



September 2023 – Partial Container Tallies

As a reminder to our readers, we have a strict policy of citing only the container statistics reported by the U.S. and Canadian ports we survey. Others may seek to get ahead of the numbers by publishing their own data, sometimes with unpleasant results. Last month, for example, one well-known box-counter claimed that the Port of Savannah handled 230,225 inbound loads in August, while the port itself laid claim to 202,423. In any case, here's what the ports we monitor are thus far reporting for September. Please note that, unless otherwise indicated, the container numbers appearing below represent TEUs.

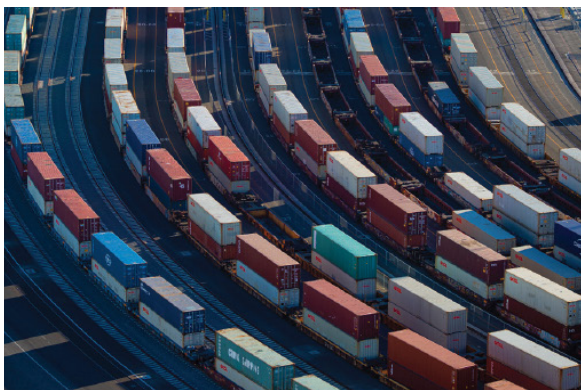
Starting in Southern California, the **Port of Long Beach** had its busiest September ever, moving 829,429 containers. Inbound loads (408,926) were up 19.3% over last September and were a remarkable 15.2% ahead of pre-pandemic September 2019. Total traffic of loads and empties through the San Pedro Bay port YTD (5,822,666) was 4.5% ahead of the first three-quarters of 2019.

Across the street, the **Port of Los Angeles** reported handling 748,440 containers in September. Of those, 392,608 were inbound loads, up 14.3% year-over-year but 2.4% behind the volume of September 2019. Outbound loads (120,635) jumped 55.3% from a year earlier but remained 7.7% below September 2019. Total container traffic through the port YTD (6,398,126) was down 18.7% from the previous year and 8.9% lower than September 2019.

The **Port of Oakland** reported handling 74,428 inbound loads this September, the fewest of any previous September since 2016. Outbound loads (59,757) were up 9.1% year-over-year but still down 17.1% from pre-pandemic September 2019. Total container traffic through the first three quarters of this year (1,544,692) was at the lowest level since the same point in 2009, when the nation was struggling to recover from the Great Recession.

September saw a surge in international trade at the **Northwest Seaport Alliance Ports of Tacoma and Seattle**. Import loads (134,642) jumped 31.8% from a year earlier. That left the ports 2.4% ahead of their September 2019 tally of import loads. Export loads, meanwhile, leapt 33.6% year-over-year. But that still left the ports down 24.3% from their export loads for September 2019. YTD, total container traffic (2,203,757) was down 16.3% from last year and off 24.3% from 2019.

Up in British Columbia, the **Port of Vancouver** handled 139,343 inbound loads in September, down 16.5% year-over-year and down 10.8% from September 2019. Outbound loads (64,192) were up 7.5% from last year but still down 28.9% from the same month in 2019. Total container traffic YTD (2,292,634) was off by 17.1% from last year and by 11.7% from the first three quarters of 2019.



Speed and Service

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





September Tallies *Continued*

Further north, the **Port of Prince Rupert** continued to be a puzzle. Earlier this month, the *Journal of Commerce* reported that Prince Rupert was undertaking a C\$750 million project to “significantly increase the Western Canadian port’s capacity to export agricultural, forestry and resin products while achieving a better import-export mix”. And yet the port continues to post disappointing numbers. September inbound loads (30,028) were down 37.4% year-over-year, 53.1% below the level of September 2019, and the lowest number in any September since 2014. Outbound loads (11,561) were admittedly up 1.8% from a year ago but were still down 13.5% from September 2019. Total container traffic YTD (544,074) was down 31.2% from last year’s first nine months and 39.3% lower than in the same period in 2019.

The **Port of Virginia** recorded 130,073 inbound loads in September, down 9.3% from a year earlier but up 13.5% from the pre-pandemic September of 2019. Outbound loads amounted to 81,515, down 3.0% from September 2022 but up 13.9% over September 2019. On a YTD basis, 2,436,860 loads and empties passed through the Atlantic Coast port during this year’s first three quarters. That was down 13.7% year-over-year but represented a gain of 9.8% over the same period in 2019.

The **Port of Charleston** reported 97,331 inbound loads in September, down 14.4% from a year earlier but nonetheless

up 8.0% from September 2019. Conversely, outbound loads (56,296) were up 12.4% from last September but down 8.5% from September 2019. Total container traffic YTD through the South Carolina port (1,836,267) was down by 12.7% from the first three quarters of 2022 but virtually on a par with the 1,846,017 containers the port handled in the same period in 2019.

Down on the Gulf Coast, **Port Houston** handled 156,161 inbound loads in September, down 12.3% from a year earlier but up 46.9% from September 2019. Outbound loads at the Texas port (124,739) were up 21.4% over last September as well as up 21.9% from September 2019. Total container traffic YTD (2,835,750) was down 4.3% from the same period last year but up 27.0% from the first three quarters of 2019.

We don’t do forecasts, but the short-term ones done by the National Retail Federation/Global Port Tracker are usually quite reliable. In an October 10 press release, NRF/GPT predicted that, once all the returns had been tallied, inbound loads at the thirteen U.S. ports it tracks would total 1.94 million in September. Although that volume would be down 4.3% from a year earlier, it would represent a 3.7% increase over the 1.87 million inbound loads the Global Port Tracker tracked in the pre-pandemic month of September of 2019.

We Make Cargo Move



The Port
OF HUENEME



For the Record: Complete August 2023 TEU Numbers

Exhibits 1-3 provide the details on inbound and outbound loads as well as total container traffic (loads plus empties) through the North American ports this newsletter surveys. The NRF/GPT reports that inbound loads in August totaled 1.96 million, down 13.5% from a year earlier. (A September 8 press release from the NRF/GPT expected August to be 2.0 million inbound loads, which would have been off by 11.4% from the previous August). Our tally of the eighteen U.S. ports we monitor shows 2,047,117 inbound loads arriving in August, a 12.8% decline from a year earlier, but a slender 0.9% bump over August 2019.

Our figures indicate inbound loads through U.S. West Coast (USWC) ports were down 6.5% from August 2022. However, the year-over-year declines in inbound loads was even steeper at ports along the East Coast (-17.7%) and Gulf Coast (-15.8%).

Compared with pre-pandemic August 2019, inbound loads this August were down by just 0.2% (-1,733) at the two big San Pedro Bay ports in Southern California. As a whole, though, USWC ports handled 4.2% (-40,598) fewer inbound loads this August than in the same month four years earlier. U.S. East Coast ports, meanwhile, recorded a 2.3% (+21,770) gain, led by Port

Exhibit 1

August 2023 - Inbound Loaded TEUs at Selected Ports

| | Aug 2023 | Aug 2022 | Aug 2021 | Aug 2020 | Aug 2019 |
|--------------------------------|----------------|------------------|------------------|------------------|----------------|
| Los Angeles | 433,224 | 403,602 | 485,672 | 516,286 | 437,613 |
| Long Beach | 325,436 | 384,530 | 407,426 | 364,792 | 322,780 |
| San Pedro Bay Totals | 758,660 | 788,132 | 893,098 | 881,078 | 760,393 |
| Oakland | 72,481 | 87,844 | 97,853 | 96,264 | 88,325 |
| NWSA | 82,767 | 102,157 | 114,971 | 107,890 | 112,267 |
| Hueneme | 10,540 | 11,267 | 8,084 | 2,778 | 4,831 |
| San Diego | 6,086 | 5,886 | 7,498 | 6,888 | 5,316 |
| USWC Totals | 930,534 | 995,286 | 1,121,504 | 1,094,898 | 971,132 |
| Boston | 13,150 | 9,494 | 8,423 | 10,162 | 14,047 |
| NYNJ | 348,921 | 428,721 | 399,716 | 366,887 | 342,541 |
| Maryland | 49,647 | 49,444 | 47,807 | 44,303 | 44,878 |
| Virginia | 136,788 | 160,673 | 144,226 | 120,914 | 121,542 |
| S. Carolina | 102,207 | 113,864 | 114,671 | 96,965 | 103,221 |
| Georgia | 202,423 | 290,915 | 241,713 | 227,537 | 217,017 |
| Jaxport | 33,242 | 30,758 | 24,487 | 27,738 | 30,484 |
| P. Everglades | 26,801 | 33,981 | 32,470 | 25,150 | 24,407 |
| Miami | 44,515 | 45,939 | 48,976 | 36,847 | 37,787 |
| USEC Totals | 957,694 | 1,163,789 | 1,062,489 | 956,503 | 935,924 |
| New Orleans | 9,229 | 8,597 | 12,813 | 10,239 | 11,908 |
| Houston | 149,660 | 180,132 | 159,791 | 116,714 | 110,318 |
| USGC Totals | 158,889 | 188,729 | 172,604 | 126,953 | 122,226 |
| Vancouver | 135,492 | 178,072 | 180,865 | 167,095 | 145,819 |
| Prince Rupert | 26,329 | 57,831 | 43,924 | 68,064 | 71,453 |
| British Columbia Totals | 161,821 | 235,903 | 224,789 | 235,159 | 217,272 |

Source Individual Ports



August 2023 TEU Numbers Continued

| Exhibit 2 August 2023 - Outbound Loaded TEUs at Selected Ports | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | Aug 2023 | Aug 2022 | Aug 2021 | Aug 2020 | Aug 2019 |
| Los Angeles | 124,988 | 102,319 | 101,292 | 131,429 | 146,284 |
| Long Beach | 93,402 | 121,408 | 119,485 | 126,177 | 124,975 |
| San Pedro Bay Totals | 218,390 | 223,727 | 220,777 | 257,606 | 271,259 |
| Oakland | 62,773 | 67,838 | 71,755 | 76,144 | 75,080 |
| NWSA | 43,399 | 48,563 | 53,922 | 54,918 | 74,852 |
| Hueneme | 2,122 | 3,606 | 2,966 | 694 | 1,207 |
| San Diego | 490 | 868 | 472 | 306 | 392 |
| USWC Totals | 327,174 | 344,602 | 349,892 | 389,668 | 422,790 |
| Boston | 5,863 | 1,373 | 5,944 | 7,033 | 8,220 |
| NYNJ | 106,025 | 109,058 | 103,886 | 103,067 | 127,237 |
| Maryland | 19,945 | 19,296 | 21,466 | 18,638 | 19,924 |
| Virginia | 89,959 | 95,745 | 85,256 | 75,325 | 80,665 |
| S. Carolina | 56,459 | 51,884 | 65,207 | 66,825 | 73,927 |
| Georgia | 101,539 | 119,192 | 114,070 | 115,665 | 125,558 |
| Jaxport | 42,644 | 45,639 | 49,240 | 44,119 | 42,934 |
| Port Everglades | 32,047 | 34,994 | 32,242 | 28,298 | 37,602 |
| Miami | 24,538 | 26,196 | 29,525 | 32,812 | 32,980 |
| USEC Totals | 479,019 | 503,377 | 506,836 | 491,782 | 549,047 |
| New Orleans | 17,934 | 17,519 | 20,273 | 22,192 | 26,022 |
| Houston | 110,008 | 116,841 | 85,660 | 98,552 | 109,388 |
| USGC Totals | 127,942 | 134,360 | 105,933 | 120,744 | 135,410 |
| Vancouver | 56,085 | 59,156 | 77,438 | 77,353 | 92,120 |
| Prince Rupert | 7,928 | 12,061 | 12,838 | 16,626 | 15,144 |
| British Columbia Totals | 64,013 | 71,217 | 90,276 | 93,979 | 107,264 |

Source Individual Ports

| Exhibit 3 August 2023 - YTD Total TEUs | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| | Aug 2023 | Aug 2022 | Aug 2021 | Aug 2020 | Aug 2019 |
| Los Angeles | 5,649,686 | 7,154,640 | 7,273,051 | 5,580,110 | 6,311,874 |
| NYNJ | 5,128,563 | 6,522,817 | 5,934,664 | 4,661,453 | 4,995,420 |
| Long Beach | 4,993,237 | 6,600,561 | 6,346,378 | 4,911,726 | 4,866,942 |
| Georgia | 3,236,290 | 3,997,406 | 3,676,055 | 2,893,694 | 3,076,998 |
| Houston | 2,510,162 | 2,608,405 | 2,225,500 | 1,911,176 | 1,980,512 |
| Virginia | 2,165,883 | 2,512,641 | 2,281,848 | 1,742,492 | 1,977,687 |
| Vancouver | 2,006,393 | 2,440,953 | 2,546,380 | 2,168,379 | 2,292,316 |
| NWSA | 1,874,148 | 2,347,739 | 2,504,186 | 2,347,739 | 2,504,186 |
| South Carolina | 1,637,059 | 1,876,205 | 1,814,655 | 1,482,027 | 1,651,069 |
| Oakland | 1,372,870 | 1,602,757 | 1,733,226 | 1,613,385 | 1,697,713 |
| Montreal | 1,011,083 | 1,181,328 | 1,150,189 | 1,026,762 | 1,173,617 |
| JaxPort | 853,574 | 879,612 | 946,470 | 823,111 | 904,612 |
| Maryland | 746,377 | 704,285 | 697,007 | 672,633 | 722,977 |
| Miami | 731,848 | 810,623 | 848,502 | 673,000 | 753,736 |
| Port Everglades | 672,494 | 746,765 | 707,795 | 609,316 | 690,233 |
| Prince Rupert | 478,175 | 701,267 | 689,801 | 704,463 | 782,659 |
| New Orleans | 319,096 | 290,497 | 350,475 | 384,394 | 424,295 |
| Hueneme | 165,743 | 200,150 | 140,371 | 115,042 | 83,918 |
| Boston | 156,626 | 99,298 | 142,541 | 175,846 | 201,483 |
| San Diego | 104,802 | 107,639 | 106,727 | 101,729 | 93,348 |
| Portland, Oregon | 82,703 | 103,119 | 56,415 | 32,766 | 26 |

Source Individual Ports



August 2023 TEU Numbers *Continued*

Houston, whose inbound loads this August were up 30.0% (+39,342) over August 2019.

August saw a continued fall-off in outbound loads nationally. USWC ports handled 5.1% fewer outbound loads than they had a year earlier and 22.6% fewer than in August 2019. Ports on the East and Gulf Coast (both -4.8%) sustained similar year-over-year drops in outbound loads. Altogether, outbound loads in August among the ports we survey were down 15.6% from August 2019.

In the Top Port competition, **Exhibit 3** attests to the status of the Port of Los Angeles as the nation's busiest container

port through August of this year, with 5,649,686 loads and empties, easily topping the Port of New York/New Jersey (5,128,563) with the Port of Long Beach (4,993,237) placing third.

Container Contents Weights and Values

The figures in Exhibits 4 and 5 represent the USWC shares of the nation's box trade at mainland U.S. ports. We have revised the exhibits to provide a broader historical context by showing how USWC port shares this August compared with the same month last year as well as in pre-pandemic August 2019 and a decade earlier in August 2013.

Exhibit 4 Major USWC Ports Shares of U.S. Mainland Ports Worldwide Container Trade, August 2023

| | Aug 2023 | Aug 2022 | Aug 2019 | Aug 2013 |
|---|----------|----------|----------|----------|
| Shares of U.S. Mainland Ports Containerized Import Tonnage | | | | |
| USWC | 35.7% | 33.7% | 38.3% | 43.6% |
| LA/LB | 26.6% | 24.3% | 27.4% | 3.2% |
| Oakland | 3.3% | 3.5% | 4.3% | 4.3% |
| NWSA | 4.1% | 3.8% | 5.4% | 6.2% |
| Shares of U.S. Mainland Ports Containerized Import Value | | | | |
| USWC | 40.9% | 40.5% | 46.4% | 52.7% |
| LA/LB | 31.9% | 32.1% | 34.6% | 40.6% |
| Oakland | 3.2% | 3.0% | 3.9% | 3.8% |
| NWSA | 5.0% | 4.3% | 7.3% | 7.4% |
| Shares of U.S. Mainland Containerized Export Tonnage | | | | |
| USWC | 32.7% | 34.3% | 36.4% | 42.2% |
| LA/LB | 20.0% | 20.6% | 20.9% | 25.1% |
| Oakland | 5.7% | 5.8% | 5.9% | 6.7% |
| NWSA | 6.0% | 5.9% | 8.4% | 8.8% |
| Shares of U.S. Mainland Containerized Export Value | | | | |
| USWC | 27.2% | 27.9% | 31.4% | 35.2% |
| LA/LB | 17.9% | 17.2% | 20.0% | 24.3% |
| Oakland | 5.8% | 5.6% | 6.1% | 5.3% |
| NWSA | 3.1% | 3.3% | 4.6% | 4.8% |

Source: U.S. Commerce Department.

Exhibit 5 Major USWC Ports Shares of U.S. Mainland Ports Containerized Trade with East Asia, August 2023

| | Aug 2023 | Aug 2022 | Aug 2019 | Aug 2013 |
|---|----------|----------|----------|----------|
| Shares of U.S. Mainland Ports Containerized Import Tonnage | | | | |
| USWC | 53.1% | 51.1% | 52.2% | 65.2% |
| LA/LB | 42.8% | 40.3% | 42.6% | 48.4% |
| Oakland | 3.8% | 3.7% | 4.5% | 4.8% |
| NWSA | 5.9% | 5.8% | 7.6% | 10.0% |
| Shares of U.S. Mainland Ports Containerized Import Value | | | | |
| USWC | 60.7% | 58.1% | 65.0% | 72.8% |
| LA/LB | 48.9% | 47.4% | 49.8% | 57.2% |
| Oakland | 3.7% | 3.4% | 4.4% | 4.2% |
| NWSA | 7.3% | 6.2% | 10.3% | 10.5% |
| Shares of U.S. Mainland Containerized Export Tonnage | | | | |
| USWC | 53.1% | 57.0% | 59.8% | 67.7% |
| LA/LB | 33.0% | 36.7% | 36.1% | 42.5% |
| Oakland | 8.4% | 8.3% | 9.2% | 9.7% |
| NWSA | 10.1% | 10.7% | 13.1% | 14.1% |
| Shares of U.S. Mainland Containerized Export Value | | | | |
| USWC | 55.5% | 56.0% | 63.2% | 69.4% |
| LA/LB | 36.6% | 37.4% | 41.5% | 50.0% |
| Oakland | 11.3% | 8.9% | 10.9% | 9.3% |
| NWSA | 6.8% | 7.6% | 9.7% | 9.4% |

Source: U.S. Commerce Department.



August 2023 TEU Numbers *Continued*

The most evident revelation in these exhibits is that USWC shares of the nation's containerized maritime trade had been in decline for years preceding the Great Disruption brought on by worldwide spread of the COVID-19 virus in early 2020.

We want to emphasize that the numbers for August are not yet consistent with any expectations that shippers would rush back to U.S. West Coast ports following the approval of a new longshore labor contract. Coastwide, USWC ports received 53.1% of all containerized import tonnage that arrived at U.S. mainland ports from East Asia in August. To be sure, that was a marked improvement over their 48.6% share in July, but it was below their collective 54.0% share in June.

At the San Pedro Bay ports, the story was much the same. A 42.8% share of the inbound transpacific containerized tonnage in August was certainly up from 37.7% in the preceding month, but it was nonetheless down from June's 43.2% share. Still, it did represent a year-over-year gain over their combined 40.3% share in August 2022, and it was remarkably close to their 42.6% share in pre-pandemic August of 2019.

The Port of Oakland handled a 3.8% share of the nation's inbound containerized tonnage from East Asia in August. While that was up from a 3.7% share a year earlier, it was a share unchanged from both this June and July. It was also down substantially from the port's 4.5% share in August 2019 and a 4.8% share in August 2013.

Up at the Northwest Seaport Alliance Ports of Tacoma and Seattle, their joint 5.9% share of inbound containerized tonnage from East Asia in August was slightly below their 6.0% share in June and July. It was also well below their August shares in 2019 (7.6%) and 2013 (10.0%).

None of this should be cause of disappointment let alone despair for USWC port officials. Supply chains are not easily realigned overnight, and one monthful of data does not constitute a paradigm. So, unlike the more hyper-eager reporters one might see on television, we'll be more patient before concluding anything about how elastic the nation's transpacific container trade is.

The Dwindling China Trade?

The Great Chinese Economic Growth Machine is

stagnating in a sea of debt and policymaking indecision. Potent growth rates that formerly stirred so much amazement, envy, and anxiety throughout the world are now historical achievements. There is an emerging consensus among China Hands (both old and young) that China is tilting in the direction of becoming the new Japan, a still formidable economic force but one no longer destined to top the United States as the world's largest economy.

Amidst rising tensions (both diplomatic and military), ongoing tariff and industrial policy disputes, and the efforts of increasingly nervous American businesses to lessen their reliance on China, trade between the U.S. and China has been contracting. According to U.S. government trade analysts, the dollar value of bilateral trade through the first eight months of this year has fallen by 20.5% to \$369.803 billion from \$465.376 billion in the same period last year.

Headlines about the diminishing trade between the two economies are typically phrased in dollar terms. Owing to fluctuations in currency values and commodity prices, the dollar metric can be highly misleading, especially for those in the business of doing the heavy-lifting in trade. In this case, the headline conclusions tend to converge. In the first eight months of this year, the volume of containerized tonnage transported between China and the U.S. has dropped 16.2% year-over-year, to 47,179,458 metric tons from 56,269,597 metric tons. Historically, USWC have borne the majority of the burden for sustaining that trade.

To illustrate graphically what developing circumstances may imply for USWC ports, we offer this series of exhibits illustrating trends in US-China containerized trade tonnage, both recently and in the longer term.

As it has for most of this century, China was by far the leading source of containerized import tonnage heaving up at U.S. mainland ports. It still is. This August, its share stood at 48.9%, down from a 50.0% share a year earlier but not much down from a 49.7% share in August 2019. Still, with trade slowing globally, actual tonnage moving from China through USWC ports in August was off by 10.9% year-over-year, from 3,138,329 metric tons to 2,797,783 metric tons.

Meanwhile, 17.3% of all containerized export tonnage from



August 2023 TEU Numbers Continued

Exhibit 6

Containerized Trade with China via U.S. Mainland Seaports

Source: U.S. Commerce Department

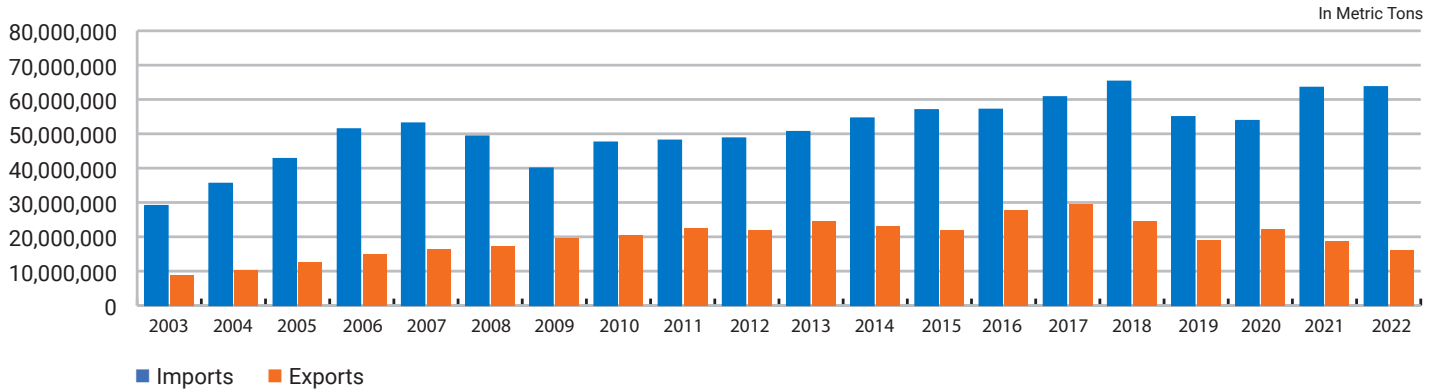


Exhibit 7

China's Share of Containerized Tonnage at USWC Ports

Source: U.S. Commerce Department

CHINA'S JANUARY-AUGUST SHARE OF CONTAINERIZED IMPORT TONNAGE

| | 2023 | 2019 | 2013 |
|---------|-------|-------|-------|
| USWC | 48.8% | 50.3% | 55.9% |
| LA/LB | 53.7% | 55.9% | 58.9% |
| Oakland | 38.8% | 33.7% | 41.5% |
| NWSA | 42.1% | 47.3% | 58.7% |

CHINA'S JANUARY-AUGUST SHARE OF CONTAINERIZED EXPORT TONNAGE

| | 2023 | 2019 | 2013 |
|---------|-------|-------|-------|
| USWC | 18.6% | 20.7% | 35.0% |
| LA/LB | 21.2% | 23.9% | 41.2% |
| Oakland | 11.7% | 21.1% | 30.4% |
| NWSA | 18.6% | 14.0% | 25.1% |

U.S. West Coast ports was destined for China in August. While up from a 17.0% share a month earlier, it was down from 21.6% in August of pre-pandemic 2019. More dramatically, ten years ago in August 2013, China was the destination of 31.9% of all containerized tonnage from USWC ports.

On a January-August year-to-date basis, China's share of all containerized import tonnage entering USWC ports has declined from 55.9% in 2013 to 50.3% in 2019 to 48.8% this year. Its share of USWC containerized export tonnage fell even more abruptly from 35.0% in the first eight months of 2013 to 20.7% in 2019 to 18.6% this year.

Exhibit 7 provides the relevant breakdowns of how much of the total containerized trade moving through each of the major USWC gateways is related to the nation's China trade.

Although China has long been the leading source of containerized imports through USWC ports, the same is not always the case on the export side. At the NWSA ports, containerized exports to Japan have topped shipments to China in recent years. In the first eight months of this year, Japan has accounted for 25.7% of all containerized export tonnage from the Ports of Tacoma and Seattle, while China's share was 18.6%. In the same months in 2019, 22.0% of the NWSA containerized export trade went to Japan against 14.0% to China. At the Port of Oakland, Japan and Taiwan have both overtaken China as the leading destinations of containerized exports through the Northern California gateway. Through this August, Japan accounted for 15.3% of exports, while Taiwan held a 14.6% share. China meanwhile accounted for 11.7% of Oakland's containerized export tonnage.



August 2023 TEU Numbers *Continued*

Exhibit 8

Shares of Mainland U.S. Ports' Containerized Import Tonnage with China

Source: U.S. Commerce Department

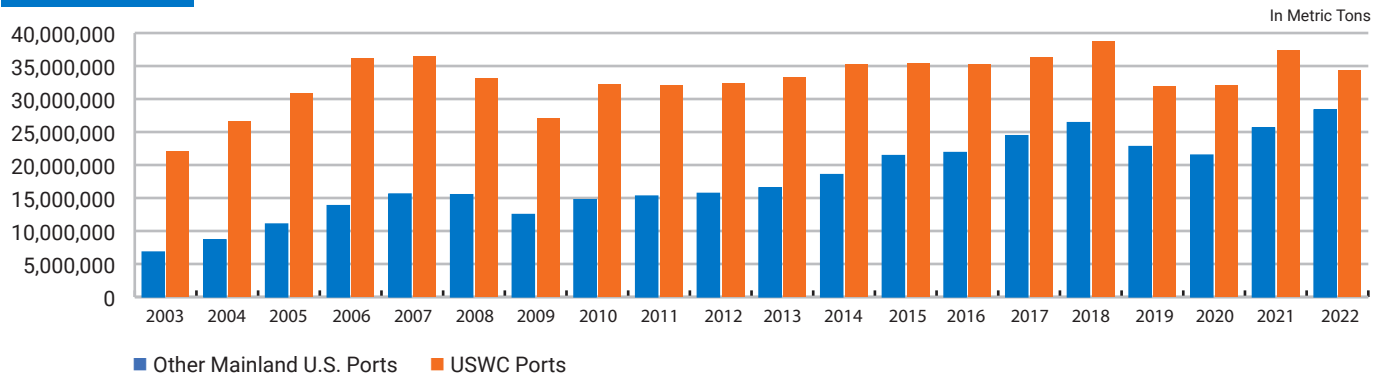


Exhibit 9

Shares of Mainland U.S. Ports' Containerized Export Tonnage with China

Source: U.S. Commerce Department

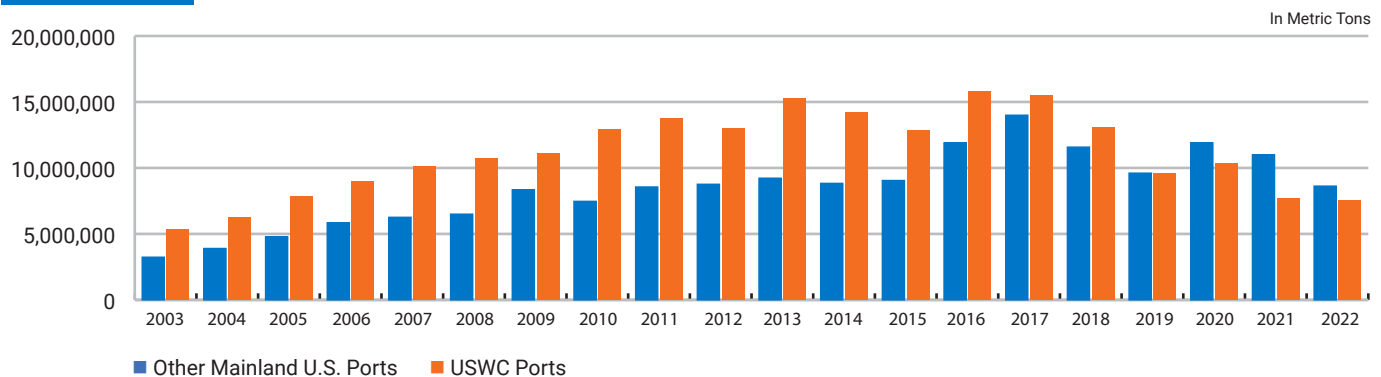
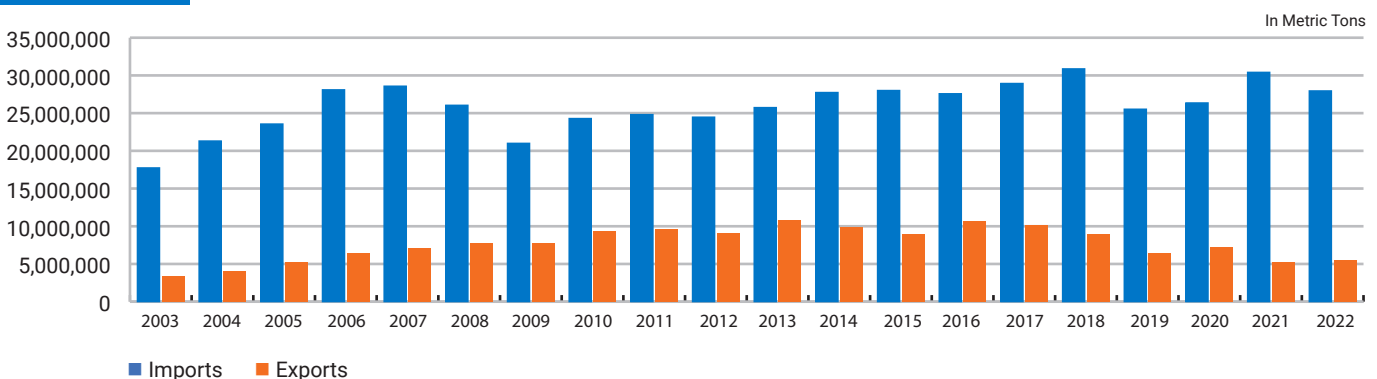


Exhibit 10

San Pedro Bay Ports' Containerized Trade Tonnage with China

Source: U.S. Commerce Department





August 2023 TEU Numbers *Continued*

Exhibit 11

Port of Oakland Containerized Trade Tonnage with China

Source: U.S. Commerce Department

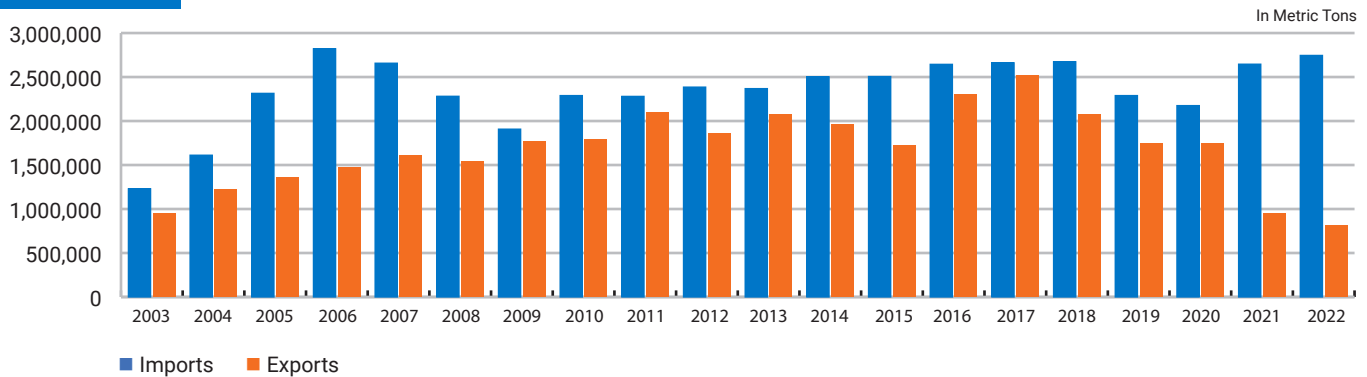
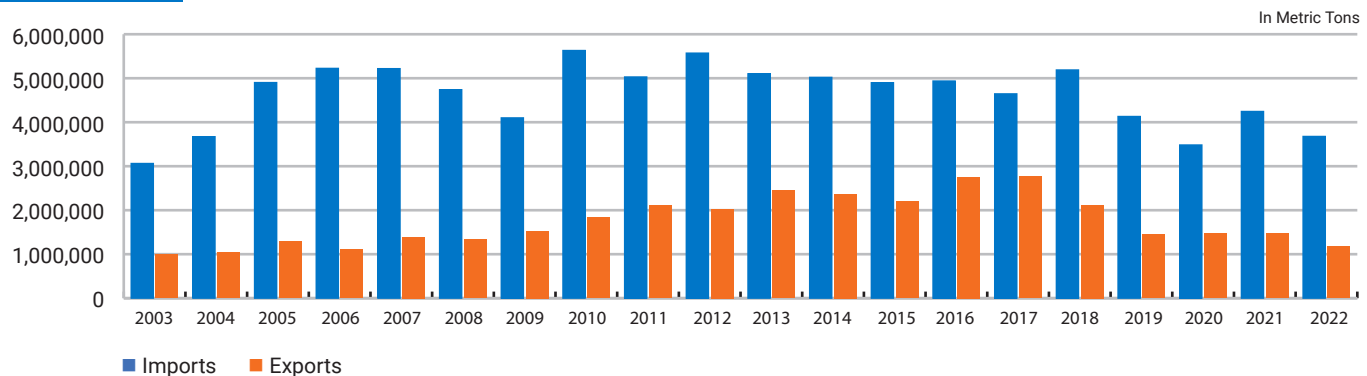


Exhibit 12

NWSA Containerized Trade Tonnage with China

Source: U.S. Commerce Department



Soybean Exports

This has not been the best year for U.S. soybean exports. Through the first eight months of 2023, soybean export tonnage is down 8.6%, from 21,027,152 metric tons last year to 19,219,002 metric tons this year. Exports via U.S. West Coast ports fell more abruptly, from 4,867,389 metric tons to 3,583,553 metric tons, a fall-off of 26.4%.

YTD, bulk shipments of soybeans from the Columbia River ports have been uniformly down: Kalama (-22.6%); Longview (-10.6%); Vancouver (-19.1%); and Portland (-17.8%). Bulk exports through the NWSA Ports of Seattle and Tacoma were off by 46.1% from last year.

Containerized soybean exports were likewise down YTD by 9.4% from 2,935,431 metric tons last year to 2,658,424

metric tons during this year's first eight months. Exports through the Ports of Los Angeles and Long Beach, which amounted to 1,327,131 metric tons through August of last year, declined 21.3% to 1,058,053 metric tons this year.

Curiously, while overall U.S. soybean exports to China rose by 11.4% year-over-year during this year's first eight months, exports from USWC ports to China fell by 27.1%.

The Price of Fuel

Each month, the California Center for Jobs and the Economy, a business-backed organization, provides a rundown of how much more expensive it is to do business in the Golden State than most anywhere else in the United States. Here's a summary of what the Center reported for energy costs in the month of September.



August 2023 TEU Numbers *Continued*

Fuel prices rose higher in California as crude prices flirted with the \$95 a barrel level in September combined with supply issues related to refinery maintenance and interruptions caused by Tropical Storm Hilary. The average gasoline price rose 51 cents a gallon in California while dipping 4 cents in the rest of the U.S.

In September, California had the highest gasoline prices among the contiguous 48 states and the District of Columbia. That month's average price per gallon of regular gasoline in California rose 51 cents from August to \$5.74. The premium Californians paid above the average for the U.S. other than California (\$3.69) rose to \$2.05, a 55.7% difference. Californians paid \$2.47 a gallon more than consumers in Mississippi, the state with the lowest price.

California Diesel Prices: The September average price per gallon of diesel in California rose 58 cents from August to \$6.32. The California premium above the average for the U.S. other than California (\$4.42) rose to \$1.91, a 43.2% difference. Truckers serving the Ports of Oakland, Los Angeles, and Long Beach pay significantly more for fuel than truckers serving rival ports from Maine to Texas, and thus have higher costs to pass along to beneficial cargo owners.

Within California, fuel prices tend to vary regionally. In September, drivers in the Central Valley saw an average price of \$5.51, while drivers in the Los Angeles Region paid an average of \$5.92 per gallon.

Electrical power costs. California's average commercial electricity price for the 12 months ended July 2023 was 22.87 cents/kWh, 92.2% higher than the U.S. average of 11.90 cents/kWh for all states other than California. California's *commercial* prices were the highest among the contiguous states and D.C. Similarly, California's average industrial electricity price for the 12 months ended July 2023 was 18.26 cents/kWh, 129.4% higher than the U.S. average of 7.96 cents/kWh for all states other than California. California's *industrial* prices were the 2nd highest among the contiguous states and D.C.

For the 12 months ended July 2023, California's higher electricity prices translated into Commercial & Industrial ratepayers paying \$17.0 billion more than ratepayers elsewhere in the U.S. using the same amount of energy. Compared to the states with the lowest rates, Commercial & Industrial ratepayers paid \$21.6 billion more.

Of course, all things are relative. As our roving correspondent reports, petrol prices on the Greek island of Crete are somewhat higher than even in California.

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|--------------------------|-------|
| Unleaded 95 FuelSave | 19.17 |
| Unleaded 98 V-Power | 20.47 |
| Diesel FuelSave | 18.48 |
| Diesel V-Power Diesel | 19.68 |
| AutoGas | 10.58 |
| Heating Gas Oil | 21.11 |

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Jock O'Connell's Commentary:

What Is a Texas Leaguer, Mr. Fisher?

Battleground is a classic war movie. Shot in black-and-white and released in 1950, it depicts the plight of U.S. troops fending off a German attack on Bastogne during the Battle of the Bulge in December 1944. Reports had been surfacing of English-speaking German troops, dressed in U.S. Army uniforms, infiltrating American positions, and causing havoc among the defenders. In response, a system of passwords and countersigns drawn from American popular culture were devised to help distinguish friend from foe.

In one critical scene, American sentries stop a jeep ostensibly carrying a U.S. Army major and two privates. What's the password? Texas. What's the countersign? Leaguer. Still doubtful, one sentry (played by Van Johnson, the Ben Affleck of that era) follows up: What *is* a Texas Leaguer, major? The officer is unsure. Some sort of baseball term, he offers. Fortunately for him, the others in the jeep quickly prove they are authentic GIs.

Oakland A's fans today may justifiably wonder whether their team's principal owner, John Fisher, would have survived such an encounter. Despite his long association with the business of baseball and a lifetime of attending the games of the San Francisco Giants, there are serious doubts whether he truly has that visceral feel for the game that distinguishes those who merely wear the team's cap or a player's jersey from those who anguish for days over losses or could tell you that Charlie Finley's middle name was Oscar. There is certainly no question whatsoever he has no real affection for his team's players or their supporters. A's fans have increasingly returned the sentiment by displaying their contempt for the owner as he and A's President Dave Kaval have steered the franchise into the desert, figuratively and now literally.

Baseball connects with fans because it has a soul. Messrs. Fisher and Kaval evidently do not.

The Wikipedia entry on the A's history before their move to Oakland contains an interesting remark foreshadowing the team's current state:

In 1954, Chicago real estate magnate Arnold Johnson bought the Philadelphia Athletics and moved them to Kansas City.

Although initially viewed as a hero for making Kansas City a major-league town, it soon became apparent that he was motivated more by profit than any particular regard for the baseball fans of Kansas City.

During Johnson's tenure, virtually every good young A's player was traded to the Yankees for aging veterans and cash.

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But the purpose of this commentary is not to further vilify with words the team's owner and its management. (Some may say that's why God gave us middle fingers.) Rather, what prompts this commentary are the disconcerting impact Mr. Fisher's baseball dalliances have had on the Port of Oakland and the need now for the port's leadership to flash a new set of signals to the maritime shipping community attesting to their commitment to maintaining a vibrant seaport.

Let's briefly review the essence of the controversy.

Fisher proposed to build the A's a major league ballpark rivaling the Giants' homefield across the Bay. It would be surrounded by towers of high-end condos, offices and retail outlets, and a glitzy entertainment district. It would be a boon to the City of Oakland, assuming the project's financing did no serious damage to the City's treasury or its credit rating.

This civic extravagance, so out of scale to anything else in Oakland, would be located right next to a major seaport served by an unending stream of large container vessels, fleets of tractor trailers, and railcars being shunted around by locomotives.

That juxtaposition immediately raised the issue of compatibility. The proposed site of the ballpark, several blocks away from the nearest regional transit station and literally on the wrong side of busy railroad tracks, posed daunting accessibility challenges. These were waved off as manageable by the project's proponents, who then and even now worship at the altar of fantasy.

Then there was the matter of whether the new neighbors could live in peace and harmony with the existing



Commentary Continued

neighbors. People living across the street from industrial facilities, especially those that aspire someday to operate on a 24/7 basis, are not generally known to delight in their neighbors' sights, sounds, and smells. More so in the case of the wealthy and well-connected souls who would come to occupy Fisher's luxury residences.

Understandably, the Pacific Merchant Shipping Association along with a host of importers, exporters, and other organizations with a direct stake in the continued operation of the seaport objected to the gaudy gewgaw Fisher and his consiglieri were seeking to foist on Oakland.

But the subsequent debate was not framed to highlight the basic compatibility issue. What instead galvanized the attention of politicians, media pundits, lawyers, civic organizations, and consulting firms was the infinitely narrower matter of whether an underutilized Howard Terminal should be repurposed to serve a better and higher purpose.

Political reality being what it is, it was probably unavoidable that port officials would bow to pressure from City Hall to minimize the impact of Fisher's bauble on port operations. So every effort was made to portray the controversy as a fight over the future of Howard Terminal and not over the future of the Port of Oakland.

It should be made clear that the Port of Oakland is not just a seaport. It is a diversified business entity that also encompasses Oakland International Airport, valuable real estate holdings in and around Oakland's Jack London Square, and a modest electricity-generating utility that services port tenants. From a financial perspective, the Airport Division is the Port's primary revenue source. The Port's current budget documents for FY 2024 reveal that the Aviation Division is again projected to be the Port's "major driver of operating revenue growth", accounting for 49.1% of the Port's operating revenues. By comparison, the Maritime Division's share is expected to be 41.3%.

By seeking to confine debate to the status of the Howard Terminal and finessing legitimate concerns over the seaport's future viability, the governing bodies at the Port of Oakland seemed to be sending a peculiar message: that maintaining a flourishing seaport was not necessarily a foremost priority. Indeed, one letter sent to Oakland City Councilmembers by the Port concluded with this telling statement: "The Port believes that the Proposed

Project, if approved, will bring significantly more people to the Oakland waterfront and Jack London Square while ensuring that the seaport continues to grow its vital role in international commerce and the supply chain".

Mr. Fisher's gaze may have now passed from the Oakland waterfront to the Nevada desert, but the Port's cavalier dismissal of the threat that his proposal posed for seaport operations leaves lingering doubts about the Port's priorities going forward. Allowing questions to fester about the Port's commitment to its seaport is hardly a signal it wants to be sending as it struggles to hold onto its container volumes and to regain first-call status with ocean carriers.

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Now back to the movie.

One of the featured players in *Battleground* was an actor and song-and-dance man with political aspirations named George Murphy. Like his contemporary Ronald Reagan, he had been president of a union, the Screen Actors Guild. Like Reagan, he ultimately made it to Washington by winning the same seat in the U.S. Senate that Dianne Feinstein would eventually hold until her death last month.

There's a compelling story here about how much the political climate in this country – or at least in California – has changed over the last few decades.

In the General Election of November 1964, Murphy, a Republican, defeated his Democratic opponent, Pierre Salinger, who had gained notoriety as President John F. Kennedy's press secretary. A native Californian, Salinger had been appointed by Governor Pat Brown to serve out the remaining five months of Sen. Clair Engle's term following Engels's death from brain cancer that summer.

Engle was a Democrat from Tehama County, a part of northern California that has since moved politically to the far right. Many of its residents now profess a desire to secede from California and form a new State of Jefferson. Donald Trump won the county with 66.6% of the vote in 2020.

As a further testament to how things have changed, the Democrat Salinger resigned his Senate seat two days before it formally ended. The Republican Murphy was then appointed by Democratic Governor Brown to serve out the



Commentary Continued

remainder of the Democrat Salinger's term, thus giving him a seniority advantage in representing the interests of the State of California in the U.S. Senate.

At the time, the musical satirist Tom Lehrer wrote a ditty about Murphy's election that included the line: "Oh, gee, it's great! At last we've got a senator who can really sing and dance."

That was patently unfair. During his term in the Senate, the Republican Murphy supported the Voting Rights Acts of

1965 and 1968 and voted to confirm Thurgood Marshall to the U.S. Supreme Court.

But that was then.

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



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Why Maintaining Growth, Protecting Container Marketshare, and Fighting Discretionary Cargo Diversion at US West Coast Ports is Imperative to Air Quality Improvements – Globally and Locally

By Mike Jacob, Vice President & General Counsel, Pacific Merchant Shipping Association

It is hard to underestimate the importance of steady and predictable growth in the container marketplace to seaports in the United States. This is primarily because – aside from the interstate system – the federal government is not in the business of providing centralized government funding for critical freight and intermodal facilities in our country. That means that the funding obligations for the freight infrastructure that moves our international, intermodal supply chain has fallen almost entirely to state and local government authorities – who most often

rely directly on revenue bond financing backed by private revenues or direct operating private user fees – or to private sector players.

And that means in America we will almost always suffer from an underinvestment in our seaport infrastructure – because local governments, state governments, revenue bond underwriters, and private companies can never capture or capitalize on all the national economic benefits of trade. One of the unpleasant but obvious



Maintaining Growth Continued

systemic answers to the oft-heard question posed during the pandemic of “where is the additional capacity in the system to account for these types of shocks” is that unless the government were to pay for it itself, why would anyone ever expect the system to finance additional infrastructure and capacity that it doesn’t actually anticipate using?

This underinvestment is compounded further still when one considers the net impacts of the imposition of the Harbor Maintenance Tax on certain ports, which do not receive federal investment dollars commensurate with the revenues they pay into the fund. As a result, in some cases, not only is the federal government absent from the equation of funding seaport infrastructure, sometimes it is actually driving investment away from US seaport infrastructure entirely (Seattle and Tacoma vs Vancouver, BC) or compounding the problem by transferring the revenues from this tax to competitor and rival seaports (Los Angeles and Long Beach vs every other port).

We operate in a volume business which is dependent on bringing economies of scale to bear. When financing is required from the private sector in our industry, it is imperative that we are able to forecast and rely on future volumetric growth - the key for making a successful investment into intermodal supply chains. Intermodal container growth is a driver of a classic virtuous cycle of re-investment: when average and marginal costs for marine terminals and ports per container are decreasing, then the cost per unit for cargo owners decreases, which then means more cargo can move across those same docks which in turn lowers average and marginal costs for marine terminals and ports.

This is especially important when ports and marine terminals face growing non-revenue-generating infrastructure costs – chief amongst those now are clearly the costs of environmental improvements. And, in this way, as the costs of non-revenue producing overhead keep increasing, the best way to offset those costs are to continue to grow revenues.

But if the opposite occurs – and volumes are decreasing while non-revenue producing infrastructure costs are increasing – then that is the opposite of a virtuous growth cycle. Thus, the financing of new infrastructure and new environmental upgrades gets more difficult. As costs

per unit increase, ports and marine terminals see higher average and marginal costs per unit for customers, and they lose discretionary cargo, which in turn sees higher average and marginal costs per unit for customers, and so on.

We are seeing these impacts in the form of loss of competitiveness on the US West Coast. And the timing couldn’t be worse. The immediate outcome is that there is less capacity in the market for financing and funding available for non-revenue generating investments – environmental improvements – at a time when the need for direct investment in these technologies is growing, along with the cost of money itself through higher borrowing rates, and inflation-induced cost increases for equipment.

But, cargo volumes still need to underwrite these expenses. So, when lower volumes are anticipated, or the ports and marine terminals underperform existing financing, the costs of underwriting current and immediate infrastructure and environmental improvements squeeze out all future room for additional revenue bonding. This is just simple math; the same or lower amounts of business cannot underwrite greater and greater levels of capital when there are no new revenue streams, current revenue streams are underwater, or the cost of capital itself is rising faster than the market can bear.

With respect to local air quality, this results in a less than ideal outcome. First, without volume growth to offset the significantly increasing costs of cleaning the air in California and Washington for ports and marine terminals, it inevitably slows the already substantial pace of industry progress towards ever-cleaner operations and blunts the cost-effectiveness of state and federal incentive funds for cleaner equipment. But it also means that local air quality at other ports around the country, which have not yet met the same air quality benchmarks as the Ports of Los Angeles, Long Beach or Oakland, for example, are actually getting worse. If one views all potential exposures of US citizens to the impacts of DPM-based air toxics as being on equal footing, then just moving the pollution around to other ports is truly just resulting in an increase in toxicity for impacted communities. And why should those ports that do not have controls benefit economically at the expense of the self-help ports that have made the investments to reach significant reductions? Obviously,



Maintaining Growth Continued

there's a reasonable business explanation, but from an air quality perspective, this does not make local air quality better – it just increases at a different rate at a different port.

With respect to global air quality, this situation is resulting in higher average emissions of Greenhouse Gasses (GHGs). The Pacific Merchant Shipping Association just commissioned a [study](#) that demonstrates that, when discretionary cargo bound for the Midwest market is diverted from US West Coast ports to US Gulf and Atlantic ports, GHG emissions actually increase by an average of 19%. That means if US West Coast ports invest in cleaning the air, and those costs continue to result in a loss of cargo, then from a GHG and Climate Change perspective the industry is actually going backwards. This needs to stop.

The policy solutions here are daunting in their simplicity: Ensure federal and international rules that level the playing field for the imposition of costs across the intermodal supply chain. Avoid local regulations that drive up costs and ultimately crowd out the private financing needed for the development of new infrastructure and environmental projects. Use public subsidies to actually subsidize operations and accelerate investments in ports and marine

terminals that will result in lower operating costs, not as band aids or feel-good measures that actually commit ports to higher operating and capital costs.

The bottom line is that we need to adopt state, federal, and international policies that can both yield greater investments in a low growth market and still successfully meet long term goals. It is obvious that we must establish growth and financing goals which are integrated with the needs for investment, and award and prioritize public subsidies and incentivize funding for those ports which can demonstrate the highest rates of return without punishing those who have made significant investments already.

And finally, hard caps on emissions or on total cargo volumes, like those recently floated by the South Coast Air Quality Management District in its concepts for a new Indirect Source Rule, should be viewed for what they are: short-sighted efforts that do not improve air quality, but instead move localized emissions to other port communities and increase global greenhouse gasses. In other words, a mistake of the highest order in an industry that needs growth in order to finance new technologies.



19.0%

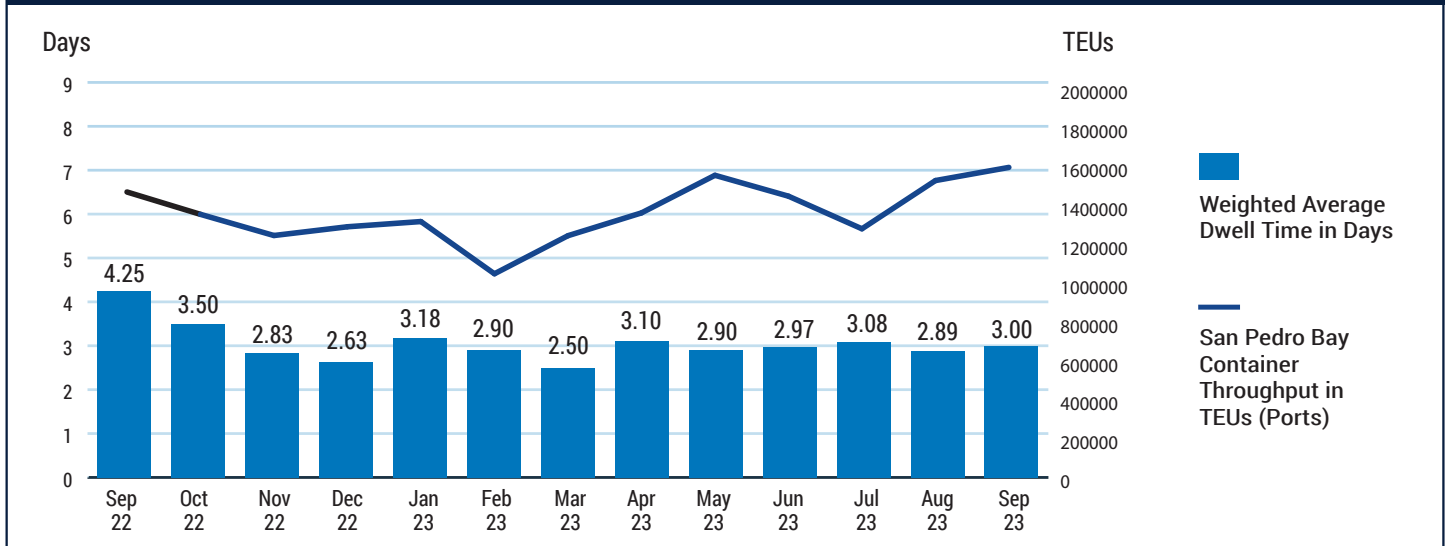
The decrease in TEUs YTD
year/year for USWC Ports

Source: Individual Ports

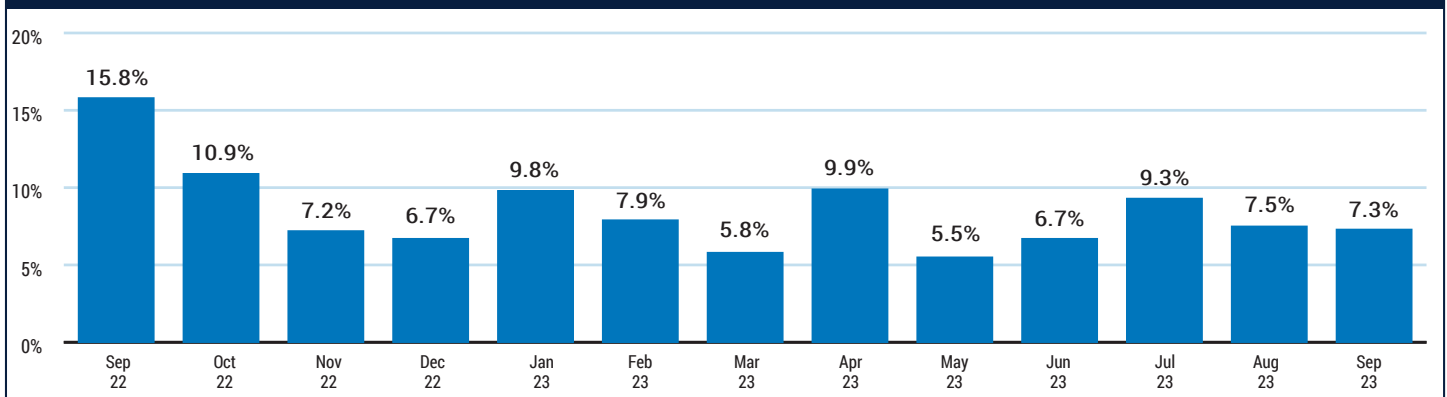


Container Truck Dwell Time Remains Steady; Rail Dwell Time Rises in September

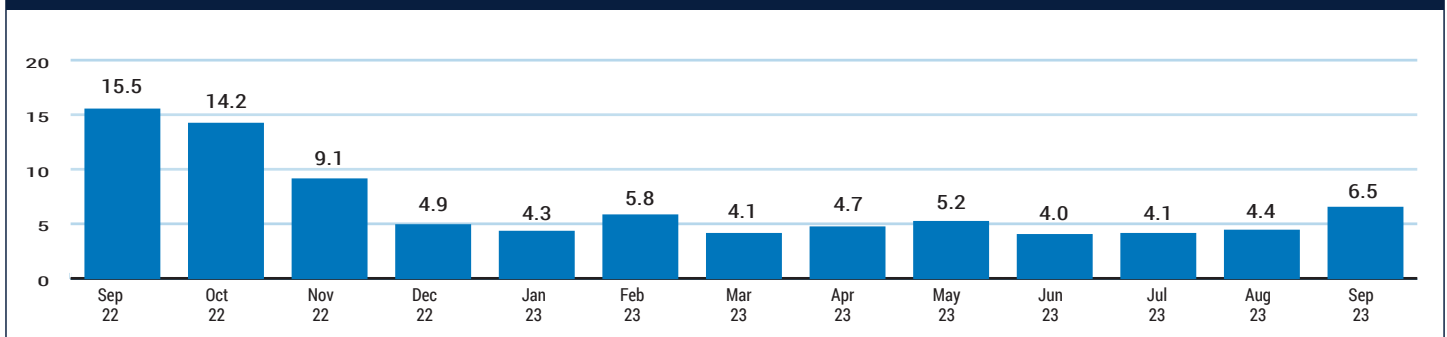
San Pedro Bay Weighted Average Inbound Laden Container Dwell Time in Days



Dwell Time in Days % > 5 Days



Rail Dwell Time in Days



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