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Rose Containerline



## Los Angeles & Long Beach Ports Under Serious Stress

The ports of Long Beach and Los Angeles were critically debating whether or not they should close their doors to get a handle on massive congestion for both loading and unloading. However, upon further review, port operators have decided it is unfeasible to effectively close, but the congestion issue is severe and will continue to create a backlog unless widespread logistical solutions can be implemented. In efforts to improve communication and transparency between sectors, a letter was issued by the West Coast Coalition to the Ports of Los Angeles and Long Beach, signed by many West Coast freight participants, to suggest solutions and possible cooperation strategies. Below are summaries of the proposed procedure changes and / or updates.

- Truckers must return empty containers to the terminals where they were picked up
- Terminal gate closures must be posted no less than three days prior to closing
- Terminals cannot close mid-shift during the week
- Notice of blank sailings should be posted on carriers' websites at least seven days in advance
- Notice of bypassed ports should be posted no less than three days in advance
- Carriers and terminals should collaborate on export cargo receiving timelines to improve coordinating their interactions
- A proposed effort to create an Advisory Board in the interest in promoting a greater collaboration across industry sectors

Due to the massive delays and increased rates seen at LB / LA, customers are losing trust and are frustrated with the lack of response at the terminals to effectively find a solution. Despite the detailed letter expressing concerns and potential solutions, there has been little adaptation of the recommendations.

As noted within the Journal of Commerce, additional requests have been made in a letter by Weston LaBar, CEO of the Harbor Trucking Association, to address the issues related to trucking and equipment shortages.

- 48 hours of advanced notice must be given and prominently displayed and published by the ocean carriers for empty receiving locations
- A minimum threshold for dual transactions of no less than 50% at each marine terminal
- Create a minimum number of appointments during the allotted free-time of laden and empty containers
- Work on creating strategies and best practices to reduce cost to shippers, increase gate productivity, and increase operational efficiencies



A majority of the problems seen by the trucking industry at these ports stem from the shortage in available appointments during free-time. Whereas previously there were an average of seven shifts allotted to retrieve an import or return an empty container, there are now as few as one or two. At the current rate, the ability to drop off or pick up before the expiration of free-time may not exist. To address this, the HTA letter urged the port to use their authority to incentivize stakeholders to comply with the FMS's recommendations or else hold them accountable for creating inefficiencies in the port complex. Mr. LaBar stated that the HTA is willing and ready to work with the port authorities to create solutions.

Los Angeles and Long Beach have little ability to change the amount of cargo coming into their ports. However, the response to continually raise rates and increase timelines has proven ineffective. A total shutdown seems imminent, but hopefully can be avoided. We urge everyone expecting cargo in or out of LA/LB ports to be patient and understand that the global pandemic is still very much a negative influence. The effort to keep personnel safe during these times while keeping the logistics chain operational is an unprecedented task.

Our team at Rose has been working to help our partners find solutions as well staying up to date on all issues regarding this matter. We are here to help through these trying times and are working to build trust and transparency to ensure strong relationships for the long term. Though the congestion and related issues are mainly out of Rose's direct control, our team is here to answer any questions and offer guidance to the best of our ability.

