PMA Pacific Maritime Association

UPDATE

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Pay Guarantee Payments up over 40%

The economic slowdown in Asia and Russia continues to take a toll on West Coast export cargo. The steep decline in exports experienced in the container sector (*PMA Update*, Vol. 10, No. 8, August 1998) has been even more pronounced in the General Cargo, Lumber & Log, Auto, and Bulk cargo sectors.

The small ports in Oregon and Washington have been particularly hard hit by declining exported cargo. Generally, small ports have specialized in handling a very limited number of commodities such as logs and bulk cargoes. Many of the small ports that are dependent on export commodities traditionally have had very little

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Photographs Needed for PMA Annual Report

Many of the photographs that appear in the *PMA Annual Report* are provided by PMA member companies and West Coast port authorities.

Each year, staff members from the four PMA Area Offices ask representatives of member companies and the local ports to submit photographs. Many of the photographs will be used in the *Annual Report* and, unless otherwise specified, photographs will not be returned. Some of the photographs may also appear in future PMA publications and on the PMA website.

Photographs of general interest or of a specific type of cargo handling operation are requested.

The back of each photo should be annotated with information on how the photo should be credited. The date the photo was taken and a brief description should also be included.

Photos for the *1998 PMA Annual Report* should be submitted before Friday, January 15, 1999. Photos may be submitted to the PMA Area Managers or directly to PMA Communication and Research, P.O. Box 7861, San Francisco, CA 94120-7861.

Drop in Exports Hits All Cargo Sectors, Total Tonnage Down

Total revenue tonnage for 1998 is down 3% from the corresponding 9-month period a year ago. The decline is attributable to the sharp reduction in exports in all cargo sectors. Total exports (loaded cargo) are off 17.1% so far this year. Containers of exported cargo were down 11.9% representing 55.1% of the total cargo. General cargo was down 20.3% with 11.6% of the total. Autos were down 20% with 2.1% of the cargo. Hardest hit was the logs/lumber sector, down 31.7% with 1.6% of the cargo and the bulk sector, down 22.5% with 39.7% of the total exported tonnage.

On the import side, all cargo sectors experienced increases. Import containers were up 16.2% and represented 75.1% of the imports. General cargo with a 31% increase represented 6.9% of the imported cargo. Autos with a 10.9% share of the imports showed a less impressive 2.8% increase, and logs & lumber with only 0.4% of the imports nevertheless showed an impressive 50.1% increase. Bulk cargo with 6.6% of the total imported revenue tonnage experienced a meager 0.6% increase.

Overall, the reduction in exports took a toll on the combined figures. The 3.1% increase in total container tonnage could not offset the 19.6% loss in bulk cargo. The other three cargo sectors, accounting for 12.2% of the total revenue tonnage and a combined 2.7% increase was not enough to prevent a 9-month year to date reduction of 3% in revenue tonnage.

PMA classifies cargo as loaded and discharged. PMA loaded cargo is comprised primarily of export cargo. Technically, not all loaded tonnage reported to PMA is true export cargo. Loaded cargo that is not export cargo in foreign commerce includes Hawaii, Alaska, interstate and coastwise cargo. The same caveat applies to imported (discharged) cargo.

Tonnage Discharged (mostly imports)

	Jan. - Sept. 1997	Pct. of Total	Jan. - Sept. 1998	Pct. of Total	98 as a % of 97
Containers	55,248,436	73.9%	64,172,756	75.1%	16.2%
General	4,532,369	6.1	5,937,054	6.9	31.0
Logs/Lumber	254,074	0.3	381,328	0.4	50.1
Autos	9,084,116	12.2	9,337,380	10.9	2.8
Bulk	5,622,357	7.5	5,655,786	6.6	0.6
Total	74,741,352		85,484,304		14.4%

Tonnage Loaded (mostly exports)

	Jan. - Sept. 1997	Pct. of Total	Jan. - Sept. 1998	Pct. of Total	98 as a % of 97
Containers	47,901,087	51.8%	42,210,541	55.1%	-11.9%
General	1,498,204	1.6	1,193,809	1.6	-20.3
Logs/Lumber	1,768,606	1.9	1,207,519	1.6	-31.7
Autos	2,021,803	2.2	1,617,268	2.1	-20.0
Bulk	39,210,288	42.4	30,386,053	39.7	-22.5
Total	92,399,988		76,615,190		-17.1%

Tonnage Discharged and Loaded

	Jan. - Sept. 1997	Pct. of Total	Jan. - Sept. 1998	Pct. of Total	98 as a % of 97
Containers	103,149,523	61.7%	106,383,297	65.6%	3.1%
General	6,030,573	3.6	7,130,863	4.4	18.2
Logs/Lumber	2,022,680	1.2	1,588,847	1.0	-21.4
Autos	11,105,919	6.6	10,954,648	6.8	-1.4
Bulk	44,832,645	26.8	36,041,839	22.2	-19.6
Total	167,141,340		162,099,494		-3.0%

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For Payroll Period 4 through 38:

	Longshore Hours Paid					Longshore PGP Paid				
Port	1997	% of Coast	1998	% of Coast	Change	1997	% of Coast	1998	% of Coast	Change
LA/LB	4,853,734.25	54.6%	5,768,463.34	59.8%	18.8%	$2,479.98	0.1%	$1,971.54	0.0%	-20.5%
Port Hueneme	123,371.75	1.4	165,499.50	1.7	34.1	6,022.22	0.1	1,160.81	0.0	-80.7
San Diego	73,553.75	0.8	83,771.75	0.9	13.9	4,310.97	0.1	6,822.33	0.1	58.3
SC Total	5,050,659.75	56.8%	6,017,734.59	62.3%	19.1%	$12,813.17	0.3%	$9,954.68	0.2%	-22.3%
Eureka	12,210.25	0.1%	9,850.50	0.1%	-19.3	$337,381.71	7.8%	$425,372.22	7.1%	26.1
Sacramento	29,600.75	0.3	33,475.75	0.3	13.1	171,465.76	4.0	170,192.29	2.8	-0.7
SF Bay Area	944,726.30	10.6	1,078,255.00	11.2	14.1	63,374.59	1.5	9,927.66	0.2	-84.3
Stockton	82,013.75	0.9	64,245.25	0.7	-21.7	107,556.95	2.5	200,546.97	3.3	86.5
NC Total	1,068,551.05	12.0%	1,185,826.50	12.3%	11.0%	$679,779.01	15.8%	$806,039.14	13.4%	18.6%
Astoria	2,799.50	0.0%	3,886.50	0.0%	38.8%	$876,631.72	20.4%	$961,954.75	16.0%	9.7
Longview, WA	252,797.50	2.8	224,147.00	2.3	-11.3	97,762.53	2.3	188,991.56	3.1	93.3
Newport	1,900.50	0.0	949.00	0.0	-50.1	117,147.07	2.7	147,189.38	2.4	25.6
North Bend	97,687.25	1.1	51,401.50	0.5	-47.4	211,407.97	4.9	629,828.74	10.5	197.9
Portland	552,289.00	6.2	570,580.00	5.9	3.3	246,411.60	5.7	262,140.97	4.4	6.4
Vancouver, WA	203,796.25	2.3	174,884.50	1.8	-14.2	38,389.77	0.9	73,065.42	1.2	90.3
OR Total	1,111,270.00	12.5%	1,025,848.50	10.6%	-7.7%	$1,587,750.66	36.9%	$2,263,170.82	37.6%	42.5%
Aberdeen	84,477.25	1.0%	52,319.50	0.5%	-38.1%	$272,180.32	6.3%	$464,039.11	7.7%	70.5
Anacortes	6,435.50	0.1	6,967.25	0.1	8.3	71,543.56	1.7	111,159.15	1.8	55.4
Bellingham	32,120.00	0.4	18,148.75	0.2	-43.5	133,785.74	3.1	324,602.70	5.4	142.6
Everett	47,917.25	0.5	37,976.00	0.4	-20.7	353,612.04	8.2	466,098.59	7.7	31.8
Olympia	28,255.25	0.3	23,290.50	0.2	-17.6	154,366.87	3.6	174,725.39	2.9	13.2
Port Angeles	20,854.50	0.2	9,842.25	0.1	-52.8	743,806.64	17.3	1,046,613.08	17.4	40.7
Port Gamble	604.75	0.0	609.00	0.0	0.7	288,507.36	6.7	340,048.55	5.6	17.9
Seattle	770,203.50	8.7	710,949.50	7.4	-7.7	2,476.39	0.1	18,062.57	0.3	629.4%
Tacoma	667,660.75	7.5	564,213.10	5.8	-15.5	-	0.0	-	0.0	0.0
WA Total	1,658,528.75	18.7%	1,424,315.85	14.8%	-14.1%	$2,020,278.92	47.0%	$2,945,349.14	48.9%	45.8%
Grand Total	8,889,009.55		9,653,725.44		8.6%	$4,300,621.76		$6,024,513.78		40.1%

PGP

(continued from Page 1)

import cargo.

The impact of the declining export business on smaller ports is illustrated by the recent loss of the Port of Olympia's only container carrier. The Seattle based Sunmar Container Line that operated out of Olympia closed its operations on October 2. Sunmar had begun operations in Olympia in 1997 after the Port had invested more than $5 million in a new container terminal with two cranes. The cranes were purchased from the Port of Los Angeles and reconditioned upon installation. Sunmar operated two vessels that moved cargo exclusively between the U.S. and the Russian Far East. The collapse of the Russian ruble in early August effectively eliminated Sunmar's business. There were no longer Russian buyers for the containerized food stuffs and heavy construction equipment that formed the core of Sunmar's cargo transportation business.

The reduced export cargo and meager growth in imports has reduced work opportunity for nearly all small ports and has resulted in significantly increased Pay Guarantee Plan (PGP) payments – more than 40% over the corresponding period in the previous year. It should be noted that the PGP payments paid for weeks 4 through 26 in 1997 were based on a lower wage rate. The base wage rate increased $1.00 per hour (4%) on June 28, 1997. PGP paid after week 27 of 1997 was paid at the current rate.

The table above shows the changes in hours and PGP payments for the payroll periods 4 through 38 for 1997 and for 1998. Most of the PGP increase is attributable to the small Oregon and Washington ports. The small ports have accounted for over 82% of the coast total PGP payments so far in 1998.

Port Angeles accounted for 17.4% of the total PGP, a 40.7% increase over the prior period. In the same period hours paid in the port dropped 52.8%.

Astoria received 16% of the 1998 coast PGP payments, which is a 9.7% increase over the corresponding period in the previous year. At the same time Astoria, contrary to the general trend, actually experienced a 38.8% increase in hours paid.

Another port with significant PGP payments is North Bend/Coos Bay with 10.5% of the coast total. North Bend/Coos Bay experienced a 197.9% increase in PGP associated with a 47.4% reduction in paid hours.

The Northern California, Oregon, and Washington ports account for 37.7% of the total coast paid hours but consume 99.8% of the total PGP payments.

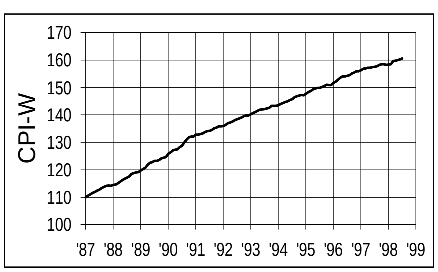
The total hours paid in small ports continues to decrease. In 1995, the small ports , identified as "Group III Ports," accounted for just over 3% of the coast paid hours (*PMA Update*, Vol. 7, No. 8, August 1995). At the end of payroll period 38 in 1998 the percentage for this group had declined to 2.7% of the coast paid hours.

Many of the smaller ports, such as Olympia and North Bend/Coos Bay, have made bold proposals to attract more cargo but have been thwarted. The current reduction in the market for exports only exacerbates the unenviable position of the small ports.

CONSUMER PRICE INDEX
U.S. CITY AVERAGE - ALL ITEMS
(1982-84 = 100)

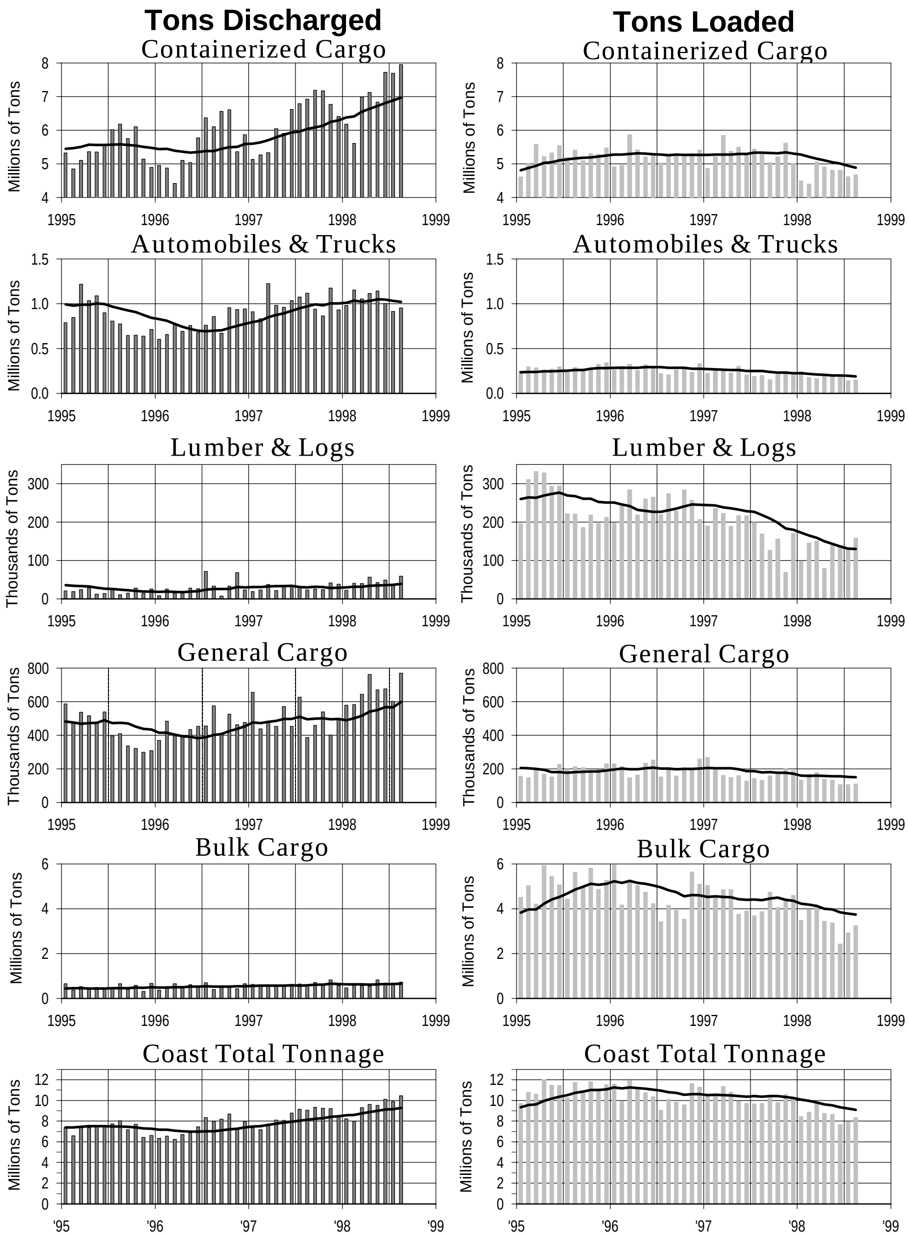
Urban Wage Earners & Clerical Workers

Month	1996	1997	1998	12 Mo.
JAN	151.7	156.3	**158.4**	**1.34%**
FEB	152.2	156.8	**158.5**	**1.08**
MAR	152.9	157.0	**158.7**	**1.08**
APR	153.6	157.2	**159.1**	**1.21**
MAY	154.0	157.2	**159.5**	**1.46**
JUN	154.1	157.4	**159.7**	**1.46**
JUL	154.3	157.5	**159.8**	**1.46**
AUG	154.5	157.8	**160.0**	**1.39**
SEP	155.1	158.3	**160.6**	**1.32**
OCT	155.5	158.5		1.93
NOV	155.9	158.5		1.67
DEC	155.9	158.2		3.31



Monthly Tonnage by Reporting Category: Discharged *vs.* Loaded

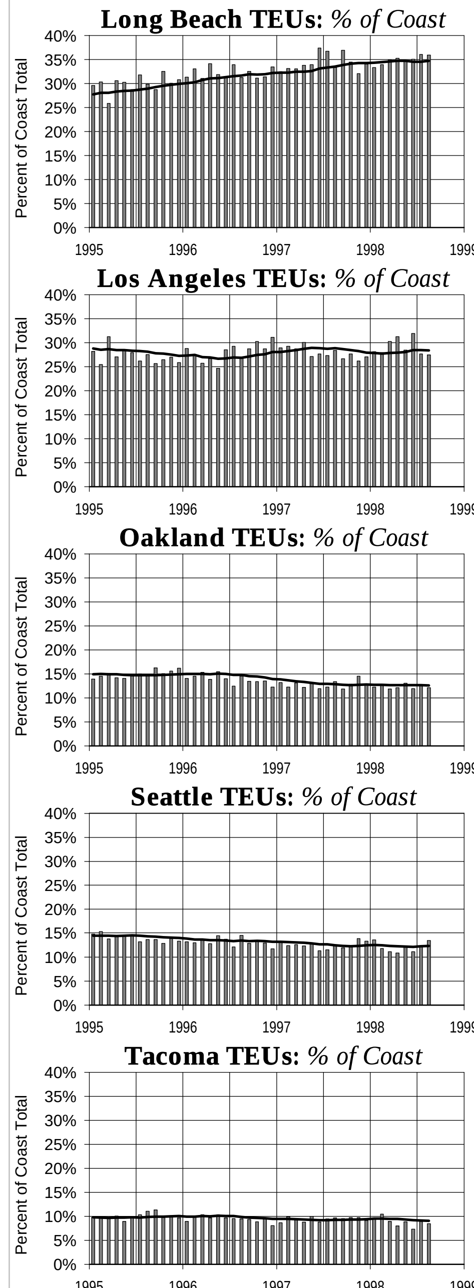
Actual Tons Reported by Month



In the Tonnage graphs above, bars represent monthly totals, and the lines show 12-month moving averages.

Major Container Ports:

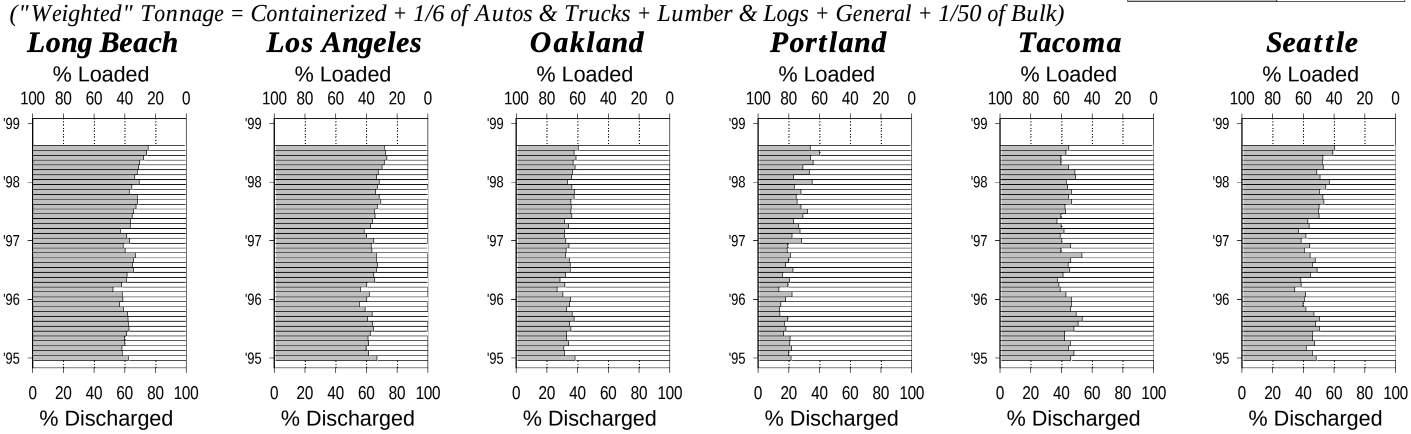
Percent of Coast Total TEUs



"Weighted" Tonnage: % Discharged *vs.* % Loaded

% Discharged | % Loaded

("Weighted" Tonnage = Containerized + 1/6 of Autos & Trucks + Lumber & Logs + General + 1/50 of Bulk)



REGISTRATION — STATS (For 52 Payroll Weeks) — PORT HOURS (Year-to-date)

ILWU LOCAL/PORT AREA	TOTAL (At 10/7/98) NO.	Class "B" NO.	Number Working (Ending 10/3/98) NO.	Annual Hrs Pd HRS	Wkly PGP $	Hours Paid: Out of Port %	Other Local %	Casuals %	Inactives %	P/R Wks 1-41, '98 Avg. Wkly HRS	% Cst %	Hours Paid at Occ Codes Clk %	Frm %	Exp. Rates* %
Longshoremen														
Southern California														
29 San Diego	56	20	54	2,063	3	9.8	2.9	32.8	0.4	3,103	*0.8*	9.2	12.2	35.8
13 Los Angeles/Long Beach	3,640	909	3,601	2,119	< 1	0.2	2.1	11.6	0.6	245,910	*61.1*	23.8	9.7	26.3
46 Port Hueneme	82	12	80	2,082	< 1	7.0	5.2	38.8	1.1	6,022	*1.5*	14.7	6.6	33.0
Southern California Total	**3,778**	**941**	**3,735**	**2,118**	**< 1**	**0.5**	**2.2**	**12.6**	**0.6**	**255,035**	**63.3**	**23.4**	**9.7**	**26.6**
Northern California														
10 San Francisco Bay Area	1,058	236	934	1,720	< 1	2.1	1.4	4.6	0.9	46,953	*11.7*	26.7	7.9	16.8
54 Stockton	55	19	54	1,533	79	3.8	6.6	17.9	0.2	2,334	*0.6*	11.9	7.5	7.3
18 Sacramento	24	5	24	1,479	167	8.7	18.2	18.9	0.9	1,260	*0.3*	24.1	6.7	11.3
14 Eureka	31	0	31	831	393	42.2	2.6	3.1	0.0	393	*0.1*	11.9	10.7	5.9
Northern California Total	**1,168**	**260**	**1,043**	**1,679**	**20**	**2.9**	**2.2**	**5.7**	**0.8**	**50,940**	***12.7***	**25.8**	**7.8**	**16.2**
Oregon														
12 North Bend/Coos Bay	93	19	90	1,274	154	31.1	5.0	2.5	2.2	1,837	*0.5*	10.4	8.2	1.3
53 Newport	7	0	7	519	466	75.8	17.4	0.4	2.6	25	*0.0*	0.0	0.0	0.0
50 Astoria	50	0	50	522	485	79.3	0.3	2.1	1.3	114	*0.0*	0.3	0.3	2.2
8 Portland	470	66	462	1,754	13	3.1	9.9	2.5	1.0	20,427	*5.1*	14.5	7.2	3.6
4 Vancouver, WA	152	44	150	1,690	13	12.0	10.6	5.0	1.8	6,327	*1.6*	14.8	6.5	13.5
21 Longview, WA	194	22	191	1,839	23	13.9	3.9	4.3	1.1	7,715	*1.9*	9.3	8.0	5.5
Oregon Total	**966**	**151**	**950**	**1,642**	**57**	**10.5**	**8.5**	**3.3**	**1.2**	**36,444**	***9.1***	**13.2**	**7.3**	**5.6**
Washington														
24 Aberdeen	71	0	71	1,372	168	24.9	7.3	3.6	0.2	1,710	*0.4*	6.6	6.7	0.6
27 Port Angeles	56	0	56	761	474	64.2	6.1	0.8	0.0	389	*0.1*	7.8	7.6	0.3
51 Port Gamble	13	0	12	418	680	83.2	4.5	0.0	0.0	18	*0.0*	0.0	1.6	0.0
47 Olympia	30	8	30	1,205	158	6.7	19.1	15.0	0.0	891	*0.2*	14.9	15.5	24.3
23 Tacoma	472	82	469	1,762	< 1	1.0	5.3	8.7	0.0	23,762	*5.9*	22.6	9.2	4.4
19 Seattle	583	136	573	1,806	< 1	1.9	4.9	7.9	0.4	31,061	*7.7*	26.6	7.8	8.6
32 Everett	55	0	53	1,200	203	12.9	14.8	5.6	0.1	1,384	*0.3*	5.8	8.0	3.5
25 Anacortes	13	0	13	1,018	237	21.1	7.1	0.3	0.0	269	*0.1*	10.7	20.2	0.4
7 Bellingham	36	5	36	981	211	25.8	7.5	3.8	5.6	678	*0.2*	11.3	10.6	3.8
Washington Total	**1,329**	**231**	**1,313**	**1,641**	**56**	**4.9**	**5.7**	**8.0**	**0.3**	**60,163**	***14.9***	**23.5**	**8.5**	**6.7**
Total/Average	**7,241**	**1,583**	**7,041**	**1,899**	**21**	**2.7**	**3.4**	**10.0**	**0.7**	**402,582**	***100.0***	**22.8**	**9.1**	**20.3**
% Change from Update of 10/97	*+7.5*	*+16.9*	*+6.8*	*+2.6*	*+16.7*	*-18.2*	*-24.5*	*-6.5*	*-12.5*	*+8.8*		*+3.4*	*0.0*	*+23*
Clerks														
29 San Diego	5	0	5	2,138	2	18.9	32.7	10.5	0.0					
46 Port Hueneme	12	0	12	2,321	-	2.7	32.7	9.8	0.1					
63 Los Angeles/Long Beach	951	1	937	2,576	< 1	0.1	10.3	12.7	0.4					
14 Eureka	3	0	3	***	***	20.6	37.1	0.0	0.0					
34 SF Bay Area & Delta	270	10	263	2,362	2	3.0	8.5	2.0	0.7					
40 Portland	95	0	92	2,450	< 1	33.0	8.6	1.3	2.0					
23 Tacoma	71	0	71	2,547	-	0.1	36.5	1.6	0.6					
52 Seattle	177	0	176	2,504	-	13.7	10.7	2.6	2.7					
Total/Average	**1,584**	**11**	**1,559**	**2,516**	**1**	**4.0**	**11.8**	**8.9**	**0.7**					
Foremen/Walking Bosses														
29 San Diego	2	0	2	***	***	0.0	71.4	1.4	1.3					
46 Port Hueneme	5	-	5	2,291	4	0.2	42.6	0.4	0.0					
94 Los Angeles/Long Beach	360	-	354	3,493	< 1	0.1	5.5	0.0	1.0					
91 Northern Calif. Area	73	-	71	2,521	34	0.4	13.7	0.0	1.7					
92 Portland	46	-	45	2,516	12	11.7	13.3	0.0	7.3					
98 Seattle	99	-	99	2,564	8	9.4	11.3	0.0	0.1					
Total/Average	**585**		**576**	**3,124**	**7**	**2.2**	**8.9**	**0.0**	**1.4**					

TONNAGE BY PORT AREA (For12 months-to-date & YTD)

ILWU LOCAL/PORT AREA	% of Category Coast Total (12 Months-to-Date) Cont'r RU's %	Lmbr Logs %	Autos Trucks %	Other Gen'l %	Bulk Cargo %	TOTAL %	1998 YTD (Jan-Aug) TONS	% of Coast Total %	1998 YTD '98 as a % of '97 %	Cstwise Loaded TONS
Longshoremen										
Southern California										
29 San Diego	0.1	3.7	12.4	0.8	1.5	1.3	1,932,181	*1.3*	116.1	0
13 Los Angeles/Long Beach	63.3	8.7	35.5	53.0	24.7	51.3	75,731,193	*52.9*	105.3	118,662
46 Port Hueneme	0.1	< 0.1	10.4	8.0	-	1.1	1,623,078	*1.1*	123.5	0
Southern California Total	**63.5**	**12.4**	**58.3**	**61.8**	**26.1**	**53.7**	**79,286,452**	***55.3***	**105.8**	**118,662**
Northern California										
10 San Francisco Bay Area	12.8	< 0.1	7.4	7.9	1.9	9.5	13,678,710	*9.5*	100.6	140,759
54 Stockton	< 0.1	-	-	2.0	2.6	0.7	882,111	*0.6*	85.9	0
18 Sacramento	-	0.3	-	1.9	1.3	0.4	570,927	*0.4*	91.9	0
14 Eureka	-	1.3	-	1.7	0.6	0.2	357,296	*0.2*	81.8	17,417
Northern California Total	**12.8**	**1.6**	**7.4**	**13.5**	**6.4**	**10.9**	**15,489,044**	***10.8***	**98.7**	**158,176**
Oregon										
12 North Bend/Coos Bay	< 0.1	9.5	-	0.8	5.3	1.4	1,814,830	*1.3*	71.3	21,542
53 Newport	-	0.2	-	-	-	< 0.1	4,866	*0.0*	88.4	0
50 Astoria	-	1.8	-	< 0.1	-	< 0.1	26,991	*0.0*	110.9	0
8 Portland	2.4	4.0	16.2	4.3	22.2	8.1	11,406,378	*8.0*	97.6	26,567
4 Vancouver, WA	< 0.1	0.6	3.3	3.9	8.0	2.3	3,205,407	*2.2*	81.3	0
21 Longview, WA	< 0.1	29.7	-	6.3	14.0	3.9	5,092,594	*3.6*	69.4	53,143
Oregon Total	**2.4**	**45.9**	**19.5**	**15.3**	**49.6**	**15.7**	**21,551,066**	***15.0***	**84.4**	**101,252**
Washington										
24 Aberdeen	< 0.1	13.6	-	0.8	-	0.2	232,169	*0.2*	59.6	178,093
27 Port Angeles	-	2.0	-	-	0.4	0.1	167,776	*0.1*	91.4	64,858
51 Port Gamble	-	-	-	-	-	-	0	*0.0*	-	0
47 Olympia	0.1	1.7	-	0.1	-	0.1	100,811	*0.1*	112.8	0
23 Tacoma	9.0	16.3	10.6	3.7	10.2	9.3	12,618,140	*8.8*	85.4	0
19 Seattle	12.2	0.4	4.1	3.1	4.6	9.3	12,797,410	*8.9*	87.1	87,930
32 Everett	< 0.1	5.9	-	0.3	0.7	0.2	331,126	*0.2*	99.2	9,903
25 Anacortes	- 0.2	-	-	0.6	0.2		222,505	*0.2*	99.6	0
7 Bellingham	- -	-	1.4	1.4	0.4		490,886	*0.3*	63.8	0
Washington Total	**21.3**	**40.1**	**14.7**	**9.4**	**17.9**	**19.7**	**26,960,823**	***18.8***	**85.7**	**340,784**
Total/Average	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**143,287,385**	***100.0***	**97.1**	**718,874**
% Change from Update of 10/97	*5.0%*	*-34.0%*	*1.2%*	*7.2%*	*-12.1%*	*-0.3%*				*6.7%*

* Longshore and Clerk hours only. *** "Annual Hrs Pd" and "Wkly PGP" for groups of less than five individuals are not shown, but the data are included in category averages.

1997 and 1998 Monthly Tonnage as a
Percent of 1997 Average Monthly Tonnage
January 1997 Through August 1998
By Commodity Type by Month (each Bar Represents 1 Month)