



May 11, 2015

Transpacific Eastbound Market Update

To Our Valued Customers:

At Laufer, we remain committed to providing you with pertinent market information to help you make informed business decisions. The following is a current snapshot of what we are seeing and experiencing in the market as it relates primarily to current west coast conditions as well as pricing conditions in the TP Eastbound trade.

**Port Congestion:** On average, vessels arriving at most West Coast ports today are berthing within 1-3 days of the original ETA. So we are getting closer to “normal” arrival schedules for imports and departures for exports. Vessels are also being discharged within 2-4 days of the actual berthing, and containers are being made available for pick up at terminals within 2-3 days of discharge. We are not back to normal yet, and there are exceptions, but conditions have improved significantly up and down the coast. One exception to this progress is SSA Terminal in Oakland which is still experiencing significant delays for both vessel operators and truckers.

*“West Coast ports are getting back to normal despite concerns such as the Teamsters picketing seen in Los Angeles and Long Beach earlier this month,” said Jonathan Gold, NRF vice president for supply chain and customs policy.*

**Local Trucking:** Most drayage truckers on the west coast are still assessing congestion fees when handling any import or export load – typically about USD \$125. Despite conditions improving, in some ports waiting time is still exceeding 2-4 hours to pick up a container/empty/chassis so we expect these congestion surcharges to last for a few more weeks, but then start to diminish toward the end of May. In fact, just this week in LA/LGB, we have started to receive calls from trucking companies looking for loads to move, so we know conditions are improving.

**Rail:** On average, rail transfers are improving as well, with delays of only 2-3 days in Prince Rupert, 4-5 days in SEATAC, and 3-5 days in LA/LGB.

**General Rate Increase:** Member carriers of the Transpacific Stabilization Agreement (TSA) have filed two (2) general rate increases (GRIs) in the TP Eastbound trade, one on June 1, 2015 and the second on July 1, 2015, both in the following amounts: \$540/20', \$600/40', \$675/HQ and \$760/45.

**Peak Season Surcharge:** In addition to the above GRIs, carriers have announced a Peak Season Surcharge this year in the amount of \$360/20', \$400/40', \$450/HQ, \$510/45' to go into effect June 15, 2015.

Our #1 priority continues to be to maximize space and equipment availability to all our customers, to keep your cargo flowing as quickly and as consistently as possible, and to continue to communicate effectively along the way. If you have any questions or concerns, please do not hesitate to contact your local Laufer representative.

We thank you for your continued support.