

# THE SHIPPING STANDARD

OUR EXPERTISE YOUR ADVANTAGE

AS ILWU-PMA LABOR DISPUTES  
END, WEST COAST WORRIES ON  
AN UNCERTAIN FUTURE BEGIN

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OEC GROUP





## AS ILWU-PMA LABOR DISPUTES END, WEST COAST WORRIES ON AN UNCERTAIN FUTURE BEGIN

Many U.S. ports saw the latest conflict between the ILWU and PMA as an opportunity to capitalize on the 13-month long shift away from the West Coast ports. Many Gulf and East Coast ports have created, or are in the process of creating, critical infrastructure improvements to allow themselves to become not just viable alternatives to West Coast ports, but permanent gateway options for shippers to leverage when importing their goods.

Two ports in particular, The Port of Houston and the Port of Savannah, have been the most active in improving their infrastructure. Both have an eye on keeping the market gains they achieved due to pandemic-era conditions and the ongoing threat of a West Coast strike. During this time, the Port of Savannah completed a much-needed dredging project to widen and deepen the channel allowing for 16,000 TEU vessels to be able to access the port. Additionally, the port ordered 55 brand-new gantry cranes to expand their capabilities when handling higher capacity ships.

The Port of Houston is in the midst of a \$1-billion dredging operation, called Project 11, to significantly widen and deepen the entire Houston Ship Channel from Galveston Bay to the Port of Houston. Leading the project is the Army Corps. of Engineers. When completed, the Port of

Houston will be able to, for the first time in its history, allow unrestricted two-way traffic of the industry's largest container ships – putting the port on par with LA-Long-Beach and New York-New Jersey in regard to handling container traffic.

*“Many of these so-called alternative ports benefitted greatly from the threat of a West Coast strike because shippers were forced to identify other points of entry in order to keep their supply chains flowing,” explained Anthony Fullbrook, President of OEC Group’s North American region. “While LA-Long-Beach is still the top port in the United States for container traffic, many shippers are starting to realize that importing through smaller ports offers less drama, and they have expressed their desire to continue to do so as long as they become more reliable. That necessitates further improvements to infrastructure.”*

While these improvements are a great sign, most U.S. ports need to look no further than Europe to understand that they are still far behind advancements occurring in other countries. For example, the Port of Antwerp-Bruges has already launched a brand-new sophisticated monitoring system featuring a network of cameras and digital radar equipment that break down all port operations into thousands of data points, allowing port leaders to accurately keep track of all meaningful information and guide further optimization. Additionally, the Port of Rotterdam has also launched an expansion project that will add 1.8 million TEUs of capacity, to the gateway’s Prinses Amaliahaven terminal.

*“Many of the ‘alternative ports’ still have a long way to go in order to be competitive and considered a threat to LA-Long Beach and other major West Coast ports,” said Steve Myers, Vice President of Operations for OEC Group’s Northeast Region. “While complete modernization can’t happen overnight, the ports that want to compete are taking the necessary steps to improve their infrastructure within the next six years—that’s when the ILWU’s next contract will likely expire. If significant improvements can be made, then these ports will not only be a viable threat to the West Coast ports, but they will also give shippers more options, making this something worth watching in the coming years.”*

**ALAN DONG**

National Air Cargo Director  
for OEC Group

## INTERVIEW WITH AN EXPERT

*Alan Dong, Air Manager of OEC Group's Northeast region, discusses how his team recently earned an official temperature-controlled pharmaceutical shipping certification from the International Air Transport Association (IATA).*

**Q: Which commodities, commodity groups, or business sectors are you and your team able to assist most with this certification?**

A: The CEIV Pharma Certification lets us ship critical and life-saving items like medicines and vaccines. Additionally, we are able to organize critical shipments of blood, organs, and tissues along with specialized medical equipment. This certification covers all aspects in the shipment of time sensitive and temperature controlled pharmaceutical cargo. As a result, we are able to help hospitals, biotech manufacturers, labs, and just about anyone in the medical care industry get the life-saving products they need for their patients.

**Q: Why is this certification so important?**

A: This certification is critical because it confirms that the organization responsible for shipping many of these life-saving products has the knowledge and training to ensure the product's integrity while also addressing specific air cargo needs. Companies that do not undergo this training generally do not have the ability to identify the weak points in which this type of cargo is most at risk. This certification safeguards the integrity of these shipments in transit and therefore ensures they are able to help the people who need them.

**Q: In addition to training, what else should shippers look for to ensure their products maintain their integrity throughout the entire air shipping process?**

A: Partnerships are a key part of the proper pharmaceutical shipping process, and anyone looking to ship pharmaceutical products should work with companies that are deeply connected. The reason is, this type of cargo requires specialized care, meaning providers need access to truckers, final distribution networks, and air cargo providers that have their own qualifications and experience in shipping that kind of specialized freight. It's difficult for providers to earn those industry connections.

**Q: Should shippers choose their air freight provider based on specific accreditations like this one?**

A: Pharmaceutical shippers, and even shippers of medical equipment without temperature guidelines, should absolutely consider the CEIV Pharma Certification when choosing a logistics provider. It shows specialized knowledge and experience in that sector. Additionally, for the general field of shippers, a specialized certification can give you peace of mind and let you know that your cargo is being handled by a certified expert. Qualifications are certainly not the end-all-be-all of transportation, but high standards are essential in providing reliable services and minimizing the risk involved in global transportation.

**Q: What advice would you give to shippers looking to solidify their short-and-long-term air freight plans in the current market?**

A: Be proactive. When it comes to air freight, it's always best to engage an expert well in advance of any prospective shipments. Like the ocean freight market, the air freight market is subject to change quickly, and planning in advance can help shippers navigate those sharp fluctuations with their provider.



AH! COME ON! I'M ABOUT TO WIN!

IT COULD BE ABOUT THE SUPPLY CHAIN! DIDN'T YOU SAY I HAD TO FIX IT NOW "OR ELSE"?

WELL, I DIDN'T MEAN LIKE NOW NOW...



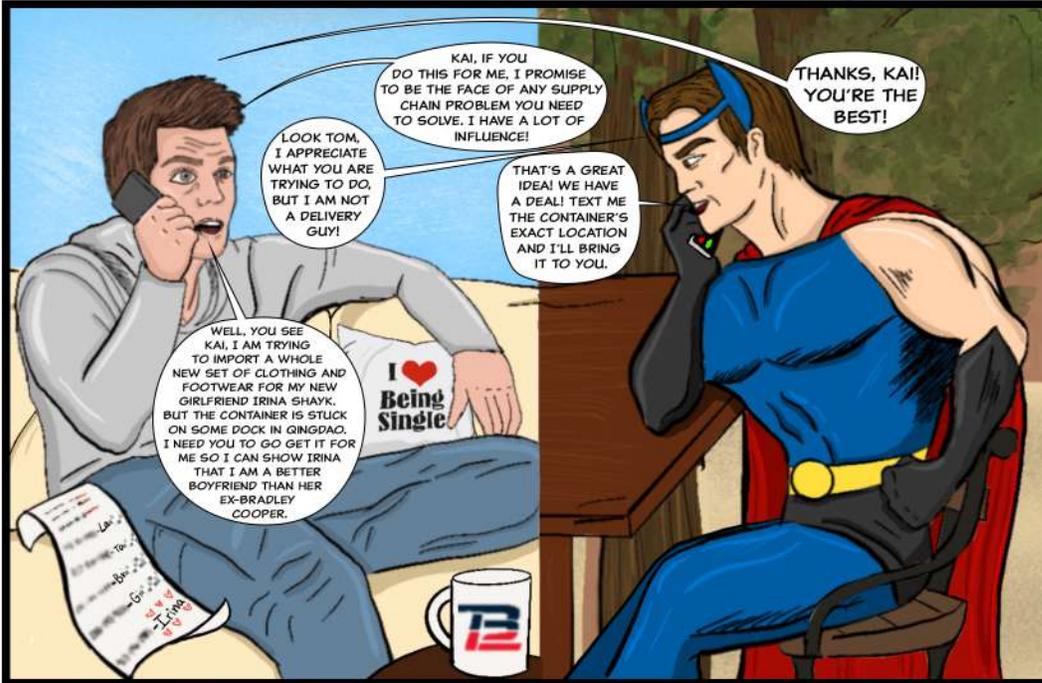
HELLO?

IS THIS KAI?

YES. WHO IS THIS?

IT'S TOM BRADY! I NEED YOUR HELP WITH THE SUPPLY CHAIN.

TOM BRADY, THE FOOTBALL PLAYER?! WHY DO YOU NEED HELP WITH THE SUPPLY CHAIN?



LOOK TOM, I APPRECIATE WHAT YOU ARE TRYING TO DO, BUT I AM NOT A DELIVERY GUY!

WELL, YOU SEE KAI, I AM TRYING TO IMPORT A WHOLE NEW SET OF CLOTHING AND FOOTWEAR FOR MY NEW GIRLFRIEND IRINA SHAYK. BUT THE CONTAINER IS STUCK ON SOME DOCK IN QINGDAO. I NEED YOU TO GO GET IT FOR ME SO I CAN SHOW IRINA THAT I AM A BETTER BOYFRIEND THAN HER EX-BRADLEY COOPER.

KAI, IF YOU DO THIS FOR ME, I PROMISE TO BE THE FACE OF ANY SUPPLY CHAIN PROBLEM YOU NEED TO SOLVE. I HAVE A LOT OF INFLUENCE!

THAT'S A GREAT IDEA! WE HAVE A DEAL! TEXT ME THE CONTAINER'S EXACT LOCATION AND I'LL BRING IT TO YOU.

THANKS, KAI! YOU'RE THE BEST!



MEANWHILE IN PAYDAY'S PRISON CELL . . .

WELL, THAT'S ONE THING HEADWIND GOT RIGHT, BUGGING KAI'S CELL PHONE.

NOW HE HAS ENLISTED THE HELP OF TOM BRADY! THIS COULD RUIN ALL MY PLANS. WHO CAN I CALL TO HELP ME OUT?



I KNOW WHO TO CALL! THE EVIL GENIUS!



YOU DO THIS FOR ME, AND I'LL MAKE SURE YOU WIN THE NEXT FIVE SUPER BOWLS!

I'M NOT SURPRISED. THEY DON'T CALL YOU THE EVIL GENIUS FOR NOTHING!

THANKS, PAYDAY! I ALREADY HAVE A PLAN THAT'S GUARANTEED TO WORK!

I'M LOOKING FORWARD TO DESTROYING TOM BRADY . . . AND HIS LITTLE FRIEND TOO!



TO BE CONTINUED ...

## Fun Facts About Play-Doh



The most popular color of Play-Doh is red.



Created in the 1930s, the original purpose of Play-Doh was to clean smoke and soot from wallpaper.



Hasbro Toys trademarked Play-Doh's unique scent in 2017.



If a ball of all the Play-Doh ever made was created, it would weigh more than 700-million pounds.



More than three-billion cans of Play-Doh have been sold.



Play-Doh is made from water, salt, and flour; however, the actual recipe is a closely guarded secret.



Play-Doh is currently available in more than 50 colors..



If all that Play-Doh ever created was put through the Fun Factory Play-Doh accessory, it would create a strand long enough to circle the Earth's equator 300 times.

# ABOUT OEC GROUP

As an industry pioneer, OEC Group has become one of the world's leading logistics companies. We leverage in-house expertise, carrier partnerships, connections with ports and transportation hubs, and our network of offices in North America, Europe, Asia, India, South America, Australia, and the Middle East, to provide freight transportation, logistics, information, customs and brokerage, insurance, and technical services to over 50,000 customers of various sizes and industries.

We are also highly sought after for the advice we give shippers on how to optimally manage their supply chains. The guidance we provide is based on data analytics, best practices, and decades of industry knowledge.

We believe that relationships matter and treat your cargo as our own. Our experts are always investing in efficient, cost-effective, and cutting-edge services to evolve with the ever-changing market, address the complexities of any client's supply chain, and consistently perform at the highest level for our customers.

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