

WA State Board of Pilotage Commissioners

Industry Update:
February 20, 2020 Meeting

Vessel Arrivals and Assignments Continue to Drop

Jan 2020 to Jan 2019 comparison

- ✚ Bulkers **down** 1 in
- ✚ Container arrivals **down** 4
- ✚ Car Carriers **down** 2
- ✚ Tankers **down** 5
- ✚ Grays Harbor down 1

***Assignments down over 7% or 43 in January 2020
comparison with January 2019***

***Recall Assignments Down 325 Pilot Assignments in 2019 per
BPC staff reports = Down 368 in past 13 months***

Port Competition Trends – Losing Market Share/Volume

- ✚ NWSA now down 7 % TEUs from peak year
- ✚ See updated chart provided separately

Legislative Session and Regulatory Update

- ✚ Environmental – Low Carbon Fuel Standard Opposed by key Senate Chair
- ✚ Terminal Automation Limitation on use of Public Funds appears to be dead
- ✚ Stormwater Permit Appeal Moves Forward
- ✚ Transportation Funding Uncertainty Continues

WA State Board of Pilotage Commissioners

Industry Update:
March 19, 2020 Meeting

Vessel Arrivals and Assignments Continue to Drop

Feb YTD 2020 compared to Feb YTD 2019 comparison

- ✚ Bulkers **down 10**
- ✚ Container arrivals **down 8**
- ✚ Car Carriers **down 3** (but up in March so far)
- ✚ Tankers **down 9**
- ✚ ATB's **up 10**
- ✚ Grays Harbor **down 1**

***Assignments down over 7% or 43 in January 2020
comparison with January 2019***

***Assignments down 6.4% or 37 in February 2020
comparison with February 2019***

Assignments Down 405 in past 14 months

Cargo Volumes - Market Share - Cruise - COVID 19

- ✚ West Coast Container Cargo Volumes Decreasing
- ✚ Supply Chain Shift in Asia Implies More Suez Canal
- ✚ Cruise Season Forecasts are Fluid
 - Cruise Season Postponed in Canada Until at Least July 1st
- ✚ Vessel Crews and Pilots Implementing COVID 19 Procedures
 - CG Marine Safety Information Bulletin (MSIB Change 3) Implemented
 - Good Reported Outcomes for Ships, Pilots, Dockworkers, CG Personnel So Far
- ✚ PMA/ILWU Guidance for Terminal Operations

COVID 19 situation is fluid but trade, goods movement still happening

WA State Board of Pilotage Commissioners

Industry Update:
April 16, 2020 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

March YTD 2020 compared to March YTD 2019 comparison

- ✚ Container arrivals **down 15**; Bulkers **down 11**
- ✚ Car Carriers and RoRo's **down 10**
- ✚ Tankers **down 7**, ATB's **up in March** but **down markedly in April** so far
- ✚ Grays Harbor flat

- ✓ Assignments **Down** over 7% in Jan 2020 to Jan 2019 comparison
- ✓ Assignments **Down** 6.4% in Feb 2020 to Feb 2019 comparison
- ✓ Cargo Ship Arrivals **Down** 34 YTD through March
- ✓ 14 "**blank**" container ship calls forecast for April and May
- ✓ 464 Cruise Ship Assignments in **Limbo** (**204 canceled** already)

Assignments Down 4.4% in 2019 to 6,999

This Trend PLUS COVID 19 Impacts ... Very Significant! Number of Pilots Needed?

Cargo Volumes - Market Share - Cruise - COVID 19

- ✚ West Coast Container Cargo Volumes Decreasing
- ✚ Cruise Season Suspension – Uncertainty for This Season & 464 Pilotage Assignments
- ✚ Vessel Crews and Marine Terminals Following Procedures Successfully
- ✚ PPE Supply Chains Refined, Essential Work Better Defined, Cooperation
- ✚ Alaska Supply Chain (Tote, Matson, AML) operating well
- ✚ PMA/ILWU Guidance for Terminal Operations Implemented
- ✚ NWSA Identified Off Dock Facilities to Address Cargo Backups - so far PNW is ok

COVID 19 in a Nutshell

- ✓ Ships and Terminals Still Moving Cargo With New Procedures
- ✓ However...Cost Cutting, Furloughs, Layoffs, Reduced Pay... Other Changes...!
- ✓ Blank Sailings Announced – Are There More Announcements Coming?

WA State Board of Pilotage Commissioners

Industry Update:
May 21, 2020 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

April YTD 2020 compared to April YTD 2019 comparison

- ✚ Container arrivals **down 17**; Bulkers **down 14**
- ✚ Car Carriers and RoRo's **down 24**
- ✚ Non-Tank **down 57**
- ✚ Tankers **up 7**, ATB's **up 18**
- ✚ Grays Harbor **up 3**
- ✓ Assignments **Down 76** from the lowest assignment level in decades
- ✓ 39 "**blank**" container ship calls through April; others announced
- ✓ 2 weekly container services **canceled**
- ✓ 464 Cruise Ship Assignments in **Limbo**

Most canceled already – others on "pause" until July 31st but most think cruise season is unlikely to happen at all.

- For containers and cruise that means a reduction of another 620 assignments
- That would put total assignments well under 6,400 for 2020 unless other sectors have more activity (tankers/ATB's have increased – see above).
- Number of Pilots Decision to increase license spots to 56 did not consider the full decline in 2019 and the significant decline happening now in 2020

Recommend the Board revisit the number of pilots decision while managing the training program best they can with candidates training or on the current list

Cargo Volumes and Ship Calls Decreasing

- ✚ West Coast Container Cargo Volumes Decreasing as one would expect
- ✚ Cruise and Container Port calls way down – see above
- ✚ NWSA container volumes in April slide 24%
- ✚ Cost Cutting, Furloughs, Layoffs, Reduced Pay... Other Cost Cutting Moves in Play
- ✚ Holland America laid off 2,000 employees
- ✚ More Blank Sailings Announced – what will next couple months look like

WA State Board of Pilotage Commissioners

Industry Update:
June 18, 2020 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

May YTD 2020 compared to May YTD 2019 comparison

- ✚ Container arrivals **down 37**; Bulkers/General/Other **down 16**
- ✚ Car Carriers and RoRo's **down 28**
- ✚ Passenger **down 32** (no season = reduction of 464 assignments for the year)
- ✚ Tankers/ATB's flat in May but **up 25 YTD**
- ✚ Trend through Mid-June = **Loss of 70 Arrivals for June**
- ✚ Grays Harbor is essentially flat though May

✓ *Assignments Down 4.4% in 2019 and Down 7% in 2020 so far*

✓ *PMSA opposed increase in pilots last July – see letter*

How many pilots would BPC license now before adjusting the number down?



Briefing Paper. Loss of Market Share at U.S. West Coast Ports

Prepared by Jock O'Connell
June 2020

To highlight the current plight of U.S. West Coast (USWC) ports, here are some of the more discomfoting of the latest numbers:

+352,846. That was the increase from 2018 to 2019 in inbound loaded TEUs through the nine East Coast ports the Pacific Merchant Shipping Association (PMSA) monitors.

+191,176. That was the gain over the same period in the number of inbound loaded TEUs handled at the two British Columbia ports (Vancouver and Prince Rupert) with which the USWC ports directly compete.

+80,292. That was how many more inbound loaded TEUs the two Gulf Coast ports we monitor (New Orleans and Houston) handled in 2019 than in the previous year.

-668,980. That was how many **fewer** inbound loaded TEUs the Big Five USWC ports (Los Angeles, Long Beach, Oakland, Tacoma, and Seattle) handled in 2019 than in 2018.

WA State Board of Pilotage Commissioners

Industry Update:
July 16, 2020 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

June YTD 2020 compared to June YTD 2019 comparison

- ✚ Container arrivals **down 52**; Bulkers/General/Other **down 17**
- ✚ Car Carriers and RoRo's **down 41**
- ✚ Passenger **down 79** (no season = reduction of 464 assignments for the year)
- ✚ Tankers/ATB's down in June but **up 20 YTD**
- ✚ Grays Harbor is essentially flat though June

- ✓ Assignments **Down** 4.4% in 2019 and **Down** 10.3% in 2020 so far
- ✓ PMSA opposed increase in pilots last July – see letter

How many pilots would BPC license now before adjusting the number down?

PMSA Market Share Loss Report Still Circulating

- ✚ Recall Market Share Loss paper from PMSA in our June Industry Update
- ✚ Based on that report, a July 13th letter was sent from 52 local, state and national trade associations to Governor, Lt. Governor Kounalakis Legislature
- ✚ The letter outlined some actions that need to be taken (communicate, market, invest, assess regs and costs that divert cargo to less emission friendly routes, etc.)
- ✚ These conditions apply in the PNW as well

Southern Resident Killer Whale Measures

- ✓ ECHO Program voluntary slowdown in Haro/Boundary effective July 1st.
- ✓ ECHO establishing a new voluntary slowdown trial for outbound ships at Swiftsure Bank from August 1 to October 31.
- ✓ PMSA, Marine Exchange, Pilots assisting in getting the word out
- ✓ MANDATORY: Transport Canada implemented a Swiftsure Bank Interim Sanctuary Zone from June 1 to November 30, to prohibit vessel traffic in a portion of Swiftsure Bank (and off North Pender and Saturna Islands as per the Interim Order enacted under the Canada Shipping Act; traffic lanes are not impacted if vessels enter and exit the lanes at the western end.

West Seattle Bridge

- ✓ Found cracks in the Swing Bridge - think they've caught it early enough to fix
- ✓ Will start issuing placards for access (fewer than 160 for maritime...)

WA State Board of Pilotage Commissioners

Industry Update:
September 17, 2020 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

August YTD 2020 compared to August YTD 2019 comparison

- ✚ Container arrivals **down 76**
- ✚ **Bulkers up 19 in Aug 2019 to Aug 2020 Comparison and up 9 YTD**
- ✚ Car Carriers and RoRo's **down 60**
- ✚ Passenger **down 170 (no season = reduction of 464 assignments for the year)**
- ✚ Tankers/ATB's down 11 in August and **down 1 YTD**
- ✚ Grays Harbor **down 3 YTD**

- ✓ Assignments **Down 4.4% in 2019 and Down 717 or 15.16% thru Aug 2020**
- ✓ *PMSA opposed increase in pilots last July – see letter*

Future?

Container Volumes

- ✚ Container volume has picked up in LA/LB and expectations are that September numbers in the PNW will improve
- ✚ There were 2 ad hoc container ship calls recently (not regularly scheduled) and we'll be watching that closely.
- ✚ Signs point to competitor ports taking cargo volumes and market share away from American West Coast ports (see articles)

Quiet Sound Project Moving Forward

- ✓ The Quiet Sound group agreed to take next steps towards implementation with proposals that will include pilot projects related to reporting, tracking and slowing down.
- ✓ The team will reach out to key stakeholders (pilots, tugs, WSF is on this group, etc.)
- ✓ PMSA and the Marine Exchange serve on this group with ports, NOAA, WSF and others.

West Seattle Bridge

- ✚ Repair option?
- ✚ T-5 project implications

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Industry Update:
October 15, 2020 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

September YTD 2020 compared to September YTD 2019 comparison

- ✚ Container arrivals **down 84**
 - ✚ **Bulkers up 23** (up 14 in just the month of Sept vs Sept 2019)
 - ✚ Car Carriers and RoRo's **down 62**
 - ✚ Passenger **down 206** (no season = reduction of 464 assignments for the year)
 - ✚ Tankers/ATB's **down 10 YTD** (down 9 in September alone)
 - ✚ Grays Harbor **down 6 YTD**
- ✓ Assignments **Down 4.4% in 2019** and **Down 717 or 15.16% thru Aug 2020**
 - ✓ This does not include Sept Assignment Data but given drop in Sept arrivals there will be a further significant decrease in assignments
 - ✓ PMSA opposed increase in pilots last July – see letter

Future?

Container Volumes & Market Share

- ✚ Container volume increases in LA/LB has congested terminals, warehouses and the entire system; some vessels anchored out waiting.
- ✚ Prince Rupert congestion has led to vessels drifting offshore waiting for a slot.
- ✚ PNW might see some additional ad hoc container ship calls as a result
- ✚ More projections that competitor ports will continue to take cargo volumes and market share away from American West Coast ports – this has been a repeat call to action by PMSA for more than a decade and PMSA was first to highlight this reality in 2020 just a few months ago - recall:

“West Coast ports’ market share has declined 19.4 percent since 2006, a concerning trajectory that puts port and logistic jobs at increasing risk, according to a new briefing paper released today by the Pacific Merchant Shipping Association (PMSA).

Quiet Sound Moving Forward

- ✓ The Quiet Sound group continues to move forward; ports to provide some funding.
- ✓ PMSA and the Marine Exchange serve on this group with ports, WSF, others.

West Seattle Bridge

- ✚ T-5 project implications still in play

WA State Board of Pilotage Commissioners

Industry Update:
November 12, 2020 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

October YTD 2020 compared to October YTD 2019 comparison

- ✚ Container arrivals **down 7 more in October and 84 YTD**

NOTE 1: No identifiable container ship surge or additional port calls in October; instead container ship calls continued to fall

NOTE 2: Monthly and YTD totals keep falling

NOTE 3: Day to day activities being tracked now – histogram shows range

- ✚ **Bulkers up 10 in October and 32 YTD**
- ✚ Car Carriers and RoRo's **down 55 YTD**
- ✚ Passenger **down 211 YTD** (no season = reduction of 464 assignments for the year)
- ✚ Tankers/ATB's **down 14 YTD** (down 12 in October alone)
- ✚ Grays Harbor **down 9 YTD**

✓ Assignments **Down 4.4% in 2019 and Down Double Digits in 2020**

✓ PMSA opposed increase in pilots last July – see letter

Workload Future?

Container Volumes Increase; Ship Calls Not So Much

- ✚ Container volume increases in LA/LB has congested terminals, warehouses and the entire system – reported last month and this dynamic continues
- ✚ Prince Rupert congestion
- ✚ PNW container volumes will increase; no announced addition container ship calls reported.

ECHO Program

- ✓ SRKWs last seen and heard in Boundary Pass on October 25
- ✓ Underwater noise initiatives ended at midnight on October 31
- ✓ Discussion about next year; Boundary and Haro or just Haro?
 - Start date, end date or dynamic (real time) slow downs (or not)?
- ✓ Swiftsure Slowdown at exit to SJDF will likely continue – SRKW's Presence is Clear

WA State Board of Pilotage Commissioners

Industry Update:
December 10, 2020 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

Puget Sound down 389 arrivals YTD

- ✚ Container arrivals **now down 86 YTD dropping again in November**

NOTE 1: No identifiable container ship surge

NOTE 2: Monthly and YTD totals keep falling

NOTE 3: Day to day activities being tracked now – histogram shows range

- ✚ Bulkers flat in November and **up 32 YTD**
- ✚ Car Carriers and RoRo's **down 67 YTD**
- ✚ Passenger **down 212 YTD** (no season = reduction of 464 assignments in 2020)
- ✚ Tankers/ATB's **down 27 YTD** (down 15 in November alone)
- ✚ Grays Harbor **down 10 YTD**

✓ Assignments **Down 4.4% in 2019** and **Down Double Digits in 2020**

✓ PMSA opposed increase in pilots last July – see letter

Workload Will Be Lowest on Record (decades) averaging just 5.9 Arrivals/Day

Container Volumes Increase; Ship Calls Not So Much

- ✚ Container volume increases in LA/LB has congested terminals, warehouses and the entire system – same as reported last month now with as many as 14 container vessels at anchor in recent weeks
- ✚ Prince Rupert congestion
- ✚ PNW import container volumes should continue to increase; a couple of ad hoc calls to be added

Waterways Management

- ✓ Traffic Separation Scheme (TSS) review underway in Canada – several stakeholders invited to participate including PMSA as it involves some transboundary areas
- ✓ Quiet Sound proposal finalized – funding pends.
- ✓ Transboundary forum (HSC/PACMAR) held December 2nd with updates on ECHO, Quiet Sound, TSS, ETV's in Canada, ERTV at Neah Bay, Ecology Vessel Activity Synopsis and Risk Model, BPC Escort Rules (Jaimie), Canada's Proactive Vessel Management

WA State Board of Pilotage Commissioners

Industry Update:
January 21, 2021 BPC Meeting

Vessel Arrivals Plummet in 2020

Port calls "lowest ever"

- ✚ Lowest level ever by a large margin (dating back to the 70's)
- ✚ Puget Sound **down 395** Arrivals in 2020
 - NOTE:** Day to day activities being tracked now – histogram shows range of arrivals/departures at extremely low levels
 - NOTE 2:** Activity report shows arrivals several days out providing lead time
- ✚ Container Vessel arrivals **down 98**
- ✚ Bulkers **up 39**
- ✚ Car Carriers **down 63**
- ✚ RoRo's **down 5**
- ✚ Passenger **down 212**
- ✚ Tankers/ATB's **down 38**
- ✚ Grays Harbor **down 12**

Pilot Assignments Plummet in 2020

Assignment also at lowest level (several decades of data)

- ✚ Assignments **Down 1,212** or more than 16% since 2018
- ✚ Assignments **Down 887** or 12.7% in 2020 over 2019
- ✚ PMSA opposed increase in pilots last July – see letter

Workload Future?

Container Volumes Increase; Ship Calls Not So Much

- ✚ Container volumes are increasing along the coast
- ✚ Congestion is significant in LA/LB – through the first 10 days of January:
 - Peak of 34 Container Ships at Anchor including 12 over 10,000 TEU's
 - On the same day, there were 28 Container Ships at a Berth
- ✚ One added service (NWSA briefed BPC on this); potential to add services in the PNW?

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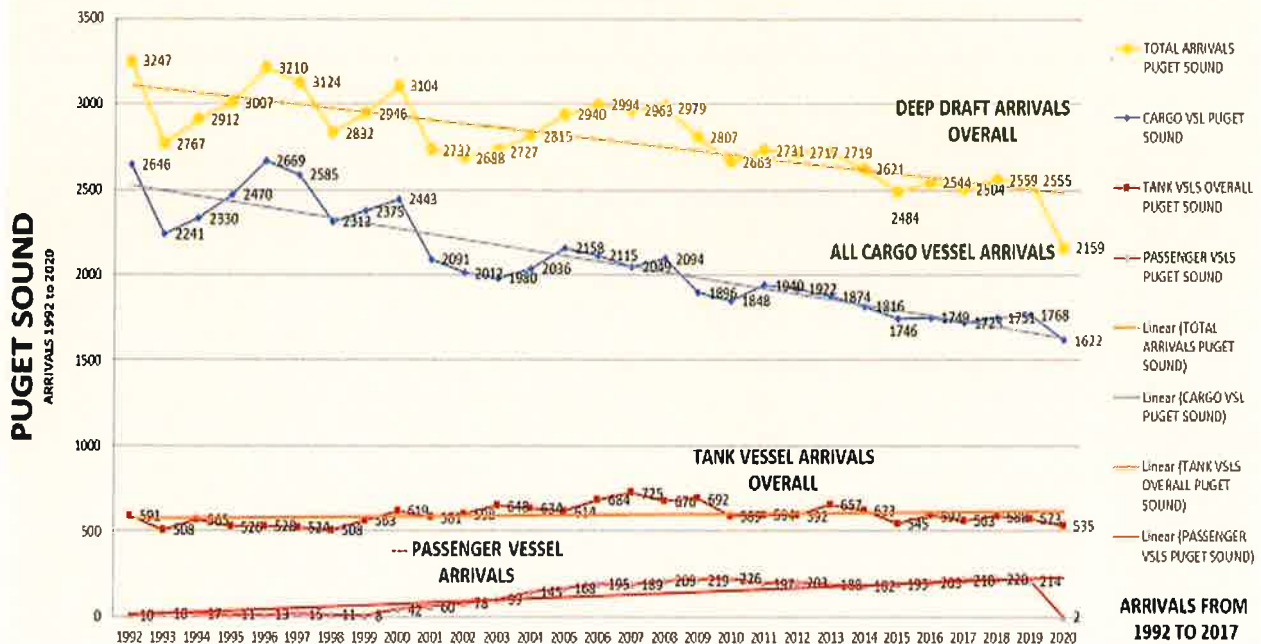
Industry Update: February 18, 2021 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

1992 to 2020 Trend

DEEP DRAFT COMMERCIAL VESSEL TRAFFIC TRENDS

U.S. PORTS VESSELS ARRIVALS BY YEAR Puget Sound and Grays Harbor 1992 Through 2020



- ✓ Overall arrivals down 395 in 2020 versus 2019; huge drop in assignments
- ✓ Bunker only visits to PA increased in 2020 (meaning less actual arrivals)
- ✓ No cruise ship calls, containers calls down 98, bulkers up 39, car carriers down 63, tankers/ATB's down 38

How about 2021 so far?

- ✚ Containers down 12, bulkers up 9, car carriers down 5, tankers down 5, ATBs down 6
- ✚ Canada shut down Cruise Ships for all of 2021
- ✚ New Container Services Coming to PNW (LA/LB: 40+ container ships at anchor)

WA State Board of Pilotage Commissioners

Industry Update: March 18, 2021 BPC Meeting

Vessel Arrivals and Assignments Continue to Drop

YTD Through First Two Months

- ✚ Overall arrivals **down 47**
Recall, arrivals were **down 395** in 2020 versus 2019
- ✚ Container **down 23**
- ✚ Bulkers **up 7**
- ✚ Car Carriers **down 4**
- ✚ Tankers/ATB's **down 27**

Anchor Grounds on West Coast Filling Up

- ✓ At one point last week 55 container vessels were at anchor or drifting offshore (not counting the backup in Prince Rupert)
- ✓ LA/LB peaked at 40 container vessels at anchor awaiting berth – this plus other vessel types at anchor (including cruise ships), some vessels were assigned to “drift boxes”
- ✓ Oakland anchorages were full as well leading to vessels drifting offshore
- ✓ Vancouver and Prince Rupert also backed up
- ✓ Puget Sound: After the snowstorm there was a time with no available appropriate anchorage spots for container vessels. The longest stay was just over two weeks for a vessel that already made a port call here but was outbound (Vancouver; as of this submittal, we have one container ship at anchor bound for Vancouver – kind of a pattern). At one point we had four container vessels anchored here at the same time all with next port of calls somewhere else (Vancouver, Asia, Long Beach...). At this point, Puget Sound anchorages are available if needed and is in a much better situation than other west coast gateways.
- ✓ Issues Spread Throughout the Supply Chain: Rail, chassis, warehouses, transloading facilities, ILWU skilled labor availability and COVID, new cranes in California still being prepped for operation, empty container returns, demurrage and detention, anchorage shortages etc.

New Weekly Services, Blank Sailings, Ad Hoc Calls

- ✚ Recall that there will be three new weekly services plus a fourth that had a number of consecutive blank sailings scheduled to resume service
- ✚ Total blank sailings have significantly exceeded ad hoc port calls

WA State Board of Pilotage Commissioners

Industry Update: April 15, 2021 BPC Meeting

Vessel Arrivals and Assignments

YTD Through First Three Months

- ✚ Overall arrivals **down 36**
Recall, arrivals were **down 395** in 2020 versus 2019
- ✚ Container **down 13** (but up 10 in March to March comparison)
- ✚ Bulkers **up 17** (up 10 in March)
- ✚ Car Carriers **down 1** (up 3 in March)
- ✚ Tankers/ATB's **down 38** (down another 11 in March)

Container Vessels at Anchor or Drifting – Supply Chain Disruptions

- ✓ As significant number of container vessels are still at anchor off of LA/LB or at anchor or drifting off the Bay Area still totaling over 40 between the two gateways.
- ✓ PMSA set up a briefing for OST (Office of the Secretary of Transportation) and the acting MARAD Administrator regarding the back up of ships, containers and the entire supply chain.
- ✓ Eastbound rail capacity limitations, containers out of service sitting at anchor, increase in transloading leaving increasing numbers of 20's and 40's near port instead of points East, temporary off terminal loaded container storage in LA/LB and other efforts being made to address the backlog – PMSA put out a video summarizing things that terminal operators were doing; can provide link to those interested.
- ✓ PNW gateway has had a few issues but had largely escaped the kind of back up being experienced in the California ports; the hope is that 3 additional weekly services will be handled here in addition to potentially getting more ad hoc calls going forward. And, the NSWA and UP announced a new service that in part should help Ag folks get more access to empty containers (see NWSA update).

ECHO – Slowdowns for 2021

- ✚ The ECHO team announced dates for 2021 slowdowns for Haro/Boundary and exiting the SJDF south of Swiftsure Bank. Handouts will be provided to PSP Port Angeles Station and to agents and associations.
- ✚ Meanwhile, Quite Sound (US effort) has a budget proviso in Olympia to join port funding to kick start the program here.

WA State Board of Pilotage Commissioners

Industry Update: May 25, 2021 BPC Meeting

Vessel Arrivals

YTD Through First Four Months

- ⬇ Overall arrivals **down 22**
- ⬇ Containers **down 11** (but slightly up in April to April comparison as expected)
- ⬇ Bulkers **up 29** (up 12 in April)
- ⬇ Car Carriers **up 2** (up 12 in April – had not tracked this sector closely; big increase)
- ⬇ Tankers/ATB's **down 53** (down another 15 in April)

Container Vessels at Anchor or Drifting – Supply Chain Disruptions

- ✓ As significant number of container vessels are still at anchor off of LA/LB or at anchor or drifting off the Bay Area totaling near 50 between the two gateways as of this submission (week before meeting). LA/LB is now less than half the container vessels at anchor compared to the peak (40 at anchor) and the time at anchor waiting is ticking downward.
- ✓ Worth Repeating: Eastbound rail capacity limitations, containers out of service sitting at anchor, increase in transloading leaving increasing numbers of 20's and 40's near port instead of points East, temporary off terminal loaded container storage in LA/LB and other efforts being made to address the backlog – PMSA put out a video summarizing things that terminal operators were doing.
- ✓ PNW gateway has had a few issues but continues to avoid the kind of back up being experienced in the California ports; a couple of container vessels on anchor from day to day, some of which are outbound to Vancouver. The wait at anchorages used for inbound vessels is significantly shorter than in LA/LB.
- ✓ New container weekly services are showing up in the arrival numbers now.

Cruise Season?

- ⬇ With the recent announcement that Congress is moving forward with the exemption from the Passenger Services Act, there is potential of salvaging some cruise season.
- ⬇ If the cards line up, we might see some cruise activity near the end of July or early August. This is all very fluid (as of the time of this writing) but we expect follow on announcements on this issue in the next few weeks.

WA State Board of Pilotage Commissioners

Industry Update: June 22, 2021 BPC Meeting

Vessel Arrivals

YTD Through First Five Months – Now Comparing to Depressed COVID Numbers Last Year

- ✚ Overall arrivals **down 3**
- ✚ Containers **up 2** (New weekly service numbers showing up now)
- ✚ Bulkers **up 29**
- ✚ Car Carriers **up 16**
- ✚ Tankers/ATB's **down 47**

Container Vessels at Anchor or Drifting – Supply Chain Disruptions

- ✓ A significant number of container vessels are still at anchor off of LA/LB or at anchor or drifting off the Bay Area.
- ✓ PNW gateway has also led to container vessels at anchor but not as many. Complaints have come in from the public but the Coast Guard explanation for temporarily using some of these anchorages (Holmes Harbor being the best example) seems to have at least partially addressed the concerns. PMSA also fielded questions with the same explanation in addition to explaining underwater noise concerns.
- ✓ Worth Repeating Again: Eastbound rail capacity limitations, containers out of service sitting at anchor, increase in transloading leaving increasing numbers of 20's and 40's near port instead of points East, temporary off terminal loaded container storage in LA/LB and other efforts being made to address the backlog.

Cruise Season Prep at Anchor To Compete with Container Ships?

- ✚ The exemption from the Passenger Services Act had led to the plan for a cruise ship season here starting in late July.
- ✚ Cruise ship preparation including getting crews COVID procedure compliant and prepared for their duties will likely take place starting later this month.
- ✚ Cruise ship anchorage use/demand will likely compete with container ships. As of this writing, there are discussions with the Coast Guard, NWSA, Port of Seattle, Cruise ship agents, and others working on contingencies to manage the likely anchorage demand surge.

WA State Board of Pilotage Commissioners

Industry Update: July 20, 2021 BPC Meeting

Vessel Arrivals

Up 37 YTD Through First Six Months – Comparing to Depressed COVID Numbers Last Year

- ↓ Containers up 14
- ↓ Bulkers up 42
- ↓ Car Carriers up 23
- ↓ Tankers/ATB's down 43

Note: As expected, cruise ships are starting to show up this month (numbers above are only through end of June; cruise will be reflected in future reports). Bulkers and car carriers led YTD arrival increases. New weekly services in the container sector have finally sent that sector total YTD arrival numbers higher than the COVID depressed numbers of last year.

Container Vessels at Anchor or Drifting – Extreme Heat, Holiday, Fire Smoke Pilot On to Supply Chain Disruptions Already Reported

- ✓ Worth Repeating Again: Eastbound rail capacity limitations, containers out of service sitting at anchor, increase in transloading leaving increasing numbers of 20's and 40's near port instead of points East, temporary off terminal loaded container storage in LA/LB and other efforts being made to address the backlog.
- ✓ **New:** Extreme heat days caused some terminal operation closures.
- ✓ **New:** July 4th and the July 5th (ILWU day) closed terminal operations.
- ✓ **New:** Fires in BC led to a 48-hour order to stop all trains heading eastbound out of Prince Rupert and Vancouver after a certain point.
- ✓ These factors increased in the container vessel queue and thus increased the number of container vessels at anchor. Ships destined for Vancouver have drifted or slow steamed some 25 to 50 miles offshore. At least one of these vessels was destined for Seattle.
- ✓ PNW is at peak queue now. Although a significant number of container vessels are still at anchor off of LA/LB or at anchor or drifting off the Bay Area they are well below their peak.
- ✓ Concerns over vessels at anchor, primarily regarding Holmes Harbor, continue.
- ✓ Is this the peak or will back to school and Christmas shipping season overwhelm the incremental improvements in rail and the supply chain? We'll see.
- ✓ Relevancy to BPC: this situation impacts the pilot assignment mix. Ultimately, each gateway and rail/truck connections will determine competitiveness.

WA State Board of Pilotage Commissioners

Industry Update: August 17, 2021 BPC Meeting

Vessel Arrivals

Up 92 YTD Through July – Comparing to Depressed COVID Numbers Last Year

- ✚ Containers up 20
- ✚ Bulkers up 48
- ✚ Car Carriers up 30
- ✚ Cruise ships up 22
- ✚ Tankers/ATB's down 30

Note: As expected, ship counts are rebounding particularly with cruise ships resuming operations. Adding container ship services back into the mix has led to some recovery there as well. Bulkers and car carrier activity has been solid all year as indicated in past reports. For context arrivals in July are about 10% off Pre-Covid July numbers and nearly 400 arrivals less YTD than 2018 or 2019.

Container Vessels Queuing Up: at Anchor, Drifting or Slow Steaming

- ✓ NWSA container ship calls are bunching due in part to container vessels skipping calls in Oakland. Logically, Oakland's backlog of container ships at anchor or drifting offshore has markedly reduced while our gateway saw an increase.
- ✓ Container ships at anchor in the pilotage district peaked at 13 on July 30th with another drifting off the coast. Container vessels have utilized anchor grounds as far north as Bellingham.
- ✓ The Coast Guard continues to carefully manage anchor reservations and anchor ground use; infrequently used anchor grounds now being used continue to generate complaints (citizens, tribes, etc.)
- ✓ Options to change the queuing of vessels calling at marine terminals are being discussed again; one option is to change how a vessel is placed in the queue and allow a vessel to slow steam at sea before arrival if they are destined to head to an anchor ground. Typically, vessels are placed in queue upon arrival to the pilot station.
- ✓ Recall rail capacity issues continue with Chicago still a significant bottle neck.
- ✓ Back to school and Christmas shipping season will add to the ramp up in consumer activity which is generating huge import volumes.
- ✓ Relevancy to BPC: we hope to reduce the total number of container ships at anchor and time at anchor which would potentially lead to more normal arrival/departure assignments without an anchorage assignment.

WA State Board of Pilotage Commissioners

Industry Update: September 28, 2021 BPC Meeting

Vessel Arrivals

Up 136 YTD Through July – Comparing to Depressed COVID Numbers Last Year

- ✚ Containers up 23
- ✚ Bulkers up 31
- ✚ Car Carriers up 29
- ✚ Cruise ships up 56
- ✚ Tankers/ATB's down 14

Note: As expected, ship counts are rebounding particularly with cruise ships resuming operations and recent increases in container ship calls. Car carriers and bulkers have been up most of the year. Tankers and ATB's increased by 16 over last August with yearly total now approaching the 2020 levels.

Container Vessels Queuing Up: at Anchor, Drifting or Slow Steaming

- ✓ NWSA container ship calls are bunching due in part to container vessels skipping calls in Oakland. Logically, Oakland's backlog of container ships at anchor or drifting offshore has markedly reduced while our gateway saw an increase.
- ✓ Container ships at anchor in the pilotage district peaked at 14 with others drifting off the coast. Container vessels have utilized anchor grounds throughout the pilotage district including as far north as Bellingham.
- ✓ LALB has set several new records for the most container ships at anchor or drifting exceeding 60 on several days this month
- ✓ T46 is now accepting empties to free up space and chassis to move import cargo off active terminals
- ✓ Load volumes per port call at T18 have increased (more lifts per call) requiring longer time for vessels at the dock.

See PMSA Notice: Ocean Carrier Options To Address Pacific Northwest Anchor Congestion and Captain of the Port Concerns

WA State Board of Pilotage Commissioners

Industry Update: October 26, 2021 BPC Meeting

Vessel Arrivals

Up 165 YTD Through Sept 2020 – But Still 10% Less than either 2018 or 2019

- 📉 Containers up 25 (down 15 in Sept)
- 📉 Bulkers up 8 (down 6 in Sept)
- 📉 Car Carriers up 28 (down 1 in Sept)
- 📉 Cruise ships up 86 (no service in 2020)
- 📉 Tankers/ATB's same as 2020

Note: Ship counts rebounding for the most part but not up to the arrival numbers we saw in 2018 or 2019 which were each about 10% more than what we have seen through September this year. Some (not all) container ship calls spent longer times at the terminal due to congestion and greater volumes of boxes to be moved.

Container Vessels Queuing Up: at Anchor, Drifting or Slow Steaming

- ✓ We have seen a marked reduction in the number of container ships at anchor in part due to a number of ships remaining well offshore, off California or even anchored off Vancouver Island at a safe distance where the depth of water allows for it.
- ✓ Recall the PMSA notice put out to Ocean Carriers and Marine Terminal Operators regarding adjustment in queuing to enhance voyage planning for safety, weather routing, drifting to better time arrival close to the berth window and/or use T46 lay berths. We are seeing delayed arrivals now taking pressure of anchorages. Container ships at anchor in the pilotage district peaked at 14 but recently that has decreased to average around 3.
- ✓ LALB continues to utilize all available anchorages, contingency anchorages and drift boxes offshore. A recent pipeline spill has put anchoring under a spotlight. PMSA has helped brief electeds and others in the PNW regarding anchoring here (Designated anchorages, COTP/VTS, HSC Standards of Care, Pilot Anchoring Procedures, Charts etc.)
- ✓ White House envoy met with Ports of LA/LB, PMSA, terminals, carriers to walk through the myriad of issues involved in the supply chain. Most of the coverage has been around LA/LB given the U.S. footprint represented by operations there.
- ✓ Suffice to say, the supply chain is multi-faceted and requires all parts to be operating in concert to keep cargo moving. Opening one link in the chain for 24/7 operations does not address the entire chain – 24/7 press coverage mostly misses this point. Many gates open for operation in LA/LB are not being used as trucks are not showing up to pick up cargo if they can't take it anywhere on top of other challenges (equipment, drivers, etc.)

WA State Board of Pilotage Commissioners

Industry Update: November 18, 2021 BPC Meeting

Vessel Arrivals

Up 178 YTD Through October – Comparing to Depressed COVID Numbers Last Year

- ✚ Containers **down 2**
- ✚ Bulkers **up 28**
- ✚ Car Carriers **up 24**
- ✚ Cruise ships **up 98**
- ✚ Tankers/ATB's **up 4**

Note: Container vessel arrival numbers are fluctuating due to the supply chain bottlenecks. Two weekly services have been suspended until further notice. The total amount of time a vessel is in queue, at anchor, drifting or at the dock are considerations in such decisions in addition to evaluating diversions to another port with all that entails (vessel loaded for a particular sequence of port calls, then diverting). Sweepers are vessels dedicated to picking up empties and several have been deployed to the west coast mostly destined for LA/LB.

Container Vessel Queuing: at Anchor, Drifting or Slow Steaming

- ✓ Vessels destined for T18 in Seattle are being informed weeks ahead of scheduled berth slots so that voyage planning can be adjusted to minimize time at anchor, time drifting and fuel use if slow steaming.
- ✓ LALB has exceeded 80 vessels at anchor or loitering offshore. Efforts are being implemented to adjust the queue there to allow changes in voyage planning while also addressing labor allocation procedures.
- ✓ Oakland's backlog of container ships at anchor or drifting offshore has markedly reduced as vessels were skipping that port call but recently the Oakland backlog of ships was reduced to zero with a few days of only one or two awaiting berth slots.
- ✓ Ongoing supply chain issues include warehouse congestion, worker/truck driver/chassis shortages, underutilization of terminals (not picking loaded imports up)... ripple effects.

Northwest Seaport Alliance hosted a forum: Updates on Vessel Movement in Winter Weather

Coast Guard COTP, NWSA and PMSA made comments and answered media questions; see video here: <https://www.youtube.com/watch?v=fPuA6PNOaZ8>

WA State Board of Pilotage Commissioners

Industry Update: December 9, 2021 BPC Meeting

Vessel Arrivals

Up 193 YTD Through November – Comparing to Depressed COVID Numbers Last Year

- ↓ Containers down 9
- ↓ Bulkers up 24
- ↓ Car Carriers up 23
- ↓ Cruise/Passenger up 100
- ↓ Tankers/ATB's up 19 (up 15 in November)

Note: Container vessel arrival numbers continue to fluctuate due to the supply chain bottlenecks; suspension of weekly services, changes in services, blank sailings, extra loaders, and sweepers. As mentioned last month, some weekly services have been suspended until further notice. The total amount of time a vessel is in queue, at anchor, drifting or at the dock are considerations in such decisions in addition to evaluating diversions to another port with all that entails (vessel loaded for a particular sequence of port calls, then diverting). Sweepers are vessels dedicated to picking up empties and several have been deployed to the west coast mostly destined for LA/LB.

Container Vessel Queuing: at Anchor, Drifting or Slow Steaming

- ✓ Worth repeating: Vessels destined for T18 in Seattle are being informed weeks ahead of scheduled berth slots so that voyage planning can be adjusted to minimize time at anchor, time drifting and fuel use if slow steaming.
- ✓ As of the time of this writing (December 1st), there were only 2 container vessels at anchor in the Puget Sound area (recall the peak was 14 with others drifting or doing racetracks in the SJDF on occasion).
- ✓ LALB has implemented a queuing system to queue vessels based on day of departure from the previous port. The total number of container vessels at anchor or drifting off of LALB peaked at 86 and is now (at the time of this writing) approaching 50.
- ✓ Oakland's backlog of container ships at anchor or drifting offshore was eliminated due in large part to skipped port calls; recently the backlog has built up slightly again.
- ✓ Ongoing supply chain issues involves import containers not being picked up from the terminal in a timely fashion; that reduces the utilization level of the terminal and in turn reduces the speed with which the terminal can work vessels.

WA State Board of Pilotage Commissioners

Industry Update: January 20, 2022 BPC Meeting

Vessel Arrivals

Up 170 in 2021 versus 2020

- | | |
|----------------------|--------------------------------------|
| ✚ Containers down 22 | ✚ Car Carriers up 10 |
| ✚ Bulkers up 9 | ✚ Cruise ships up 102 (none in 2020) |
| ✚ General up 28 | ✚ Tankers up 6 |
| ✚ RoRo – no change | ✚ ATB's up 22 |

Note: 60% of this increase was due to resumption of some cruise ship service. Ship counts rebounding for the most part but not up to the arrival numbers in the years before COVID. A number of container weekly services have been suspended and are likely not to resume until container terminal congestion eases. More empties being picked up in addition to off terminal storage (T46 for example in the North Harbor of NWSA).

Big News: *First cargo ship calls at newly modernized Terminal 5 in West Seattle*

Container Vessels Queuing Up: at Anchor, Drifting or Slow Steaming

- ✓ We have seen a marked reduction in the number of container ships at anchor here and off Southern California due to a change in queuing of vessels. We do continue to see a few container ships at anchor here (2 to 4 on a given day).
- ✓ LA/LB has 106 container vessels now with most loitering well offshore as much as 150 miles or more or slow steaming. This represents over 800,000 TEU's in queue.
- ✓ Oakland a big backlog of ships eliminated as port calls were skipped. However, a recent push by exporters and political pressure including white house supply chain attention increased Oakland ship calls and now they are back up to 9 container ships at anchor

Pilot Service Delays

- ✓ PMSA distributed the Open Letter from the BPC regarding pilot availability and requested members ensure accuracy of pilot orders and take steps to minimize cancelations and delays. PMSA also requested PSP do what they can to provide service without delays including use of call backs. PMSA found no indication of any surge in ship traffic but will continue to monitor for any such signs and share that information immediately.
- ✓ White House Supply Chain envoy continues communications with ports, major ocean carriers, terminal operators and others. If pilot service delays contribute to supply chain challenges, it may become a part of the discussion which would likely include how many pilots there are (50), workload (Avg 20 assignments per day) and what can or should be done to better match supply to demand.

WA State Board of Pilotage Commissioners

Industry Update: February 17, 2022 BPC Meeting

Vessel Arrivals Same as January 2021 But...

January 2022 versus January 2021

- | | |
|----------------------|-------------------------------------|
| ✚ Containers down 13 | ✚ Car Carriers up 3 |
| ✚ Bulkers down 7 | ✚ Cruise ships – season not started |
| ✚ General - same | ✚ Tankers up 9 |
| ✚ RoRo up 1 | ✚ ATB's up 6 |

Container arrivals are down significantly over 4 years. In 2019, there were 87 container vessel arrivals in January and that dropped to 83, 71 and now 58 in 2022 – a 33% since 2019.

Container vessel assignments typically represent the largest category of pilotage assignments.

Container Vessels Queuing Up: at Anchor, Drifting or Slow Steaming

- ✓ During COVID there was an increase container vessels at anchor.
- ✓ Queueing changes reduced anchoring moving container vessel pilot assignments more traditionally back to arrival/departure so 2 assignments per port call instead of 3.
- ✓ The queuing process for LA/LB and Oakland starts at port of departure so voyage planning decisions can be more informed. This is comparable to the PNW queueing which was initiated first and is based on a several week look ahead at berth windows. We have seen a marked reduction in the number of container ships at anchor here (zero on many days) and off Southern California due to a change in queueing of vessels. Oakland is following suit.
- ✓ Some PNW weekly container services have been suspended in addition to a shift of market share to the east coast. We now have T-5 phase one on line now which added a service. Future container services via PNW Gateway will depend on supply chain issues, decongesting terminals and overall competitiveness.
- ✓ Near Term Forecast of Vessel Arrivals Helps Planning. Think of terminal operators, rail, trucking/gate decisions and other service providers. BC posts their scheduling for departure, lead time prior to departure (order time) and arrival time off Victoria which provides lead time if coming to PA for pilot service to a Puget Sound port/terminal.

Pilot Service Supply, Demand & Delays

- ✓ Relatively low vessel arrivals/assignments; relatively high number of pilot delays.
- ✓ PMSA was requested to brief the Federal Maritime Commission staff about vessel queueing and that discussion got into gateway issues; PMSA shared some data and will follow up with workload data, number of licensed pilots, number of assignment/day and delay data.

WA State Board of Pilotage Commissioners

Industry Update: March 17, 2022 BPC Meeting

Vessel Arrivals – Non Tank Down, Tank Vessels Up

Year to Date

- | | |
|----------------------|-------------------------------------|
| 📉 Containers down 15 | 📉 Car Carriers down 3 |
| 📉 Bulkers down 1 | 📉 Cruise ships – season not started |
| 📉 General - same | 📈 Tankers up 22 |
| 📈 RoRo up 4 | 📈 ATB's up 6 |

Container arrivals trending down over 4 years. In 2019, there were 76 container vessel arrivals in January and that dropped to 72, 61 and now 59 in 2022.

Russia Invasion of Ukraine

Various actions are being taken by individual companies and the international community. On a port/cargo basis, the International Longshore and Warehouse Union (ILWU) in 29 ports up and down the United States West Coast, stated on March 3rd that they will refuse to load or unload any Russian vessels or Russian cargo coming into or going out of all West Coast ports from Bellingham to San Diego. Although Russian flagged ships are not that common to port calls on the west coast, the Russian cargo piece is less defined so stay tuned.

Container Vessels Queuing Up: at Anchor, Drifting or Slow Steaming

- ✓ Queueing changes implemented in September of 2021 continue to be successful at reducing the number of container vessels at anchor or loitering off the coast. Currently zero at anchor so 2 assignments per port call (arrival/departure) instead of 3 (arrival, shift, departure).
- ✓ LA/LB (at the time of this writing) has 52 container ships backed up include 4 container ships at anchor, 1 loitering within 25 miles plus 47 slow speed steaming or loitering outside the Safety and Air Quality Area (SAQA) well offshore.
- ✓ Oakland peaked at 28 in queue then reduced to zero as some weekly services were temporarily suspended. Political pressure to resume some services to facilitate exports has led another backup – 19 vessels at anchor or at sea loitering or slow steaming (at time of this writing)

Pilot Service Supply, Demand & Delays

- ✓ Concerns when comparing volume of arrivals (175 in February) to pilot delays - ??
- ✓ Pacific Maritime Management Services continues to track vessels from departure from Asia (or elsewhere) destined for the U.S. West Coast (container vessels queuing). This fits into leveragin forecast port call information to assist terminal operators, rail, trucking/gate decisions and other service providers. BC posts their scheduling for departure, lead time prior to departure (order time) and arrival time off Victoria which provides lead time if coming to PA for pilot service to a Puget Sound port/terminal. This should be useful information to PSP in managing pilot availability/demand.

WA State Board of Pilotage Commissioners

Industry Update: April 21, 2022 BPC Meeting

Vessel Arrivals

Through March YTD 2022 versus 2021

📉 Containers down 34	📉 Car Carriers down 9
📉 Bulkers – same	📉 Cruise ships – season not started
📈 General – up 10	📈 Tankers up 17
📈 RoRo up 3	📈 ATB's up 11

As reported previously, container arrivals are down significantly compared to past years. This will continue to be the case until suspended weekly services resume. The NWSA provided a brief last month covering the planned resumption schedule (subject to change). Container vessel assignments typically represent the largest category of pilotage assignments.

Container Vessels Continue to Queue at Sea

- ✓ LA/LB has dropped from 109 in queue to as low as 35 in the past month.
- ✓ Oakland had dropped from 28 to zero and then service resumption backed up ships again to near 20. At the time of this writing, the backup of vessels bound for Oakland was down to 4.
- ✓ We currently do not have container vessels at anchor or drifting offshore waiting for berth slots in the PNW. In the last month we did see a few container vessels at anchor here bound for Vancouver or engaged in a repair in one case.
- ✓ Some PNW weekly container services are scheduled to resume in the near future, but the resumption schedule is not a certainty.

Pilot Service Supply, Demand & Delays

- ✓ It is worth repeating the observation that with “relatively” low vessel arrivals/assignments, we are seeing a significantly greater number of pilot delays. It still does not make sense given the comparison to past months with as much as 20% greater assignments/pilot/month and fewer pilot delays.
- ✓ We appreciate the BPC Chair pulling together a meeting with PSP and Industry to discuss this. However, the causes of pilot delays have still not been identified.
- ✓ Comparing key trends should help paint a macro picture of causes: assignments, call backs used/sought/rejected, 3 and outs, pilot delays, actual available pilots each day compared to assignments each day, etc.
- ✓ The planning for the cruise ship seasonal shift in assignments is important and we appreciated that discussion element of the meeting and the potential actions that can be taken.

WA State Board of Pilotage Commissioners

Industry Update: May 19, 2022 BPC Meeting

Vessel Arrivals – Non Tank Down, Tank Vessels Up

Year to Date

- | | |
|----------------------|--------------------------------------|
| 📉 Containers down 47 | 📉 Car Carriers down 16 |
| 📉 Bulkers up 5 | 📈 Cruise ships up 22 (compared to 0) |
| 📈 General up 10 | 📈 Tankers up 26 |
| 📈 RoRo up 3 | 📈 ATB's up 14 |

Container arrivals continue to decrease compared to 2021 & significantly down compared to pre-COVID. Some services are resuming; the COVID lockdown in China is building up a surge of cargo in the near future while demand for discretionary goods in the U.S. is predictably decreasing with inflation rising faster than wages.

PMA ILWU Begin Contract Negotiations

Negotiations for a new collective bargaining agreement have commenced. The current agreement expires on July 1st. These parties have negotiated a West Coast collective bargaining agreement since the 1930's. According to a May 9th press release from ILWU and PMA, the talks are scheduled to continue on a daily basis until an agreement is reached. The talks are not open to the media or the public and both sides say they expect cargo to keep moving until an agreement is reached.

Container Vessels Queuing Up: at Anchor, Drifting or Slow Steaming

Queueing changes implemented in September of 2021 continue to be successful at reducing the number of container vessels at anchor or loitering off the coast with zero up to 2 or 3 at anchor here for relatively short periods of time – CG has the data via VTS.

LA/LB (at the time of this writing) is now down to 35 container ships backed up including 5 container ships at anchor in/off the ports and the rest slow speed steaming or loitering outside the Safety and Air Quality Area (SAQA). This is a decrease of 74 vessels from the record of 109 on 9 January 2022.

Oakland peaked at 28 in queue then reduced to zero as some weekly services were temporarily suspended. There was pressure to resume some services to facilitate exports which led to a backup however that backup is now back down to 4 at the time of this writing (1 at anchor and three off the coast).

Pilot Service Supply, Demand & Delays

We are still very interesting in the causes that increased delays from average of 2.98 in the 18 months prior to last July and how the changes in the watch are working.

WA State Board of Pilotage Commissioners

Industry Update: June 21, 2022 BPC Meeting

Vessel Arrivals – Cargo Down, Tank & Cruise Up

Year to Date – Total the Same as Last Year Low Numbers After Separating Out Cruise

📉 Containers down 60	📉 Car Carriers down 25
📈 Bulkers up 6	📈 Tankers up 42
📈 General up 19	📈 ATB's up 10
📈 RoRo up 2	📈 Cruise up 124

Container arrivals down 13% and well below pre-COVID years. Car carrier arrivals are down 23% YTD while Tankers/ATB's are up 21% YTD and Cruise is up and running. Inflation up, demand for goods is down which should ease cargo congestion and vessel queues.

FMC Fact Finding Investigation Finds 'Vigorous' Competition in Container Shipping

Though there have been charges of illegal activity or concerns of market concentration driving increased ocean freight costs, the Fact Finding Officer's assessment is that our transpacific market is not concentrated and that the increased rates in that market are a result of an extreme spike of consumer demand in the United States that overwhelmed the supply of ship capacity. Similarly, the U.S. Atlantic market for ocean shipping is barely concentrated, and increased rates in that market are also a result of overwhelming U.S. demand. Furthermore, a reassuring data trend indicates that the individual ocean carriers within each alliance continue to compete on pricing and marketing independently and vigorously. Individual ocean carriers within alliances continue to add and withdraw vessels from trades both inside and outside the alliances in which they participate and, particularly in the transpacific, new entrants have been entering the trade. The transpacific is a highly contestable market.

Pilot Service Supply, Demand & Delays – BPC Letter Sent to Industry

- ✓ Again, pilot delays significantly increased from 2.98/month in the 18 months prior to last July.
- ✓ Implementation of efficiencies should decrease pilot delays but...?
- ✓ Cruise season peaks are not new.
- ✓ The ratio of licensed pilots to average daily assignment workload remains more than two to one even during this peak season... why so many delays?
- ✓ We recommend BPC require tracking daily number of pilots on duty AND available each day compared to the assignment workload each day to shed light and identify solutions

PMA ILWU Contract Negotiations Continue...

- ✓ The two sides released a joint statement saying they aren't preparing for a strike or a lockout.

Container Vessels Queuing Up: at Anchor, Drifting or Slow Steaming

- ✓ Queueing changes implemented in September of 2021 continue to be successful at minimizing the need to anchor or drift offshore.
- ✓ LA/LB and Oakland numbers are significantly down from their peak

WA State Board of Pilotage Commissioners

Industry Update: August 16, 2022 BPC Meeting

Vessel Arrivals – Cargo Down, Tank & Cruise Up Through July

Year to Date – **Cargo Vessels Down 6.8%** From Last Year's Low Numbers After Separating Out Cruise

↓ Containers down 75	↓ Car Carriers down 25
↓ Bulklers up 1 (down 5 in July)	↓ Tankers up 45
↓ General up 14 (down 5 in July)	↓ ATB's up 13
↓ RoRo up 4	↓ Cruise up 164

Container arrivals down 13.6% and well below pre-COVID years. Car carrier arrivals are down 20% YTD while Tankers/ATB's are up 19.2% YTD and per the announced return, Cruise is up and running.

FMC Fact Finding Investigation Finds 'Vigorous' Competition in Container Shipping

Worth repeating given ongoing allegations by some

FMC Fact Finding Excerpt: *"Furthermore, a reassuring data trend indicates that the individual ocean carriers within each alliance continue to compete on pricing and marketing independently and vigorously. Individual ocean carriers within alliances continue to add and withdraw vessels from trades both inside and outside the alliances in which they participate and, particularly in the transpacific, new entrants have been entering the trade. The transpacific is a highly contestable market."*

Pilot Service Supply, Demand & Delays

- ✓ Again, pilot delays significantly increased from 2.98/month in the 18 months prior to last July.
- ✓ Implementation of efficiencies should decrease pilot delays but...?
- ✓ Cruise season peaks are not new and fully expected with a schedule announcement well ahead of the season
- ✓ The ratio of licensed pilots to average daily assignment workload remains more than two to one even during this peak season... why so many delays?

Recommendation:

- ✓ We continue to recommend BPC require tracking daily number of pilots on duty AND available each day (and if not, why not) and compare that to the assignment workload each day to shed light on causes of delays.
- ✓ Track number of attempted call backs each day, rejections, acceptance. This metric should be set up to identify underperforming pilot rate of rejections (less than average share of assignments being completed unless appointed by State/BPC to Committees like BPC, TEC which impacts those particular pilots availability based on meetings during duty weeks.
- ✓ Include level of assignment and level of pilot in the information in synch with the dispatch system which must match the license level of the pilot to the requirements of the assignment.

PMA ILWU Contract and Rail Negotiations Continue...

WA State Board of Pilotage Commissioners

Industry Update: October 20, 2022 BPC Meeting

Vessel Arrivals Through September

Year to Date Down 21 After Separating Out Cruise

✚ Containers down 75	✚ Car Carriers down 17
✚ Bulkers down 2	✚ Tankers up 49
✚ General up 12 (down 5 in July)	✚ ATB's down 3
✚ RoRo up 2	✚ Cruise up 206

Pilot Service Supply, Demand & Delays

- ✓ Again, pilot delays significantly increased from 2.98/month in the 18 months prior to last July.
- ✓ Implementation of efficiencies should decrease pilot delays but...?
- ✓ The ratio of licensed pilots to average daily assignment workload remains more than two to one even during this peak season... why so many delays?

Continuing Recommendation:

- ✓ *We continue to recommend BPC require tracking daily number of pilots on duty AND available each day (and if not, why not) and compare that to the assignment workload each day to shed light on causes of delays. Daily assignments should show how many of the assignments were shifts or cancelations.*
- ✓ *Track number of attempted call backs each day, rejections, acceptance. This metric should be set up to identify if pilots completing the fewest assignments are also the pilots with a greater rejection of call backs and if they are pilots serving on State/BPC or BPC established committees and the meeting schedule of those meetings impacting the availability of those particular pilots during duty weeks.*
- ✓ *Include level of assignment and level of pilot in the information in synch with the dispatch system which must match the license level of the pilot to the requirements of the assignment.*

Observation: The response has been that this is too difficult to do... doesn't make sense given the key pieces of data used in the dispatching of pilots. The old adage, you can't manage what you don't measure seems to directly apply here.

PMA ILWU Contract and Rail Negotiations

- ✓ Final outcomes are unclear at time of this writing
- ✓ PMSA will provide latest updates at the meeting if status is impacting vessel arrivals, departures and queue

WA State Board of Pilotage Commissioners

Industry Update: December 15, 2022 BPC Meeting

Vessel Arrivals Through November

Year to Date Down Without Record Setting Cruise Season

✚ Containers down 82	✚ Car Carriers down 6
✚ Bulkers up 4	✚ Tankers up 58
✚ General up 1	✚ ATB's down 11
✚ RoRo up 4	✚ Cruise up 211 (correction)

Note: Container Sector down with blank sailings, canceled sailings, consolidated service, lower cargo volumes and west coast market share loss

Pilot Service Supply, Demand, Delays

(Repeated as issues still exist)

- ✓ See prior industry updates and verbal briefings to the BPC regarding pilot service efficiencies/inefficiencies.
- ✓ PMSA stands by the need for key performance metrics with respect to efficient pilot service and that daily supply/demand data is an essential part of key performance metrics. This is particularly relevant since efficiency is specifically called out by the Pilotage Act: *"...optimize the operation of a safe, fully regulated, efficient, and competent pilotage service..."*.
- ✓ Inefficiency concerns are not just PMSA concerns but have also been formally documented at the state level.
- ✓ PMSA is finalizing evaluation of available data to support the submission of a formal letter summarizing industry concerns and rationale regarding pilot service concerns. That letter will be submitted separately.

Labor Negotiations

- ✓ Rail Strike Averted
- ✓ PMS/ILWU have NOT finalized negotiations yet
- ✓ Uncertainty "can" lead to port call diversion and market share loss
- ✓ Full impacts on ship call volumes (and pilotage assignments) not yet clear

Harbor Safety Committee

After several update efforts, the HSC approved an updated plan mostly clarifying language in some Standards of Care. There was some debate about language in the bunkering section referring to specific anchorages but procedures are in place for all "refueling operations" at anchorages.

WA State Board of Pilotage Commissioners

Industry Update: January 19, 2023 BPC Meeting

Vessel Arrivals Through November

Year to Date Down Without Record Setting Cruise Season

↓ Containers down 82	↓ Car Carriers up 1
↓ Bulkers up 3	↓ Tankers up 65
↓ General down 2	↓ ATB's down 11
↓ RoRo up 2	↓ Cruise up 209

Note 1: Container Sector down with blank sailings, canceled sailings, consolidated service, lower cargo volumes.

Note 2: Puget Sound overall up 194 mostly due to a big cruise ship year.

Pilot Service Supply, Demand, Delays

(Repeated as issues still exist)

- ✓ See prior industry updates and verbal briefings to the BPC regarding pilot service efficiencies/inefficiencies.
- ✓ PMSA stands by the need for key performance metrics with respect to efficient pilot service and that daily supply/demand data is an essential part of key performance metrics. This is particularly relevant since efficiency is specifically called out by the Pilotage Act under Board of pilotage commissioners—Powers and duties: ***“Determine from time to time the number of pilots necessary to be licensed in each district of the state to optimize the operation of a safe, fully regulated, efficient, and competent pilotage service in each district”***.
- ✓ Inefficiency concerns are not just PMSA concerns but have also been formally documented at the state level.
- ✓ PMSA continues to finalize evaluation of available data to support the submission of a formal letter summarizing industry concerns and rationale regarding pilot service concerns. That letter will be submitted apparently in same timeframe as PSP’s update.

Labor Negotiations

- ✓ PMS/ILWU have NOT finalized negotiations
- ✓ Uncertainty “can” lead to port call diversion and market share loss
- ✓ Full impacts on ship call volumes (and pilotage assignments) not yet clear but some carriers have indicated some services might resume after an agreement is reached.
- ✓ See Attached Article on whether trade will shift back to West Coast ports or not

WA State Board of Pilotage Commissioners

Industry Update: February 16, 2023 BPC Meeting

Vessel Arrivals January 2023

Container Arrivals Still Low – Annualized Rate Lowest On Record

🚢 Containers down 1	🚢 Car Carriers up 5
🚢 Bulkers up 4	🚢 Tankers up 6
🚢 General down 2	🚢 ATB's down 3
🚢 RoRo down 1	🚢 Passenger down 2

Note: Container Sector arrivals on annual rate are down significantly from past years. 2022 only saw 810 container vessel arrivals; the peak was over 1,300 arrivals and in the past decade arrivals have decreased from over 1,100 to 810 last year with an annualized rate of less than 700.

Safety

In an effort to share lessons learned from incidents, a joint signed letter (BPC, PSP, PMSA) conveyed findings from the vessel grounding in Maryland involving cell phone use and loss of situational awareness. PMSA broadly distributed this letter to industry along with pilot ladder safety notices.

Pilot Service Supply, Demand, Delays

(Repeated as issues still exist)

- ✓ See prior industry updates and verbal briefings to the BPC regarding pilot service efficiencies/inefficiencies.
- ✓ PMSA stands by the need for key performance metrics with respect to efficient pilot service and that daily supply/demand data is an essential part of key performance metrics. This is particularly relevant since efficiency is specifically called out by the Pilotage Act under Board of pilotage commissioners—Powers and duties: ***“Determine from time to time the number of pilots necessary to be licensed in each district of the state to optimize the operation of a safe, fully regulated, efficient, and competent pilotage service in each district”***.
- ✓ Inefficiency concerns are not just PMSA concerns but have also been formally documented at the state level.
- ✓ Please see the PMSA letter dated January 19, 2022 sent to Chair Tonn, Board of Pilotage Commissioners. We will be updating that letter with available data and note that we just received some data via the Safety Committee meeting held on 2/8/2023 and will need to understand and analyze that as well. We still believe daily supply/demand data is a relevant data set to better understand delay and call back drivers.

Labor Negotiations

- ✓ PMS/ILWU have NOT finalized negotiations