



Navigating the World

May 1<sup>st</sup>, 2021

## Why Trucking has Yet to Improve



Ever since the shipping industry picked back up after a stretch of closures following the immediate shutdowns brought on by COVID, shipping related industries suffered to regain normalcy. When one industry is affected more than others, it creates a ripple effect that quickly halts the whole operational flow. Trucking is not immune to this issue.

One of the biggest factors that is creating problems in trucking is

the returning of empty containers to sites other than the original pickup location. Drayage carriers claim the issue has only gotten worse over the past few months. The return location differing from the pickup location effectively reduces productivity by rerouting truckers' normal courses, disallowing them to do multiple deliveries a day. Considering imports into the U.S. are still drastically on the rise, not having the ability to clear full containers in a timely manner backlogs the whole system. Another factor effecting productivity is the chassis imbalance that is then created by this location differentiation. Truckers make the point that often they are unable to claim their chassis for a new import order because it was still attached to an empty container.

### Impacts on New York & New Jersey

NY/ NJ ports are seeing the worst of it now. A storage yard in Newark just announced it will be closing its doors, claiming the amount of equipment that enters the depot, and the repairs necessary, cannot be supported by the area in which they operate. Meaning they simply cannot handle the in influx in returns, mostly of empty containers. Truckers are forcibly scrambling to find any other site to return empty containers to, furthering the discrepancy of different return locations. NY/NJ docks are experiencing an average of 10 days of dwell time before containers can be picked up for delivery.

A claim has been made that some ocean carriers will be sending ships to pick up the empty containers in NY / NJ areas within the next two weeks to help mitigate the overflow of empties sitting on land. Hopefully, additional space can be made available to help minimize this problem in the future, as the U.S. is expected to see even more imports in the coming months.



### **Lack of Space**

Space is another issue effecting the logistics chain. The lack of space for transloading near terminals is a problem seen around the U.S. Cargo is being required to move further inland which has a direct impact on transportation cost. A new expense that for most is shocking to account for.

It seems technology could save the day. The startup “Baton” has already received funding and is aiming to help build a network of urban freight transfer hubs. The end goal is to reduce dwell time for truckers and help give a solution for the tedious “final-mile” into cities. For truckers to have a network where the last steps of the process are taken care by a secondary party, truckers can complete more long-haul drives, clearing up space at terminals, depots, ramps, rails, etc.



Our team at Rose has seen trucking rates rise and fall over the last several months. We are dedicated to staying on-top of the game, and ensure the best rate is provided under the current conditions. We aim to provide solutions and help shed light on the on-going saga that COVID has brought into the shipping world. For more info, visit our website, or follow us on LinkedIn. Our team is here to help navigate the world.

### **Congestion Resulting in Backlog**

Despite the issues above, ports are still experiencing massive congestion with so much backlog, that there is nowhere to put containers coming off the vessels. The trucks cannot come in to gather cargo, nor can they bring empty containers back. Ports such as Los Angeles and Long Beach are especially hit, as they have had one of the highest upticks in COVID cases, and their appointment policies makes timelines even more constrained. The Chinese New Year will create a small lull in imports, which will hopefully allow the ports to get a handle on the congestion, but the impacts of this will not be seen for months to come.

Trucking companies are dealing with keeping their employees safe, while still delivering cargo across the U.S. With extended lead time in picking up cargo, the lack of truckers available to book, and the high demand seen nationally, rates will continue to rise until an adjustment has been made to offset some of the effects COVID has brought.

### **How Rose Can Help**

Our team at Rose works directly with trucking companies and has built strong relationships, giving us an advantage in bookings. Our team is dedicated to finding the lowest rates, while still guaranteeing availability. Though many of the challenges faced are outside of Rose's control, we are well suited to provide solutions. If there is an issue securing a trucker, or if clarity is needed on rates, please contact a Rose employee. Our team is here to help ensure seamless customer service and shed light on any issues. Rose is always ready to navigate the world