeans in bulk during first quarter of this year. (That's over eight times the soybeans that were simultaneously exported in containers.) First quarter bulk shipments this year were up by 57.0% from last year's first quarter and by 20.2% from the first quarter of 2019. Even though ports in Louisiana traditionally account for the majority of America's soybean exports, 2,497,252 metric tons or 26.9% of the U.S. total passed through USWC ports in the first quarter. And of those soybeans shipped from USWC ports this year, over seventy percent went not through any of the big USWC gateways but rather through three much smaller ports on the Washington side of the Columbia River: Kalama, Longview, and Vancouver.



## Jock O'Connell's Commentary: Circuses, We Must Have Our Circuses

At a time when the indispensable role the nation's seaports play in supplying the needs of American industry and consumers has probably never been more manifest to the general public, public officials in two of California's port cities are stumbling toward decisions that could impose crippling burdens on two of the state's most economically vital transportation assets.

Such is the allure of circuses and carnival barkers. Never mind that our ports are struggling to handle unprecedented volumes of containerized cargo, while simultaneously complying with ever more strict (and costly) environmental regulations. We must have our diversions, especially diversions that are seen to flatter municipal pride.

### Who will rid us of this queen?

In Southern California, the Port of Long Beach, North America's second busiest container port, is in danger of being saddled with the responsibility for maintaining a rusting relic of a bygone age.

In a blog posted earlier this month, longtime California political affairs columnist Dan Walters cited former Long Beach mayor Ernie Kell's line about the Queen Mary, the famed cruise ship the city acquired in 1967, as "a tombstone in a cemetery no one wants to visit."

Unfortunately, city leaders in Long Beach continue to whistle past that same graveyard.

Linking the fabled and then still seaworthy ocean liner to the city's identity must have seemed like a great idea at the time. Postcards displaying the city's numerous oil wells were not likely to induce either tourism or business investment as much as an object of nostalgia for a time and place that could not have had less to do with the reality of a fast-growing port city at the end of the 710 freeway. It was if Lake Havasu over in Arizona foolishly imagined around the same time that acquiring a crumbling bridge over the River Thames would bring a bit of London's panache to the desert.

Fast forward through decades in which the Queen Mary project was serially mismanaged and in which

maintenance was endlessly deferred. Now the city is eager to divest itself of the dilapidated amusement by foisting it off on the Port of Long Beach before it (the ship) goes hull up, the logic apparently being that the Queen Mary is a ship and that ports should know something about ships. Whether the Port of Long Beach has either the personnel or the depth of financial resources to manage what would likely be a half billion-dollar restoration project with no precedent for profit is much less apparent.

The move is drawing sharp opposition from the shipping lines that use the port, fearing, with ample reason, that funds needed to keep the port competitive will instead be siphoned off to keep the Queen Mary afloat.

The latest assessment of the Queen Mary's condition is that it may well founder before anyone has a chance to end its long embarrassing sojourn among the Southern Californians. Stephen Payne, who designed the Queen Mary 2, Cunard's current flagship, has reportedly warned that the liner could sink if attempts were made to tow her to a dry dock.

That evidently has not deterred Long Beach Mayor Robert Garcia from his desire to keep the ship in town. As he insisted to a reporter for the Long Beach Post last week: "The Queen Mary is bringing people from across the world to Long Beach...we must preserve it, honor it, and live up to the promise that we made 50 years ago."

However, he also conceded the city was sailing into a very stiff wind. "The city has been trying to get the Queen Mary right for 40-plus years, certainly since it's been from one leaseholder to the next, and for all of us that want that preservation to happen, it's hard to see," he told the Post's Kelly Puente. "There's been attempt, after attempt, after attempt, including currently, and it has not succeeded to the point where there has been the right partner and the right preservation plan in place."

Whether post-pandemic tourists from around the world or even from Pacoima are driven to visit Long Beach to view an artifact of an era in which dinner attire involved



## Commentary Continued

ensembles more elegant than ripped jeans and ballcaps perched askew is a question the mayor might usefully ponder.

In a development reminiscent of a Marx Brothers comedy, the city's cavalier treatment of the Queen Mary also seems to have kicked off a diplomatic ruckus with Scotland, where the vessel was built in 1934. It seems the notoriously tetchy Scots have taken umbrage at the dishonor being accorded to what they regard as a prime example of Scotland's past accomplishments as a shipbuilding powerhouse.

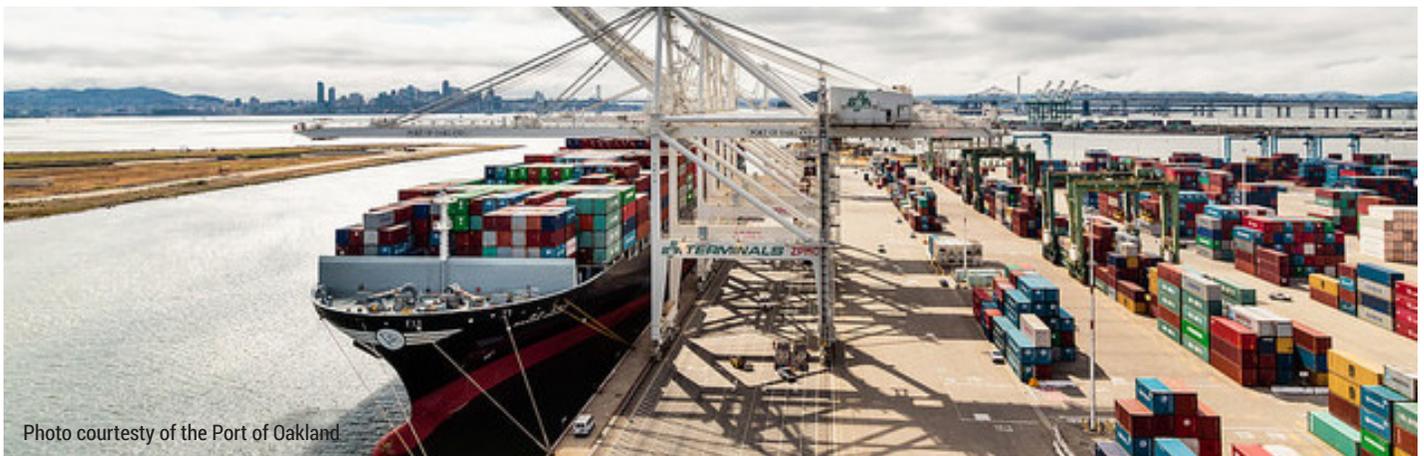
The emerging consensus of nearly everyone who has studied the ship's condition is that decades of mismanagement and deferred maintenance have left the Queen Mary without an economically or structurally viable future. As a profitable investment opportunity, there is no there there.

### Baseball at the Scrap Yard

Which brings us to Oakland, where Major League Baseball has lately adopted a variation on the gimmick rule of putting a runner on second base to start extra innings, the ostensible objective of which is to hasten the game's conclusion. What MLB has done – in hopes of stampeding local leaders into approving the Oakland A's bid to build a new waterfront stadium – is to direct its East Bay franchise to explore other municipalities to which the team may move if the locals aren't forthcoming. The list of alternate sites would presumably be comprised of cities not yet fleeced by the billionaires who control Major League Baseball.

One obvious problem is that each time the team's designated huckster (DH) has a public statement to make, the share of the ballpark's cost to be borne by the taxpaying public goes up. Those keeping score at home will recall that the A's DH began his pitch some years back with a solemn cross-my-heart promise that any new ballpark would be built entirely with private financing. We'll do it the way the Giants did across the Bay, he said back then. Yup. Just like Oakland is indistinguishable from San Francisco.

Anyone needing a reminder of how poorly a public stake in a sports palace can turn out does not have to look very far. Desperate to retain the National Basketball Association franchise it had pilfered from Kansas City back in the 1980s, the City of Sacramento committed its taxpayers to a \$273 million investment in the construction of the fancy-schmancy Golden 1 Center, the high-tech home of the Sacramento Kings. That \$272 million, according to a report in the May 19 *Sacramento Bee*, represented about half the costs of the \$558 million arena. The city borrowed the money in 2015 against future city parking revenues, which not surprisingly tumbled during the pandemic and which may never return to pre-pandemic levels. As the *Sacramento Bee* has previously reported, the city owes \$18.4 million annually on the arena. With the take from city-owned garages and parking meters down sharply, there are genuine fears the city will have to dip into the general fund to cover its obligations to bond holders. And that means less money available for basic city services to its residents, who have meanwhile been souring on a franchise that has failed to make the play-offs the





## Commentary *Continued*

past fifteen seasons. (For non-fans, making the NBA postseason playoffs is only slightly more exclusive than the participation trophies handed out to Little Leaguers.)

Other critics have addressed the Oakland ballpark financing scheme in great detail, while they and others have been highly dubious about the problem of safely getting fans to the stadium. Unlike the A's current homefield, the waterfront venue is not well served by public transport or even parking lots. Much of the discussion, though, involves the question of whether the A's proposal is compatible with maritime operations at the Port of Oakland. That issue can be viewed narrowly or broadly. A 2019 report commissioned by the A's and conducted by Mercator International found that the port's container handling activities could continue to grow despite the presence of the proposed new neighbor. In effect, the argument was that future TEU volumes could be met at new and existing terminals without the use of Howard Terminal. That report, of course, was prepared prior to the pandemic and therefore before surging imports engulfed ports up and down the West Coast.

But the real issue is decidedly not whether Howard Terminal is an expendable port asset. Nor is it really whether the Port of Oakland can accommodate itself to the ballpark per se. The key issue instead is whether those presumably well-heeled and probably well-connected folks who will move into the thousands of luxury condos the A's are planning to build next to the stadium could ever accommodate themselves to the presence of a major working port. How much homeowner litigation does it take to hamstring a port? That question, rather than whether there will be enough acreage available to grow the port's container business, constitutes the most direct threat to the port's viability.

But perhaps a compromise benefiting both Long Beach and Oakland can be found. Maybe, with regular subsidies from the City of Long Beach and the Government of Scotland, the A's can be persuaded to moor a refurbished Queen Mary at their Howard Terminal colosseum.

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

## Which Way Forward?

**By Thomas Jelenić, Vice President,  
Pacific Merchant Shipping Association**

The Clean Trucks Program is at risk of collapse. That may be a surprise to some people. For others, it may be expected. But the reasons that are putting the Clean Trucks Program at risk are unexpected. The risk is not due to a failure of having commercially-viable zero-emissions technology today or the preposterous cost of the program. Rather, the program is at risk now due to a series of moves so aggressive that it has left the other side with no room to maneuver other than to up the ante.

The Clean Air Action Plan (CAAP) is premised on multiple assumptions that underlie the approach taken. One was the idea that in the absence of a State regulatory framework to advance emission reductions that the ports of Los Angeles and Long Beach needed to act jointly to achieve long-term reductions. Another premise was that while the two ports competed against each other on commercial terms, a successful environmental program required consistency between the two ports. Cargo interests essentially treat the ports of Los Angeles and Long Beach as a single gateway. Different environmental standards for a truck or ship that moves between 13 terminals in a single gateway would risk a race to the bottom in terms of environmental standards or impose unbearable friction in a system stretched to the limit during a pandemic-induced consumer goods surge. Finally, the CAAP acknowledges that independent truck owner-operators do not have the financial wherewithal to purchase new, \$300,000-\$500,000 zero-emission trucks of sub-standard capability that cost 10 times as much as the secondary/tertiary market used trucks currently deployed.

Problems started from the get-go of the updated CAAP. Knowing they would never solve the question of reducing truck emissions unless they achieved zero emissions, the ports eagerly committed to a zero-emission goal. Of course, the plan was not grounded in proven technology, but aspirational technological development. The updated CAAP set a path to an end goal with no known path to get there. Since the technology pathway, cost, and speed were unknowable, the CAAP was instantly the victim

## Which Way Forward Continued

of critics arguing that the goals could be accomplished faster if only there was a will. But the saving grace was that no one could upstage their goal, at the time the most aggressive in the nation. The ports walked to the brink and established an unassailable position. Of course, a regulator with actual regulatory authority will not be outdone and the California Air Resources Board (CARB) has now upstaged the ports' plans.

CARB has committed to a program that accelerates the transition of trucks providing drayage service by banning new diesel trucks from serving the ports in 2023. That would be one year before (2024) California requires that truck manufacturers begin selling zero-emission trucks in California. During one public workshop on their proposal, CARB staff identified laudable goals for transitioning trucking to zero emissions. Their principles included focusing on the largest fleets that were highly capitalized. Doing so would build the market for zero emission trucks and help create a secondary zero-emission truck market in later years when the focus would shift to smaller fleets that acquired used trucks for their operation. Sound principles. CARB staff then announced that their focus for accelerated action would be trucks providing drayage services to California ports; trucks that do not meet any of the principles they had thoughtfully articulated.

Many speculate that CARB's proposal was to goad even faster action out of the ports. With the Clean Trucks Fee on hold due to the pandemic and port staff publicly stating that it will go into effect in 2022, CARB has adopted a maximalist position that will, no doubt, force the ports to act faster. However, while that "soft ban," as it is often referred to, seems like a solid approach to drive new technology into the market, it also drives a stake through the funding program. Government agencies, whether CARB, SCAQMD, or the ports, are prohibited by law from providing grant funds to comply with regulatory requirements. There is a real legal question about the ability of the ports to disburse incentive money in light of such a program. As a result, once CARB adopts the 2023 requirement later this year, the ability for the ports to spend the proceeds of any Clean Trucks Fee may well evaporate with the Clean Trucks Program.

It is important to underline this point. CARB is pushing for implementation of the Clean Trucks Fee; many California elected officials are also pushing hard for the Clean Trucks Fee. California is proposing a regulatory framework that could prohibit Clean Trucks Fees from being spent on new trucks. Worse, now that CARB has proposed a timeline for beginning the zero-emission transition in a mere two years, it would be political suicide for them to acknowledge the incompatibility of their regulatory proposal with the Clean Trucks Program and step back from the brink.

No doubt, the two ports are developing a response. That may be the reason that the much-awaited comprehensive road map to zero-emissions is so delayed. It may also indicate that no path exists that incorporates all of these public commitments: joint action, funding for trucks, coordination with regulatory agencies. But, so far, not much has been said in any of the public workshops on this topic. In an apparent sign of public frustration, the Port of Long Beach Board gave a public dressing down to the Port of Los Angeles at their April board meeting, even suggesting the possibility of divergent programs. So much for joint action.

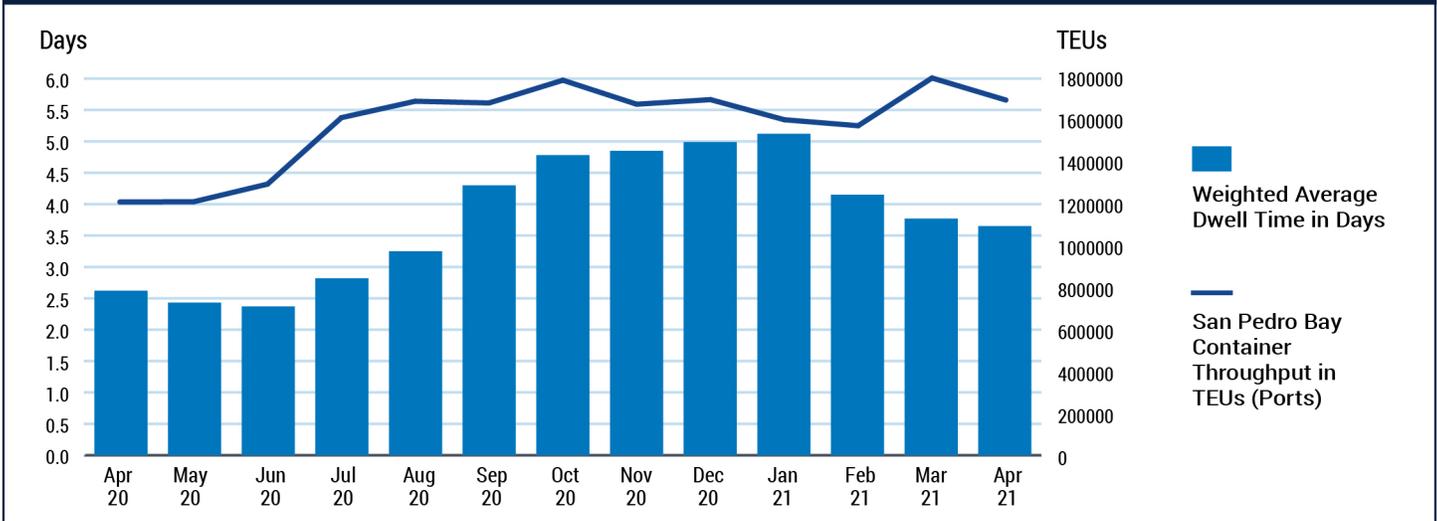
The Ports may also be struggling with whether there is any longer a compelling reason for continuing their effort now that their proposed program has been entirely superseded by CARB. I can only assume, as an inveterate cynic, that if they do proceed it would be to mitigate pandemic-induced congestion through cargo diversion.

Unfortunately, each stakeholder has anted up without regard for where that will leave their "partners." The commitments knock out key portions of the program. More importantly, the statements have been made in such a public manner that any climb down is impossible. Obviously, something will move forward, politics will prevent nothing from happening. But it is not clear that the joint Clean Trucks Program that was laid out in the Clean Air Action Plan will be moving forward.

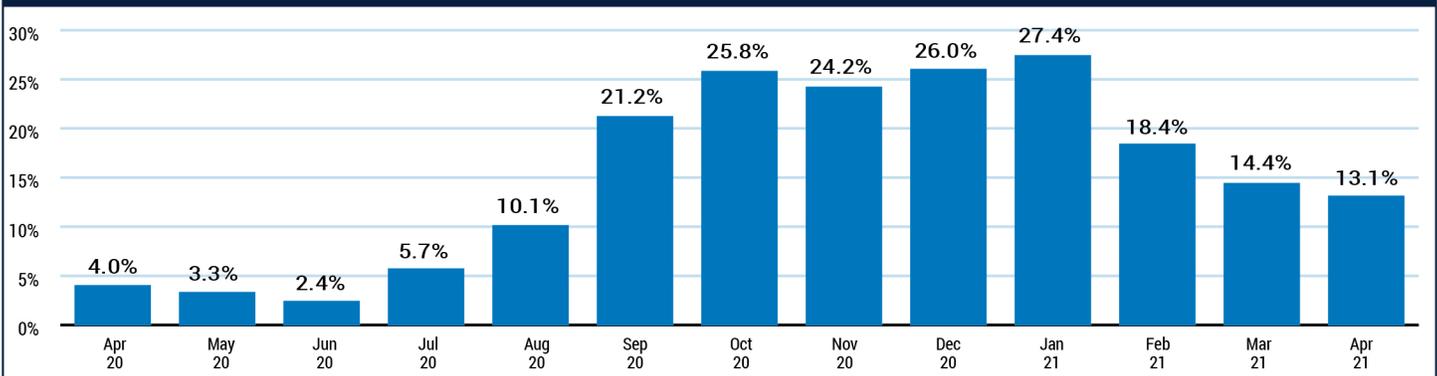


## Import Dwell Time Is Down For April; Rail Dwell Time Is Up

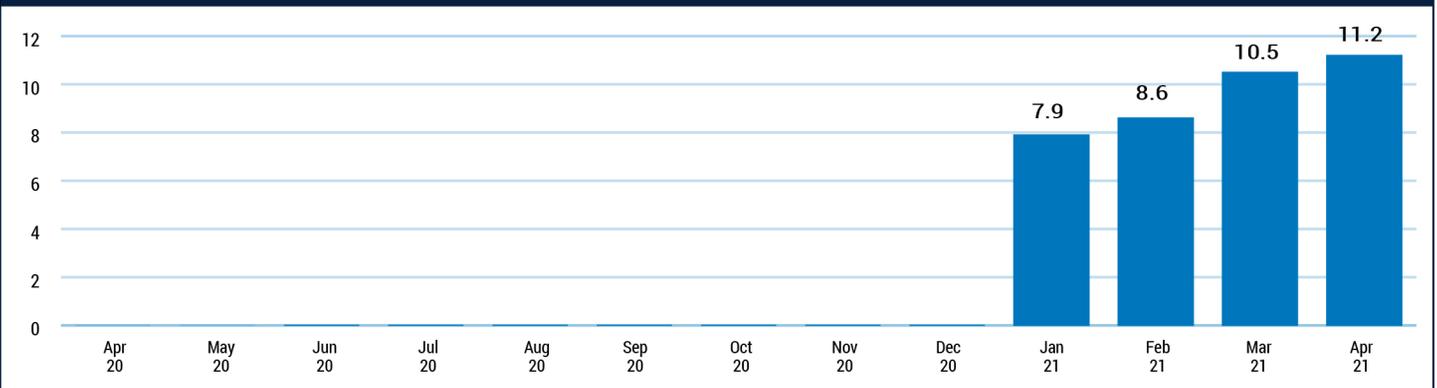
San Pedro Bay Weighted Average Inbound Laden Container Dwell Time in Days



Dwell Time in Days % > 5 Days

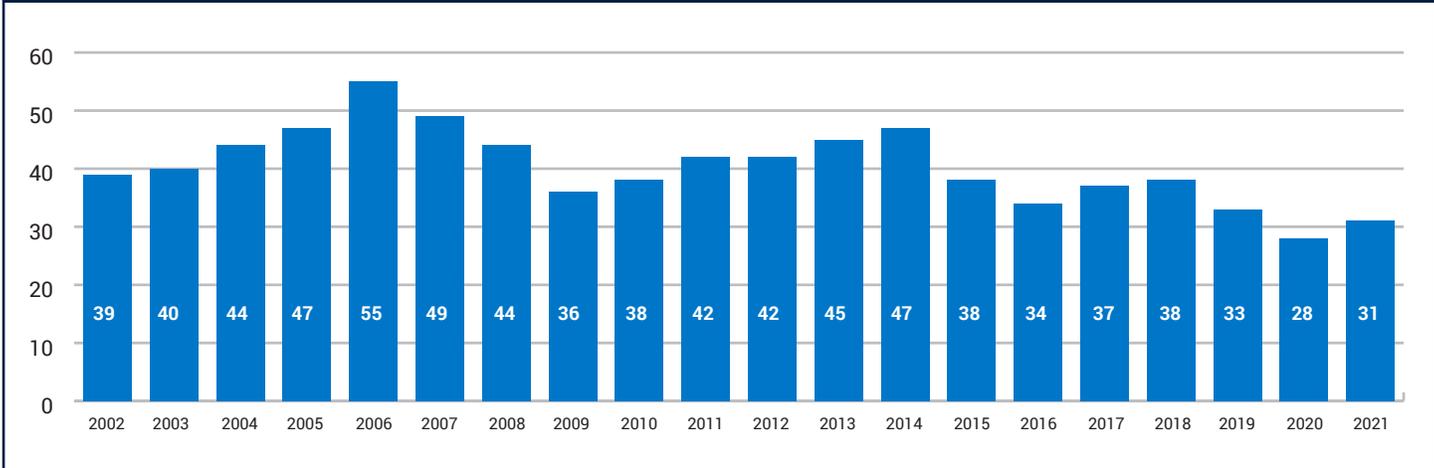


Rail Dwell Time in Days





### Average Number of Trains Running Per Day on the Alameda Corridor



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