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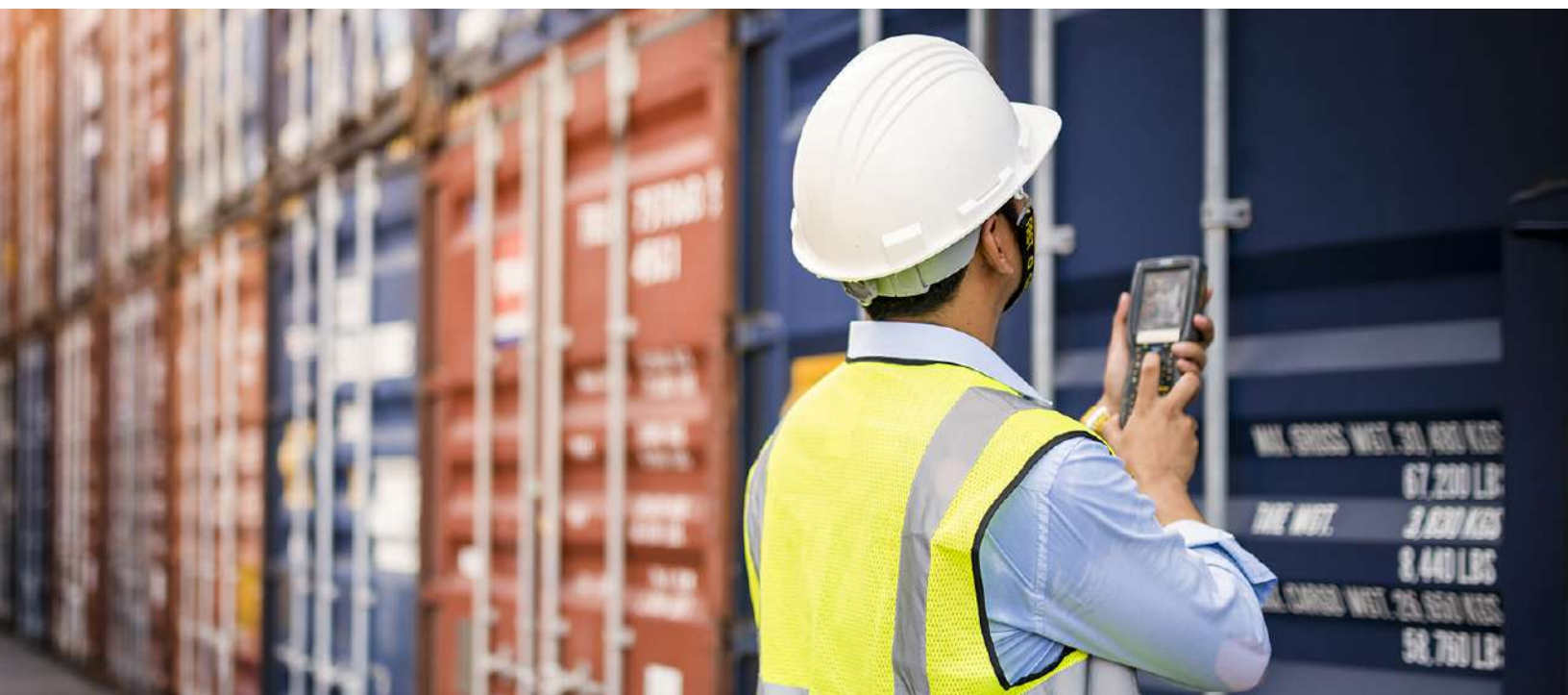
LOOKING AHEAD: ILWU UNION NEGOTIATIONS

As congestion at the Los Angeles and Long Beach ports shows signs of easing, industry experts are looking ahead to next year's contract negotiations between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PMA). There is growing concern that any gains made regarding supply chain issues in the US may be completely lost, and that the next wave of congestion could be more severe.

The port workers' contract is set to expire at the end of June 2022, and next year's contract negotiations are expected to be centered around the following issues: automation and technological advancement, worker's pay, and port conditions.

"These negotiations have the potential to be very contentious because port workers could interpret the desire for automation as a sign that jobs will be lost," said Peter Hsieh, Vice President of Sales and Marketing for OEC Group's Northeast Region. "Additionally, the industry has seen record profits posted by carriers and terminals alike in recent quarters, and only naturally, the Unions are going to want a piece of the pie. Consequently, if a new agreement is not reached amicably and a strike ensues, the effect on the strained market will be significant because no cargo will be moved, and the West Coast supply chain will finally grind to a halt."

Automation and overall technological advancement have been main roadblocks in negotiations between the two sides for more than twenty years. This disagreement began in 2002 when the PMA fought for general computerization of port operations. At that time, the two sides were so far apart that West Coast dockworkers were locked out for ten days, forcing President George W. Bush to invoke the Taft-Hartley Act. The 2014 contract negotiations featured even more discord. Slowdowns by the ILWU were widespread across West Coast ports, and the PMA refused to pay any overtime wages.



“Since 2002, these negotiations tend to significantly affect productivity on the West Coast, and right now, any disruptions at that major gateway have the potential to create severe backlogs,” said Frank Costa, Vice President of Sales for OEC Group’s Northeast Region. “This could also lead to sympathetic strikes across all U.S. ports, because what happens at Los Angeles and Long Beach, such as automation and loss of jobs, can easily happen somewhere else. Therefore, I advise all importers to work closely with their sales consultants and plan alternate ports of discharge well in advance.”



ADDIE RUSSELL

Logistics Coordinator for OEC Group's rapidly expanding Liquid Logistics Division

INTERVIEW WITH AN EXPERT

Addie Russell, Logistics Coordinator for OEC Group's rapidly expanding Liquid Logistics Division, gives insight into the fast-moving bulk liquid landscape.

Q: How has the liquid logistics division adjusted to congested supply chains around the world?

A: The situation is intense, but fun. We have had to think outside the box and look for other options, like different routings, different steamship lines, and even different rail strategies. We've come up with some very creative tactics to help our customers with the urgent demand that has become more common throughout the industry.

Q: What do vessel omissions at the Port of Houston and the Port of New Orleans mean for bulk liquid exports?

A: Regarding our office, which is very export heavy, these omissions have made things very difficult, and they have made huge impacts on shippers' delivery windows and deadlines. We must be very proactive once an order is in motion. As soon as we know a port of interest will be skipped, our team immediately confirms the location of our client's cargo. If that cargo has already been delivered to the port, we secure space on the next ship that'll be stopping at that port. If it is still at our client's warehouse or in transit with one of our trucking partners, we will prepare to get the next booking while also exploring secondary routing options through other ports. It's a challenging situation, but it has given our division a chance to stand out by being one of the only players in the bulk liquid industry that can operate efficiently and deliver under these market conditions.

Q: Can you explain the strategy behind skipping those ports?

A: When it comes to carriers adjusting vessel schedules, there are a few different objectives. First and foremost, carriers are trying to maintain calling schedule integrity. Congestion related delays cause a backlog of vessels and equipment at certain ports, as well as a deficit of vessels and equipment somewhere else in the rotation. Carriers have to make the difficult decision to omit or “cut and run” from certain ports, often gateways that handle smaller volumes, and focus on the bigger ports. Carriers have already introduced extra vessels into each rotation to accommodate the delays, but a global shortage of available vessels means this is no longer an option.

Q: How are current conditions impacting the import side of the bulk liquid market?

A: America is an import driven market rather than an export driven market. The US import market is susceptible to extremely high rates and extreme shortages of both space and equipment. Upon arrival in the US, cargo is facing intense congestion and a severe lack of chassis and trucks. Everything is hard to come by on the import side, and all shipments are subject to historic congestion and additional detention and demurrage charges that the industry has never seen before, making it nearly impossible for importers to control their costs. With global demand for high-end imports as high as it is in the current market, it’s difficult to secure equipment and space for bulk liquid shipments.

Q: Overall, what advice would you have for shippers of bulk liquid in the current environment?

A: Understanding the current market situation and its limitations is fundamentally important to making the right logistical choices. Being flexible and practical right now is also essential, along with a willingness to consider alternative routings and the costs associated with them. Holding out for your optimal solution or the typical routing you’ve employed for past shipments may result in far greater delays and even higher costs. Get your orders in early and coordinate closely with your customer support representative, especially when considering alternate routing options. Remember that there are so many roadblocks that can potentially pop up between your freight and your final destination.

Gadget, Payday's favorite seafaring cyborg

Target Acquired

Target acquired

X:26456 Y:26474

WHOOSH

HELP! WE'RE HEADED STRAIGHT FOR THE DOCK!

WE CAN'T STOP!

KAI IMMEDIATELY GOES TO WORK, UNDOING TIES AND REARRANGING CONTAINERS.

I'M NOT SURE HOW LONG I CAN HOLD THIS...

I GOT IT! WHEN I'M FINISHED, EVEN GADGET'S WIND WON'T BUDGE THIS SHIP!

KAI! WE NEED TO MINIMIZE OUR PROFILE...TRY TO CUT THROUGH THE

OEC GROUP

POW!

SYSTEM ERROR...CANNOT COMPUTE...

THANK YOU KAI!

WE'LL BE SURE TO SHORTEN UP THOSE STACKS NEXT TIME!

Pumpkin Pie
FUN FACTS



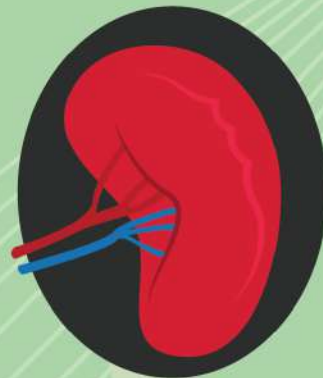
Pumpkin pie became a traditional Thanksgiving dessert around 1700.



36% of Americans prefer to eat pumpkin pie on Thanksgiving over other options such as pecan, apple and cherry.



Around **50 million pumpkin pies** are consumed in the U.S. every Thanksgiving.



One slice of pumpkin pie contains more than the recommended daily value of vitamin A, which benefits eyesight and the immune system.



According to the Guinness Book of World Records, the largest pumpkin pie ever baked weighed in at **3,699 pounds**.



1 out of 5 Americans has eaten an entire pumpkin pie by themselves.



In 1705, the Connecticut town of Colchester postponed its Thanksgiving for a week because there wasn't enough molasses available to make pumpkin pie.

ABOUT OEC GROUP

At OEC Group, we have demonstrated our commitment to customer service in trans-Pacific trade for more than 35 years. Founded in 1981, OEC Group had a vision to provide comprehensive logistics services to clients. Today OEC Group serves destinations throughout the world and has grown into one of the leading logistics providers in North America. With over fifty offices worldwide, we take pride in being close to your cargo at all times.

OEC Group is monitoring and adapting to the changing market. We are well positioned to make continuous improvements to your supply chain using the fastest, most efficient and cost-effective services available. We work tirelessly to stay on top of the ever-changing logistics industry with the goal of delivering the most current information and services to you, our customer.

Our business is making our logistics expertise, your competitive advantage.