

Much has been written about the current congestion problems impacting southern California terminals since earlier this summer, but much of that commentary is coming from a Transpacific eastbound perspective. We thought it equally important to share what we are observing in the market related to the west coast congestion and its impact on export operations and exporters in the United States, especially those exporters shipping from or via the US West Coast.

Vessel departure delays in LA and Long Beach: Congestion in the last few weeks has actually worsened, and we are experiencing numerous examples of vessel berth times being delayed 4-7 days. Once vessels are allowed to berth, the congestion issues are impacting the unloading times of these larger and larger vessels. Consequently, vessel departures for export are being delayed up to 5-10 days. In most cases, it is unclear when vessels will depart with export as carriers are not updating their systems fast enough or they simply do not know enough in advance to alert the trade.

Oakland: Due to the delays in southern California, arrival and departure schedules for Oakland services have been compromised as well. The uncertainty of departure times from LA/LGB create confusion for the carriers, the trade, truckers and exporters who are trying to manage export deliveries in a constantly changing landscape. Vessel departure delays from Oakland are also approaching 7-10 days.

Equipment Return Dates (ERD): This is the largest challenge we are experiencing. We have many instances where empty equipment is pulled from the appropriate CY (LA/LGB and OAK) for loading, and by the time the export load is ready to be returned to the terminal, the carrier has shifted the ERD dates forward preventing the in gate of the container. This impacts all export containers of course, but especially impacts perishables shipped in reefer equipment.

Winter Scheduling: As we approach the traditional import slack season in the Transpacific, carriers have already announced reductions in some west coast vessel rotations to accommodate the seasonal drop in import demand. This will start to impact export capacity and service flexibility later in November and will continue through February of 2015.

Impact on WC/IPI shipments from the Midwest: Carriers are struggling with transferring IPI container cargo from rail terminals in southern California to the appropriate marine terminals for loading causing significant numbers of export containers to roll to the next vessel. The same issues that are plaguing local trucking in California are impacting the transfer of IPI containers – lack of chassis, terminal congestion, shortage of drivers, and unpredictable schedules for both rail and carrier departures.

ETAs at Destination: Despite all the delays at the terminals in California and of vessel departures, many carriers are not updating their systems to reflect changes in ETA at destination. Arrival dates remain unclear which is especially problematic for destinations that are serviced via trans-shipment hubs in Asia.

How We Can Work Together to Minimize Disruptions in Your Supply Chain:

1. Book and secure space and equipment for anticipated exports in November and December as early as possible. Booking ahead does not guarantee space and equipment but serves as an early claim to it.
2. For all export bookings, please make sure your trucking company is monitoring the carrier and terminal websites for changes in the ERD and cutoff.
3. Share this letter or other information with your overseas buyers to engage them in the conversation and to alert them to the realities on the ground that are impacting your ability to deliver product. We are doing the same with our partners overseas.
4. Remain open to alternatives: Laufer maintains over 15 export carrier agreements allowing us the ability to offer routing, transit and quality alternatives on nearly every export trade lane. That level of service flexibility is critically important to us and our customers as we navigate this period of disruption in most export trade lanes. Communicate with us your specific needs and requirements with each booking and we will provide alternatives and choices to help us together make the best routing decision.