

12 reasons for LA-LB port congestion

[Bill Mongelluzzo, Senior Editor](#) | Nov 04, 2014 2:05PM EST



The busiest U.S. port complex, Los Angeles-Long Beach, which handles more than 14 million 20-foot container units of cargo each year, is experiencing its worst congestion in 10 years. Although every port stakeholder seems to have its own idea as to the root cause of the gridlock, the truth is that many developments contribute to the problem, and every participant in the supply chain will have to move beyond its parochial interests and do its part to bring about a solution.

1. Big Ships

Impact: The largest ships in the U.S. trades are calling in Southern California. Each vessel call generates 5,000 to more than 10,000 container moves during the several days a ship is in port, stressing berth, yard and gate operations.

Solution: The big ships are here to stay. In fact, the vessels will keep getting bigger, so terminal operators must improve their productivity to handle the big ships.

2. Bigger Cargo Volumes

Impact: Cargo volumes at the port complex through September are running 5 percent higher than the same nine-month period in 2013, despite a good deal of cargo diversion to other ports, and this unexpected growth is taxing the entire supply chain.

Solution: There will be a dip in volumes into December because all of the holiday merchandise has entered the country, but there will be another spike in January before the Chinese New Year. The entire supply chain must gear up for bigger volumes. This may necessitate the hiring and training of additional longshore labor and truckers.

3. Carrier Alliances

Impact: Alliance partners are spreading out their vessel calls over multiple terminals in Los Angeles-Long Beach — as many as five or six — creating a logistical nightmare for truckers and cargo interests attempting to match the right chassis with the right containers.

Solution: Carrier alliances are not going away, so the alliance partners must work closer together, beginning with the stowage of containers on vessels overseas. Alliance carriers must cooperate with each other, and with terminals in Los Angeles-Long Beach, in planning which terminals will handle vessels when they arrive in port.

4. Chassis Shortages

Impact: Chassis are scattered all over the harbor, in excess at some terminals and in deficit at others, making it extremely difficult for truckers to have the right chassis when the drivers need them to match with the containers that must be moved.

Solution: Operators of the largest chassis pools in the harbor have agreed to develop a gray chassis model, with roll-out promised for Feb. 1, 2015. Interoperability of chassis assets is crucial to resolving the equipment problem.

5. Gate Hours

Impact: Even though terminal operators in Los Angeles-Long Beach keep their gates open up to 10 shifts each week, long truck lines at the beginning of each shift and after lunch breaks indicate that continuous operations over 16 to 18 hours each day are necessary to prevent truck bunching.

Solution: PierPass Inc. announced on Oct. 24 that most of the 13 terminals in the harbor were running an early flex gate at 7 a.m. each morning, an evening flex gate from 5 p.m. to 6 p.m. and were adding staff to keep their gates open through the day lunch hour and evening dinner hour.

6. Labor Staffing

Impact: Congested marine terminals generate hundreds of extra container moves in the yards. Numbers posted on the Pacific Maritime Association website indicate employers are paying 20 percent more man-hours compared to last year even though cargo volumes in Los Angeles-Long Beach are up only 5 percent.

Solution: Extending gate hours, moving forward with the gray chassis concept and improving terminal productivity should eventually de-congest the terminals and reduce unnecessary container moves within the harbor.

7. Safety Checks

Impact: The California Trucking Association this fall reported that ILWU mechanics, possibly in line with coastwide contract negotiations, launched a new policy of secondary safety checks on tractors, chassis and containers, causing unacceptably long turn times for truckers.

Solution: The Pacific Maritime Association and International Longshore and Warehouse Union must immediately come to agreement upon a new contract. The contract's grievance machinery will then be in effect, and employers can seek timely arbitration when there is cause to believe frivolous safety checks are being required.

8. Hard-Timing TraPac

Impact: TraPac, which will be the first terminal in the harbor to automate its operations, is resisting attempts by the ILWU to force the employer to accept manning requirements TraPac says are unnecessary. Productivity at the terminal is way down.

Solution: This is a war of attrition to see which side wins and sets a precedent for future automation on the West Coast. Once again, a coastwide labor contract will reinstitute the grievance machinery, and TraPac and the ILWU can seek arbitration to resolve the matter peacefully.

9. Truck Capacity

Impact: Federal hours of service restrictions and severe terminal congestion have stressed truck capacity in the harbor beyond its breaking point. Drayage companies are turning down pleas from importers to take on new business because the motor carriers don't have enough capacity to handle their existing book of business.

Solution: The Harbor Trucking Association says there would be sufficient truck capacity if the terminals weren't so congested. As an interim solution, a request to the government to temporarily extend the hours drivers can work might offer some measure of relief. Improved turn times at the terminals are crucial to attract more drivers to the harbor.

10. Vessel Bunching

Impact: Big ships are being delayed at major gateways around the world because they take longer to be worked. When they reach Los Angeles-Long Beach, the terminals are assigning only two or three work gangs alongside the ships, rather than five or six, and are using most of the workforce to decongest the yards, further delaying the vessels.

Solution: Terminal operators around the world must develop processes to turn the big vessels in a timely fashion so the ships can be kept on schedule.

11. Demurrage and Per Diem

Impact: Marine terminals without prior notice are refusing to accept empty equipment, they are restricting the time for storing export loads, and they are closing sections of their facilities to truck traffic. This is causing a surge in late charges for the return of containers and chassis, and processing the paperwork that is involved is adding to the congestion problem.

Solution: Some industry sources say that until the congestion problem is resolved, the ports and terminals should extend free time for equipment, but others say this policy would result in making congestion worse by reducing the sense of urgency for removing containers from the terminals.

12. Port Non-Productivity

Impact: Shipping company executives have stated, and The JOC Group Port Productivity database numbers confirm, that U.S. terminals lag their counterparts in Asia and Europe in working today's mega-ships, so the problems being experienced in Los Angeles-Long Beach today could easily spread to other U.S. ports in the near future.

Solution: Terminal operators must analyze existing work practices and work rules, borrowing best practices from world-class ports in Asia and Europe, to prepare U.S. ports for the eventual arrival of vessels with capacities up to 18,000 20-foot container units.

Source: Journal of Commerce