



U.S. Rail Strike... Almost!

Just when the prospect of the return to pre-pandemic shipping rates was taunting us, more turmoil has hit the market. The freight industry was holding their collective breath as U.S. rail workers were minutes away from striking, crippling the entire system. Fortunately, all 14 unions have come to preliminary agreements to temporarily put the strike at bay. However, the prospect of an impending strike has already created issues within the rails system, as many yards shut down early Wednesday (9.14.2022) in preparation for the strike.



The most highly impacted were passenger trains, temperature-controlled cargo, and security-sensitive material. The Biden Administration and the union reps worked tirelessly overnight to reach an agreement that will go to vote, which is standard procedure, and workers have agreed to not strike. However, the striking spirit is not isolated to the U.S. as Felixstowe port workers in the Netherlands have set their second 8-day strike this year. This will undoubtedly have long-lasting impacts on global shipping.

Pre-Pandemic Ocean Rates



On the other hand, container spot rates are dropping daily, with numbers nearing pre-pandemic levels. According to the Drewry's World Container Index, rates have slid more than \$1,000 per month. Will rates continue to drop, or is a plateau in sight? Experts are claiming that rates may drop for the next few weeks, but a steady, familiar pattern is bound to occur. Despite rate fluctuations, congestion has generally not eased and has become somewhat of a new status-quo that ports are managing. Some of the biggest issues lie with the rails. Equipment such as chassis are hard to secure, are of limited availability, and

there is limited space for them, not only on the rails but also for storage in the yards.

East Coast U.S. Ports

In the U.S., Savannah and Charleston have been undergoing some of the most extreme congestion that the areas have ever seen, however recent efforts have shown that they are now able to move record volumes and deal with the backlog a bit more efficiently. In Savannah there are an average of 37 vessels dwelling at anchorage, which will continue to be the case for the next several weeks. However, come June 2023, terminal improvements will likely be completed and Savannah will be able to work much closer to full capacity, significantly increasing volume capabilities.



The U.S. is still facing extreme issues with trucking and rails moves, though since the onset of COVID the U.S. has made significant improvements.

Updates & Info

For a listing of current port conditions please see below:

West Coast:

- LA / LB Ports: Over 65 vessels are waiting to berth; congestion, delays, and limited capacity are prevalent. Delays can be up to 4 weeks.
- Oakland: 10-day vessel wait time is to be expected due to congestion, labor shortages, and lack of trucking. Empty containers are creating the largest delays as they wait to return to Asia.

Gulf Coast:

- Houston: 15-day vessel wait time is to be expected due to fog conditions, congestion, labor shortages, and lack of trucking.

East Coast:

- NY/NJ Ports: 3-day vessel wait time due to increased import volume.
- Savannah: Vessel wait time is up to 10 days.
- Charleston: Vessel wait time is up to 15 days due to terminal system upgrades, labor shortages, and increased import volume.

Chassis issues are prevalent throughout the U.S. due to the division of the intermodal system, Covid-19 related issues, and the lack of additional capacity at different levels of the supply chain.

Rail/ Ramp Terminals & Trucking Nationwide:

- BNSF & UP/LAX/LGB: Import rails units are facing extreme congestion with limited gate capacity, shortages, and restrictions
- NS: (Norfolk Southern Rail): Service has been suspended to Jacksonville
- Chicago Rail Ramp: Experiencing severe congestion due to dwelling containers and chassis shortages. Only 10 spots open daily. Chicago's issues are affecting most other major rails, as equipment is imbalanced and scarce.
- CSX Bedford: Limited gate reservations
- NY/NJ: Chassis shortage is causing delays. Truckers are booked nearly 3 weeks in advance.
- Philadelphia: Severe chassis shortages, extended delays in pick-ups, deliveries, and drayage.
- Charleston: Severe chassis shortages, extended delays in pick-ups, deliveries, and drayage. Truckers are booked nearly 4 weeks in advance.
- Savannah: Severe chassis shortages, extended delays in pick-ups, deliveries, and drayage. Truckers are booked 3 to 4 weeks in advance.

- Jacksonville and Miami: The rail congestion in Chicago is affecting services out of Miami. The shortage of equipment in Florida can create delays up to 2 weeks.
- Seattle: Up to 10 days delay for cargo going to Chicago. Limited trucker capacity, most truckers are booked 2 weeks or more in advance. Long waiting line for export/import.
- Houston/Dallas: There is a severe chassis shortage and ongoing congestion. Truckers are booked up to 3 weeks in advance.
- Los Angeles / Long Beach: Trucking continues to be backlogged, with some reports of up to 6 weeks of truckers being booked in advance.

Equipment Shortages:

There is national shortage of chassis throughout the U.S. negatively impacting timelines. The areas of the worst chassis shortages are as follows:

- Los Angeles/Long Beach, New York, Philadelphia, St. Louis, Columbus, Cleveland, Chicago, Memphis, Atlanta, Nashville, and Louisville

General equipment shortages are common, and are the most impacted in the following locations:

- Atlanta, Chicago, Cincinnati, Columbus, Detroit, Kansas City, Minneapolis, Memphis, Nashville, Omaha, St. Louis, South Florida, and Seattle



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