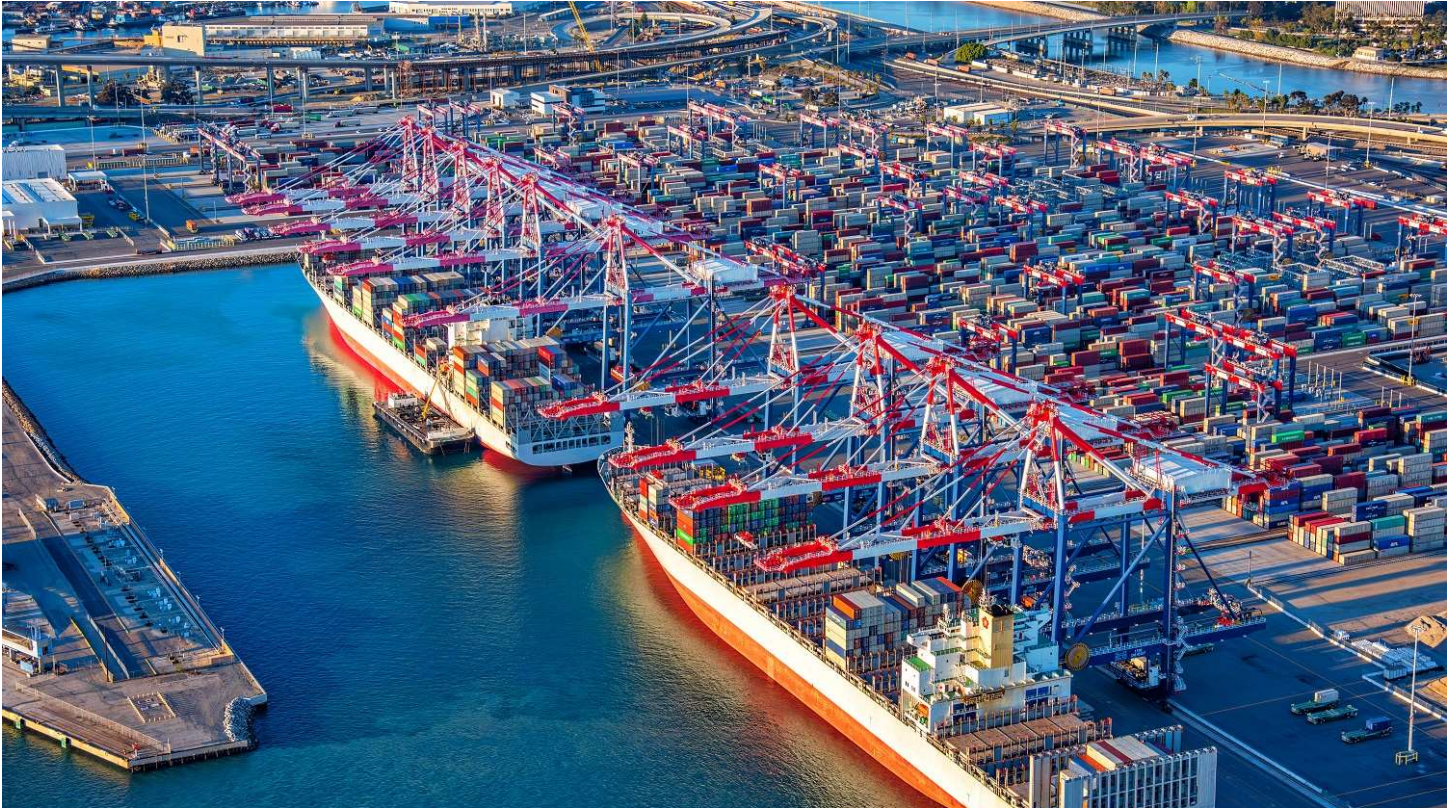


Importers navigate two-year high rail container dwells in Los Angeles-Long Beach



Importers say there are few alternatives to the Southern California gateway for certain goods, so they have no choice but to build extra days into their supply chains due to rail delays. Photo caption: Art Wager / Getty Images.

Bill Mongelluzzo, Senior Editor | Nov 18, 2024, 4:55 PM EST

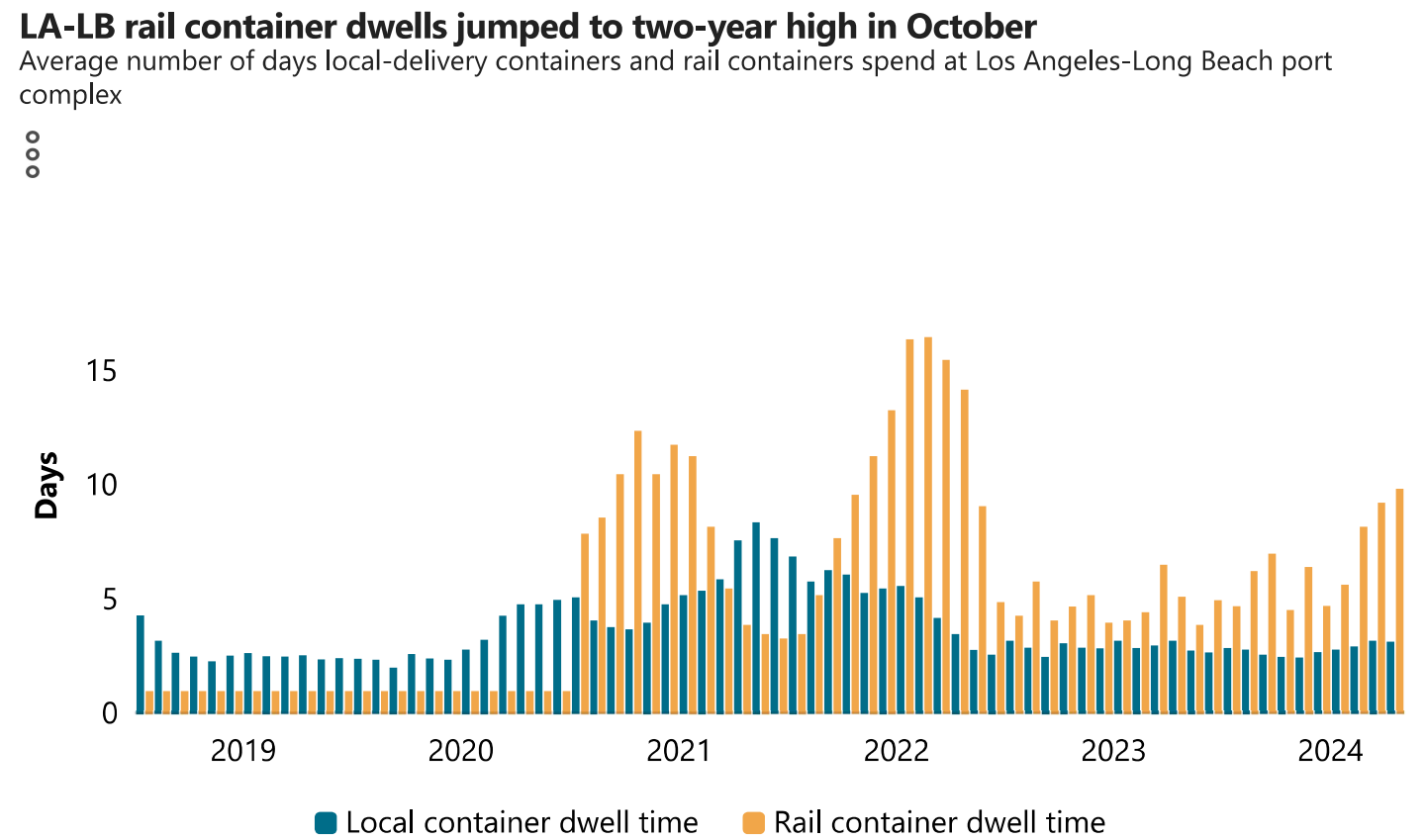
Rail container dwell times at the ports of Los Angeles and Long Beach rose to their highest level in two years last month and will likely remain elevated through January amid higher-than-normal import volumes driven in part by cargo diversions from the US East and Gulf coasts.

Rail-destined container dwell times in the largest US port complex increased to an average of 9.86 days in October, up from 9.25 days in September and 8.2 days in August, according to data from the Pacific Merchant Shipping Association (PMSA), which represents terminal operators and shipping lines on the West Coast.

“I think dwell times will remain elongated until the rails get some relief on the volumes,” said Lawrence Gross, president and founder of Gross Transportation and a *Journal of Commerce* analyst.

US imports from Asia moving through Los Angeles-Long Beach have been exceptionally strong since the earlier-than-usual peak season began in early summer. Asian imports in the gateway were up 30% in July through September compared with the same period last year, according to PIERS, a *Journal of Commerce* sister product within S&P Global.

“The continued upward trajectory in dwell times through October underscores both the complexity and adaptability of our supply chain as we manage increased cargo volumes and try to balance intermodal equipment availability with demand,” said Natasha Villa, external affairs manager for the PMSA.



Source: Pacific Merchant Shipping Association

© 2024 S&P Global

6M1Y2YYTDMAX

Related data for this chart

[Click here](#) to explore related data on Gateway

Forwarders and industry analysts forecast strong import volumes through the early Lunar New Year that begins Jan. 29 as importers of time-sensitive merchandise and manufacturing components route shipments through Los Angeles-Long Beach. Importers are concerned about the possibility of another strike by the International Longshoremen's Association (ILA) when its extended contract expires on Jan. 15. Importers are also front-loading shipments in anticipation of a large increase in tariffs under the new Trump administration.

Terminals, railroads say rail dwells have peaked

Railroad and terminal operator sources, meanwhile, told the *Journal of Commerce* that while import volumes will remain higher than normal through January, imports through Southern California peaked last month. Terminal operators are now focusing on relieving the backlog of rail containers that built up in recent months.

"It definitely plateaued in October and we're chipping away at the backlog," said Alan McCorkle, president of Yusen Terminals in Los Angeles.

Rail container dwell times at Long Beach Container Terminal (LBCT) last week were down to about three days, said Anthony Otto, LBCT's president.

"We're all caught up and things are headed in the right direction," Otto said.

Union Pacific Railroad said the past month has seen significant improvement in Southern California.

"So much has changed since October. Today (Nov. 14), Union Pacific's total LA-LB inventory count is down to its lowest level since mid-July 2024," a UP spokesperson told the *Journal of Commerce*. "We have also made significant progress in working with individual port terminals to significantly reduce aged containers."

UP this year has experienced a higher jump in loaded railcars idling. Between January and August, the railroad averaged 68 loaded intermodal railcars idling per week, according to the US Surface Transportation Board (STB). The average grew to 139 in September and 199 in October, although it peaked at 241 in the second week of October. BNSF Railway averaged 221 railcars idling in January through August, 170 in September, and 237 in October, with the peak in the third week of October, according to the STB data.

Shippers still experiencing delays

The upbeat analysis of the terminals and railroads is of little solace to shippers who say they still struggle with delays at the marine terminals.

An importer in the automotive sector said he has no recourse but to build a buffer for rail container dwell times into his Southern California supply chain. “We have been doing this for months,” said the importer, who did not want to be identified. “Big guys move quicker, the rest of us slower.”

Steve Hughes, president and CEO of the consultancy HCS International, said Southern California is an important gateway for automotive industry imports due to its extensive intermodal rail connections to the eastern half of the US. For many importers, rerouting shipments to other ports is not an option.

“If you’re looking for good rail connections, there are not many viable alternatives,” Hughes said, noting that other West Coast gateways such as Seattle-Tacoma and Vancouver are also experiencing rail container dwell issues.

Mario Cordero, executive director of the Port of Long Beach, said he feels “very comfortable” about the ability of terminal operators in the port complex to handle the continued high import volumes projected through the Lunar New Year.

Cordero noted that Long Beach in October had its busiest month ever in terms of total cargo volume. With Los Angeles this week scheduled to report a strong October, Cordero said the port complex is handling the record volumes without the backlog of 109 container ships it experienced in January 2022.

“We [Long Beach] are at 70% of capacity,” he said. “We’re already receiving cargo diverted from the East Coast. If there’s a bump in cargo, we’ll handle it.”

Contact Bill Mongelluzzo at bill.mongelluzzo@spglobal.com.

Ari Ashe, Senior Editor, contributed to this story

© 2024 S&P Global. All rights reserved. Reproduction in whole or in part without permission is prohibited.

You are permitted to print or download extracts from this material for your personal use only. None of this material may be used for any commercial or public use. For more information on reprints/eprints, please visit <https://subscribe.joc.com/mediasolutions/>.