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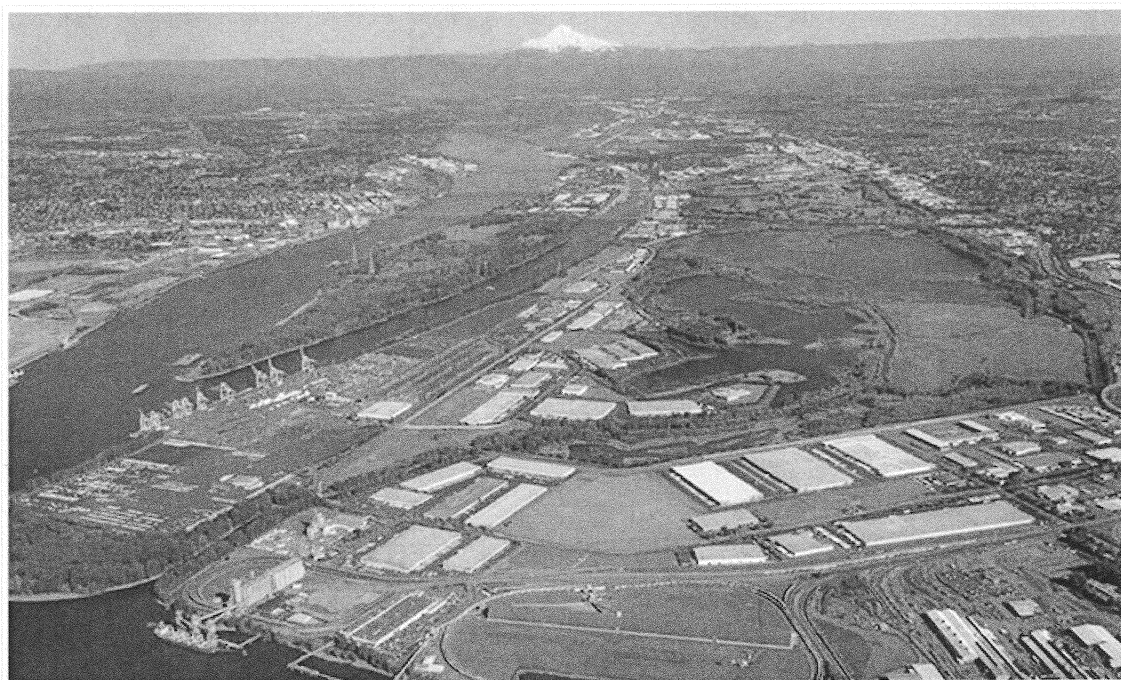
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## Portland port's container future uncertain after last service exits

Reynolds Hutchins, Associate Editor ([users/reynolds-hutchins](#)) | May 19, 2016 1:31PM EDT

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Port of Portland


The [Port of Portland \(http://www.joc.com/port-news/us-ports/port-portland-ore\)](http://www.joc.com/port-news/us-ports/port-portland-ore) has lost its last container line service, raising the question of whether the Oregon gateway will ever re-enter the container business following severe labor issues.

Westwood Shipping Lines has announced that after Saturday it will no longer call at Portland's Terminal 6, where it began service in July 2010. The departure could be a death knell for the Pacific Northwest gateway, which has [almost slipped off the map \(http://www.joc.com/port-news/us-ports/port-los-angeles/west-coast-ports-volume-november-20160106.html\)](http://www.joc.com/port-news/us-ports/port-los-angeles/west-coast-ports-volume-november-20160106.html) as a container port due to more than two years of labor strife involving International Longshore and Warehouse Union Local 8 and the operator of the Oregon port's only container terminal.


The relentless work slowdowns and [poor productivity \(http://www.joc.com/port-news/us-ports/port-portland-ore/federal-labor-board-affirms-ruling-against-ilwu-coercion-portland-terminal-20151204.html\)](http://www.joc.com/port-news/us-ports/port-portland-ore/federal-labor-board-affirms-ruling-against-ilwu-coercion-portland-terminal-20151204.html) that began in June 2012 over a jurisdictional dispute resulted [last spring \(http://www.joc.com/port-news/us-ports/port-portland-ore/hapag-lloyd%E2%80%99s-portland-](http://www.joc.com/port-news/us-ports/port-portland-ore/hapag-lloyd%E2%80%99s-portland-)

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[exit-decimates-port%E2%80%99s-container-business\\_20150408.html](http://www.joc.com/port-news/us-ports/port-portland-ore/portland-por.../exit-decimates-port%E2%80%99s-container-business_20150408.html)) in the departure of the port's two largest [container lines](http://www.joc.com/maritime-news/container-lines) (<http://www.joc.com/maritime-news/container-lines>), South Korean's [Hanjin Shipping](http://www.joc.com/maritime-news/container-lines/hanjin-shipping) (<http://www.joc.com/maritime-news/container-lines/hanjin-shipping>) and Germany's [Hapag-Lloyd](http://www.joc.com/maritime-news/container-lines/hapag-loyd) (<http://www.joc.com/maritime-news/container-lines/hapag-loyd>).

In 2003, the port's container terminal reached a production capability of 339,517 twenty-foot-equivalent units and an annual throughput capacity of 700,000 TEUs. But since that time throughput at Terminal 6 has plummeted and the facility has been called "a virtual ghost town" by a group of Oregon shippers.

Westwood had suspended regular calls at the port in April 2015 following the exit of the other shipping lines in March 2015. Westwood then returned with monthly export calls in July 2015, but only hauled about 150 containers of hay, grass seed, dried fruits, other mixed agricultural goods and paperboard for export to Japan.

In a letter to customers, the Puyallup, Washington-based Westwood said the economics of a single call per month did not justify continued Portland service. The company said it is "currently exploring alternatives" to its Portland service.

"While we are disappointed with this news, we also understand the underlying economics of the carrier industry are at play like overcapacity and exceptionally low rates," the Port of Portland said in a statement Wednesday.

Westwood's departure will not affect bulk, [breakbulk](http://www.joc.com/breakbulk) (<http://www.joc.com/breakbulk>) or auto operations at terminals 2, 4, 5 and 6, the port said.

[International Container Terminal Services](http://www.joc.com/port-news/terminal-operators/international-container-terminal-services) (<http://www.joc.com/port-news/terminal-operators/international-container-terminal-services>), the company that operates Terminal 6, declined to comment and directed all inquiries to its attorney. ICTSI signed a 25-year lease with the Port of Portland in May 2010 for operation of the container and breakbulk facility at Terminal 6. It is unclear now what Westwood's departure will mean for the container operations, facilities and labor on the Portland waterfront.

"We are hopeful that Westwood will return to T-6 when market dynamics improve," the port said.

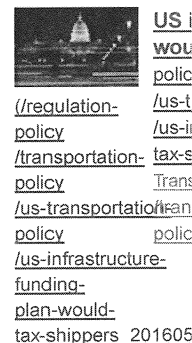
Common Sense for Oregon and the Oregon Container Shipping Group were less optimistic about the fate of container shipping at Portland. The port had already lost more than [95 percent of its container service](http://www.joc.com/port-news/us-ports/port-portland-ore/ag-forest-product-exporters-brace-higher-costs-after-portland-liner-services-exit_20150417.html) ([http://www.joc.com/port-news/us-ports/port-portland-ore/ag-forest-product-exporters-brace-higher-costs-after-portland-liner-services-exit\\_20150417.html](http://www.joc.com/port-news/us-ports/port-portland-ore/ag-forest-product-exporters-brace-higher-costs-after-portland-liner-services-exit_20150417.html)) in March 2015 when Hanjin and Hapag-Lloyd pulled out.

"There has been no announcement as to the return of any shipping line," the group said in a statement. "In fact, news reports indicate that Port of Portland officials do not predict the return of such shipping in the near future."

The group called Westwood's departure a "scandalous failure."


Not only was Terminal 6 built in the 1970s with nearly \$17 million of taxpayer money, the group said. U.S. taxpayers also contributed roughly \$1 billion to support a dredging project in the Columbia River, completed in 2010, so the Port of Portland could accommodate mega-ships, according to Common Sense for Oregon and the Oregon Container Shipping Group.

"In terms of container shipping, all of this taxpayer investment is going to waste," the group said.



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Moreover, Portland's loss has been [Seattle and Tacoma's gain](http://www.joc.com/port-news/us-ports/port-seattle/seattle-tacoma-throughput-rises-trade-patterns-normalize_20160518.html) ([http://www.joc.com/port-news/us-ports/port-seattle/seattle-tacoma-throughput-rises-trade-patterns-normalize\\_20160518.html](http://www.joc.com/port-news/us-ports/port-seattle/seattle-tacoma-throughput-rises-trade-patterns-normalize_20160518.html)), as containerized cargo that could be diverted from the Oregon port has remained with the Northwest Seaport Alliance. Containerized imports and exports moving through the alliance ports of [Seattle](http://www.joc.com/port-news/us-ports/port-seattle) (<http://www.joc.com/port-news/us-ports/port-seattle>) and [Tacoma](http://www.joc.com/port-news/us-ports/port-tacoma) (<http://www.joc.com/port-news/us-ports/port-tacoma>) increased in April with laden container imports up 7.1 percent year-over-year and laden exports up 7.2 percent. Total container volume — including empties and the domestic trades with Alaska and Hawaii — was down 3.3 percent from April 2015.

Adding salt to the wound, Common Sense for Oregon and the Oregon Container Shipping Group said, Portland-area highways are congested with heavy truck traffic going to the Seattle and Tacoma ports.

Far from admitting defeat, though, the group said Portland's container business must remain in operation and stay competitive with their neighbors to the north.

The group believe they have the solution: They have prepared legislation to create the Oregon Shipping Authority, a public-private group empowered to take control of Terminal 6 and restore container shipping there.

That legislation will be introduced during the 2017 legislative session, the group said.

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