

## U.S. Shipping Conditions Update

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### Strikes, Riots, & Looting

Strikes, riots, and looting are headlines not typically associated with logistics. But 2022 is changing the narrative for what the new normal of shipping is. While COVID-19 is still very much an issue, problems are brewing beyond the health concerns of contracting the virus. In Canada a convoy of truckers are actively demonstrating against the vaccine mandate; and supporters of

the cause are ready to riot. In Los Angeles, looting of containers has become commonplace for containers sitting on the rails. As ongoing congestion keeps containers piled up and trucking is still a bottleneck to easing the situation, it appears matters overall are worsening despite efforts to help clear ports.

A huge convoy of Canadian cross-border truckers have assembled in Ottawa to strike against the COVID-19 vaccine mandate for their profession. There are as many as 2,000 demonstrators ready to stand up for what they believe, and equally as many supporters. Concern is growing about the drop in available truckers and the associated negative impact on the logistics process, “leaving empty shelves” as those opposed to the convoy have noted on social media. However, Prime Minister Trudeau has made claims that the percentage of truckers participating in the convoy has not made any noticeable impacts and he does not agree with the “unacceptable views” these truckers are standing for. 100,000 truckers have crossed the border last week, which is about the same as normal, Trudeau claimed. Though at present it is a peaceful demonstration, police are on standby as riots are expected.

### Looting in LA

Los Angeles is dealing with a multitude of problems when it comes to logistics. The most recent issue has been looting at the LA/LB ports. These two ports account for more than half of the total imports into the U.S. All sorts of consumer goods are in these containers, and looters have taken it upon themselves to retrieve what they consider to be of value, shockingly discarding valuable cargo such as COVID-19 vaccine tests and EpiPens. There have been firsthand accounts of containers on the rail with boxes torn open and discarded goods thrown about. Union Pacific has increased their agents on patrol, but typically only respond to claims if they are made from the carrier directly, which is seldom. Though this is

headline news now, Union Pacific does not see any drastic changes to normal behavior of the area. However, the real threat to consumer goods continues to be the overly congested ports and lack of available truckers and warehouse space to clear the ports.

## Port Congestion - the new normal

LA/LB ports are reporting nearly 125 container ships waiting to berth. When space is open for these massive vessels to berth, there are still no truckers able to remove them, no rails with availability to accept them, and no warehouse with space to hold them. It has left shippers with little to no options. The congested has steadily moved north and east as once-reliable ports are now experiencing their heaviest congestion ever. Savannah is almost as bad off as LA/LB when it comes to finding truckers and equipment. Chicago rails are under similar stressors, with the rail refusing cargo due to capacity constraints. Florida is a hot spot for congestion with the southern ports being hit the hardest, and the northern ports not far behind.



## The Rose Guarantee

Our team at Rose has excellent relationships with truckers and steamship lines, which is beneficial when trying to secure service. However, the situation is vastly out of our control, and we too are looking for the best options when it comes to providing customer service and support. Our team is eagerly accepting U.S. exports and has even expanded new LCL lanes to open more port options. We are also developing new relationships with carriers to offer a more expansive service. Stay tuned for all the great things coming out of Rose. Our goal is to be open and honest about the current situation and always try to find the best avenues for competitive rates and top-notch service.



## Current Conditions:

**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.**

Please see below the most up-to-date information on delays, congestion, and logistic updates:

### West Coast:

**Oakland Port** has issued a new queuing process where container ships now wait offshore at a further distance (rather than anchoring in the Bay area) until the scheduled berth has been appointed. The appointments are based on each ship's duration between port calls. This allows ships to have slow steam across the pacific, conserving fuel and reducing emissions. Delays between 16 to 25 days are still be expected

**Seattle Port** has modernized their operational system with new cranes allowing for bigger vessels to be serviced. Helping ease some of the congestion seen in southern California ports. Delays between 10 to 14 days are still be expected.

**LA/LB Ports** have continued to decline the government issued "container dwell fee" and have yet to implement a similar fee to charge long dwelling empty containers. Delays between 20 and 30 days are still to be expected.

### East Coast:

**Savannah Port** is still under severe congestion, though delays have been brought down from 8 days to 6.

**Houston Port** has increased its delays from 4 days to 6 days.

**Norfolk Port** is reporting a surplus of long dwelling empty containers, impacting congested. Delays are expected between 3 to 5 days

**Chicago's** rails terminals are severely congested, containers going in via the rails are being metered and there is a lack of available truckers to clear containers. Heavy delays and equipment shortages are to be extended.