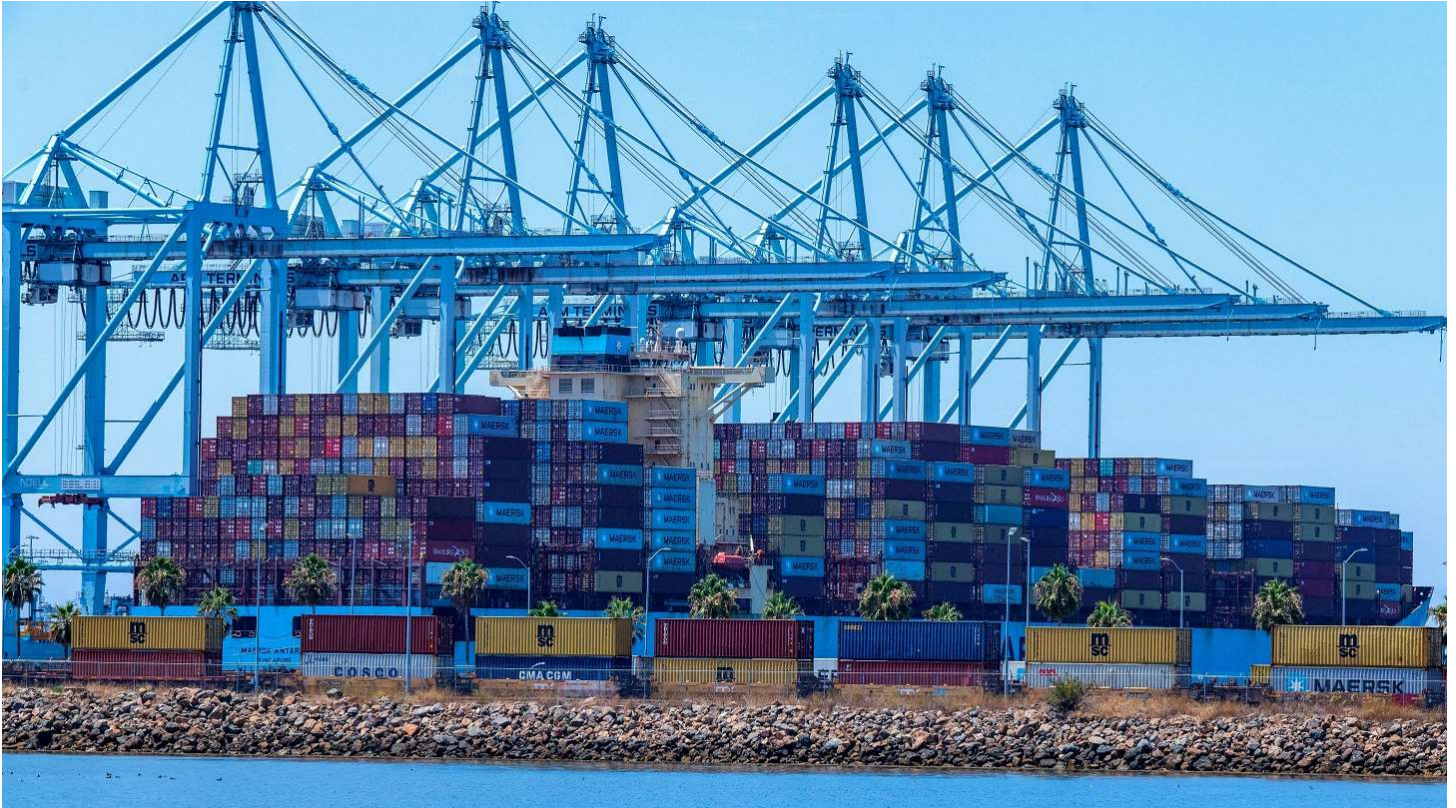


# LA-LB rail dwells on the rise as port complex enters height of peak season



*Los Angeles-Long Beach port and terminal managers say access to advance shipment data and cooperation from the railroads should prevent serious peak season congestion. Photo credit: Robert V Schwemmer / Shutterstock.com.*

Bill Mongelluzzo, Senior Editor | Aug 27, 2024, 3:55 PM EDT

Rail container dwell times at some terminals at the ports of Los Angeles and Long Beach are close to double what they were earlier this summer amid booming imports, and some customers are concerned the dwells could bloat even further as the largest US port complex enters its busiest time of the year.

Port users say rail dwells and spot chassis shortages could become an issue during the remaining two months of peak shipping season if Southern California's already busy docks see extra business because of a threatened longshore strike on the East and Gulf coasts, rail woes in Canada and rail congestion issues in Tacoma.

Rail container dwell times at the LA-LB port complex increased to 5.66 days in July from 4.73 days in June, according to the Pacific Merchant Shipping Association (PMSA), which represents terminal operators and shipping lines. According to the Port of Los Angeles website on Monday, almost 28% of the rail containers at the port’s six container terminals were seeing average dwells of nine days or longer.

“That’s far too long,” Gene Seroka, the port’s executive director, told the *Journal of Commerce*. “I want to see dwells of two to four days.”

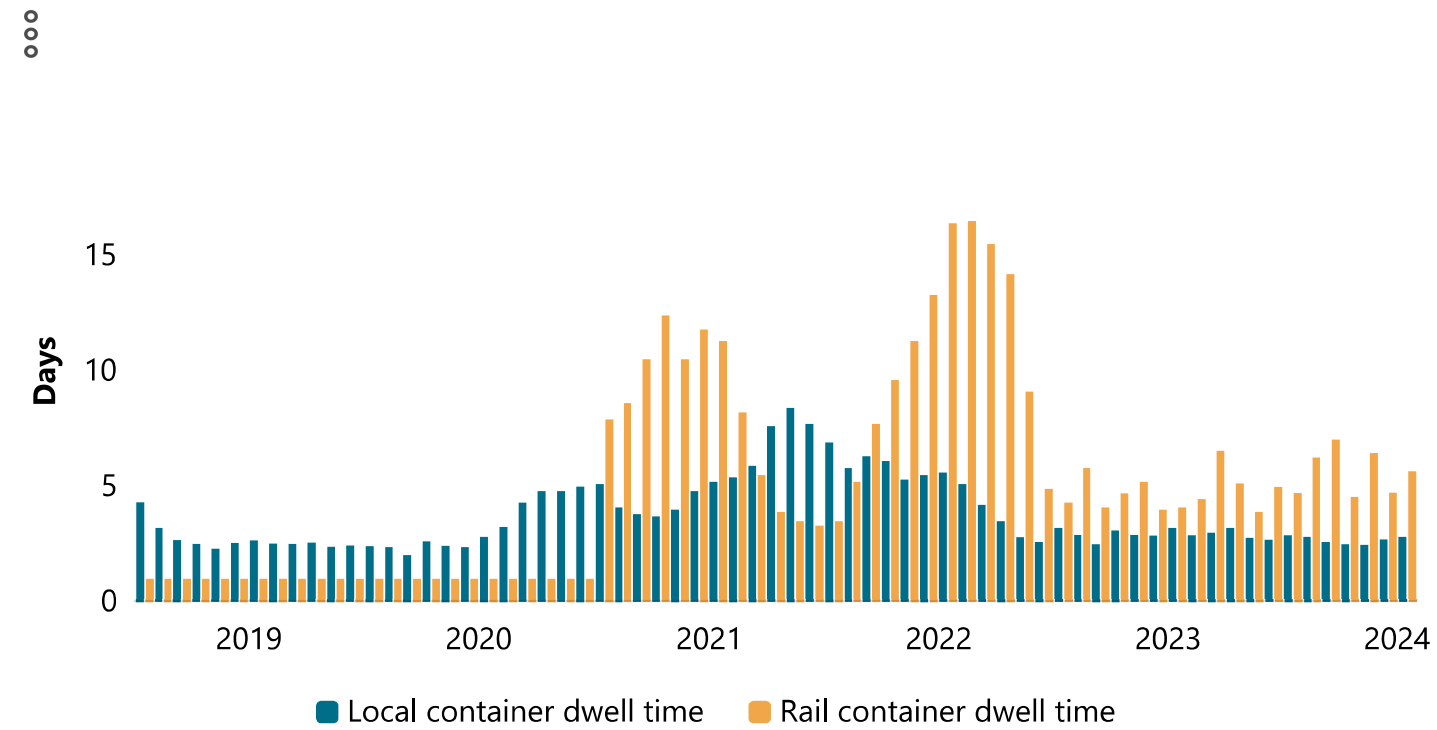
Rail dwells vary throughout port complex

Terminal operators say rail container dwell times vary from terminal to terminal based on the carriers they serve and volume of intermodal rail traffic those carriers generate.

Dwells at Long Beach Container Terminal (LBCT) are averaging six to seven days, almost twice the dwell time recorded last month. But BNSF Railway is positioning more railcars to the terminal now to knock that number down, said LBCT President Anthony Otto.

LA-LB rail container dwells rose in July amid import rush

Average number of days local-delivery containers and rail containers spend at Los Angeles-Long Beach port complex



Source: Pacific Merchant Shipping Association

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The average rail container dwell time at Long Beach's six container terminals is four days, even though the port in July recorded the third-busiest month for total cargo volume in its 113-year history and on-dock rail volumes are up 6% over last year, said Noel Hacegaba, chief operating officer at the Port of Long Beach.

"Despite these record volumes, operations at our container terminals remain fluid," he said. "We are not seeing any unusual backlogs or container pileups like we did during the pandemic-induced supply chain crisis."

"We had a backup a month or so ago, but we're having good railroad movement now," Alan McCorkle, president of Yusen Terminals in Los Angeles, told the *Journal of Commerce*. "We can handle it as long as the railroads can handle it."

## Imports in LA-LB surge

Still, port customers are concerned that as import volumes in Southern California increase due to normal seasonal growth, diversions of discretionary cargo from the East and Gulf coasts and issues in Tacoma and Vancouver, more serious delays could emerge.

"[In] Tacoma I have seen a lot of issues, and obviously in Vancouver," Abe Orgel, president of the freight forwarder Simple Forwarding, told the *Journal of Commerce*. "Now people are shifting away from Vancouver, which will definitely cause a strain on LA-LB, but we don't know how bad."

US imports from Asia in July surged 32.8% in Los Angeles and 44.8% in Long Beach year over year, according to PIERS, a *Journal of Commerce* sister company within S&P Global. And retailers say August is shaping up to be a near-record month for total imports from Asia.

PMSA, which tracks rail and truck container dwell times monthly in LA-LB, said dwell is a constantly moving phenomenon.

"It goes up, then it goes down," Michele Grubbs, PMSA's vice president, told the *Journal of Commerce*. "They get a problem, and then they seem to manage it."

One reason why the transportation community in Southern California can respond to operational issues as they arise is that the ports share data in real time with port users before the problems surface, Seroka said.

“We have so much more data that we can see these micro-spikes before we used to,” he said.

For example, the Marine Exchange of Southern California is forecasting “continued strong container ship arrivals [over] the next two weeks,” said Kip Louttit, the exchange’s executive director. Louttit said container ship arrivals in the LA-LB port complex are averaging almost 55 per day, up from 45 to 49 per day in the first six months of the year.

## Spot shortage of chassis on the streets

Some non-vessel operating common carriers are reporting spot chassis shortages in Southern California, although terminal operators say the shortages are occurring at warehouses and other off-dock sites. According to the Pool of Pools (PoP), which is managed by the three largest intermodal equipment providers (IEPs) in Southern California, the average street dwell for 40- and 45-foot chassis as of Monday was six days, just shy of the seven day-plus dwell that raises a red flag.

Seroka said marine terminals have stacks of operable chassis at their facilities, and almost all the equipment is ready for use rather than sidelined because of needed repairs. That was supported by the Pool of Pools website, which listed 5% of the chassis in need of repair; IEPs say shortages can be an issue when 10% or more of the inventory is out of service.

Flexi-Van Leasing, one of the IEPs that manages the Pool of Pools, said that while occasional chassis shortages have occurred in Southern California, Flexi-Van has sufficient equipment at its depots to meet customer needs.

“Indeed, PoP has been tight at certain times on given days, with extra-loader [vessels] arriving, but we are sufficiently contributed for our contracted customers and are meeting demand,” said Greg Moore, Flexi-Van’s chief commercial officer.

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*Associate Editor Laura Robb contributed to this report.*

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