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LA, Long Beach drayage truckers face 'new normal' in wait times

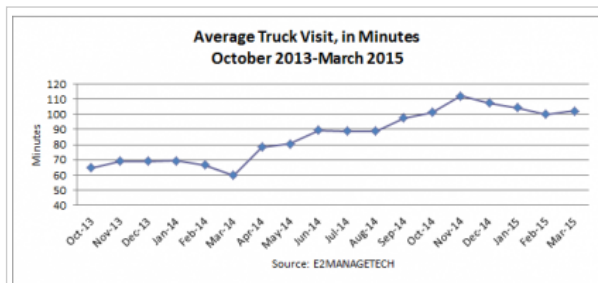
Bill Mongelluzzo, Senior Editor (</users/bmongelluzzojoc.com>) | Apr 28, 2015 6:39PM EDT

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When harbor drayage companies ask terminal operators in Los Angeles-Long Beach these days why the average truck visit still takes 100 minutes, the truckers get an answer they really don't like.

"The terminals are saying, 'This is how it's going to be. This is the new normal,'" said Fred Johring, chairman of the Harbor Trucking Association of Southern California.

By most standards, congestion at the largest U.S. port complex is significantly less than it was during the winter months when the International Longshore and Warehouse Union and Pacific Maritime Association were embroiled in the toughest coastwide contract negotiations since 2002.



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As many as 28 container ships were stuck at anchor outside the ports from early November until a tentative agreement was reached on Feb. 20. Container terminals were operating at 90-95 percent land utilization. After 80 percent utilization, service levels at a terminal deteriorate rapidly. Chassis shortages and dislocations were rampant throughout the harbor.

On Tuesday, the Marine Exchange of Southern California reported there was only one container ship at anchor, down from two on Monday. Terminals are processing 2,000 to 3,000 truck moves each day. Employers in April were paying longshoremen in Southern California for about 470,00 man-hours of work each week, compared to less than 400,000 in April 2014, according to the PMA.

Nevertheless, the average truck visit in the harbor is about 102 minutes, said Greg Alexander, senior project manager at E2 ManageTech. That is down from 112 minutes during the darkest days of the winter disruptions, but up from 75 minutes in early 2014. "Is 95 to 100 minutes the new normal?" Alexander said.

Port executives say trans-Pacific liner services are two to three weeks away from being back on schedule, and any residual container backlogs on the terminals should be gone by that time as well. Why, then, are truck turn times not be approaching the 75-minute benchmark? Terminal operators say it could all point to the impact of big ships operated by vessel-sharing alliances on yard operations — a condition that will long outlive the labor disruptions of recent months.

They point out that the big ship problem, while certainly not confined to Los Angeles-Long Beach, is most pronounced in Southern California because of the unique cargo surges that are generated in Pacific Southwest services.

Services from Asia now involve mostly vessels ranging in capacity from 8,000 20-foot container units to



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14,000 TEUs. Since more than 80 percent of the vessel is discharged and reloaded in Southern California before the ship proceeds to Oakland before heading back to Asia, 10,000 container moves per vessel call are common.

At many ports, even those in Asia and Europe where 18,000-TEU vessels are deployed, 3,000 to 4,000 container moves per vessel call is more the norm, said Mark Sisson, who leads the marine analysis group at AECOM. That's because the big ships spread their containers out during multiple port calls on their long trade routes, rather than discharging and reloading more than 80 percent of their containers in a single port call.

Furthermore, because many trans-Pacific carriers operate in vessel-sharing alliances, and alliances sometimes share space on vessels with each other, terminals must segregate containers into as many as a dozen stacks, as opposed to two or three stacks. This cumbersome process eats up longshore labor and slows down truck pickups, contributing further to terminal congestion.

Terminal operators in Los Angeles-Long Beach therefore face decisions that will invariably result in pleasing some members of the supply chain while angering others. A terminal can concentrate its efforts on quickly turning the big ships, which cost the owners more than \$50,000 for each day they are in port, by working the vessels with six or seven cranes. When they do this, the surge of imported containers congests the terminal, creating costly and time-consuming multiple handling of containers and aggravating gate congestion. This makes the ship owner happy and truckers angry.

The alternative is to measure the flow of containers off of the vessel by working it with only four or five cranes. That gives the yard workers time to move the containers into the stacks and then out of the stacks and on to truck chassis. Truckers like this system but vessel operators don't.

PierPass Inc. was formed in 2005 by the 13 container terminals in Los Angeles-Long Beach to manage the program of running four weeknight gates and one weekend gate each week in addition to the normal five weekday gates. John Cushing, president, said PierPass has succeeded in spreading truck traffic out over as many as 16 hours each day, thereby relieving stress on the gates during the peak daytime hours.

The PierPass board met last week to consider all options for improving terminal fluidity and improving truck turn times, and the members agreed that the effort to address these problems must involve increasingly creative measures, Cushing said. While no one program is enough on its own, terminals feel that existing projects and pilot projects like dray-offs of imported containers to off-dock sites, and the segregation of containers and peeling-off of those containers in a free-flow fashion must be expanded, he said.

PierPass also revisited the controversial topic of [trucker appointment systems](http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/us-ports-move-toward-truck-appointment-model_20150427.html) (http://www.joc.com/port-news/us-ports/port-new-york-and-new-jersey/us-ports-move-toward-truck-appointment-model_20150427.html). Several terminals that had appointment systems but suspended them during the four months of severe congestion have reinstituted them, and others are looking at appointments, Cushing said. Trucker appointment systems help terminals to plan their labor needs and spread trucker calls throughout the day, but many truckers say the complexity of operating trucks on congested roadways and in the complex port environment makes it almost impossible to keep to the appointed times.

The PierPass traffic mitigation fee that is charged on peak daytime truck visits to help terminals pay for the off-peak night gates is itself viewed as a cause of congestion. Truckers will often begin lining up at the terminal gates at 4 p.m., and wait until the fee is waived at 6 p.m. The extra two hours spent in line outside the gate inflates the average truck visit numbers. PierPass has looked at dynamic pricing, in which the fee is lowered or raised throughout the day to incentivize or discourage traffic flows, but Cushing said the concept has never generated much support.

The eventual consolidation of terminal operations into fewer but much larger facilities could be one of the measures that improves operations and reduces congestion, Sisson said. A large vessel that creates congestion at a 200-acre facility with 10,000 container moves would be handled much easier at a 400-acre terminal with longer berths, he said. The operation could support the use of seven cranes, and the yard could more easily handle the surge of containers and their storage on its larger footprint.

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Sisson said that when the automated Middle Harbor terminal opens next year in Long Beach, Southern California will get a true test of a large, modern, automated terminal's capacity to efficiently turn a 13,000-TEU ship without congesting the container yard or generating long truck queues at the gates.

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