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LA-LB rail dwells show improvement, but import bump could reverse gains



The ports of Los Angeles and Long Beach expect to handle a combined 272,354 TEUs in imports next week, up from the 200,000 to 210,000 TEUs they have averaged in recent weeks. Photo credit: Ringo Chiu / Shutterstock.com.

Bill Mongelluzzo, Senior Editor | Dec 20, 2024, 12:47 PM EST

Average dwell times for import containers leaving marine terminals in Southern California by rail have fallen markedly in recent weeks, although that improvement could be challenged by an expected surge in imports in the coming weeks.

Terminal managers at the norts of Los Angeles and Long Reach say dwell times

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The container backlog at Yusen Terminals in Los Angeles began to dissipate in mid-November and is not an issue today, according to terminal management. "The bottom line is we're cleared up," Yusen President Alan McCorkle told the *Journal of Commerce*.

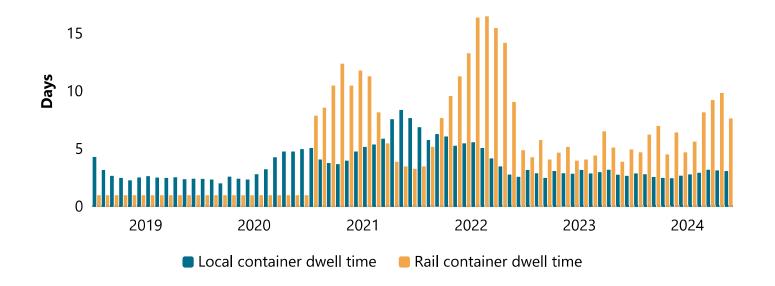
The improvement in rail dwells began in November, with average dwells for the month falling to 7.67 days from the 9.86 days seen in October, a two-year high, according to data from the Pacific Merchant Shipping Association (PMSA). Still, November's figure is essentially double the rail dwell of 3.9 days for the same month last year.

"Cargo today is flowing well. I think a four- to six-day dwell is likely soon," Michele Grubbs, PMSA's vice president, said. "The railroads are really working to get those numbers down."

LA-LB rail container dwells fell 22% in November

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

000



Source: Pacific Merchant Shipping Association

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Further improving the dwell number will not be easy. The ports of Los Angeles and Long Beach expect to handle a combined 272,354 TEUs in imports next week, up from the 200,000 to 210,000 TEUs they have averaged in recent weeks.

And imports are likely to remain robust into January as shippers attempt to beat <u>new tariffs expected to be imposed by the incoming Trump administration while also navigating an early Lunar New Year that begins Jan. 29.</u>

That makes some forwarders uneasy about where rail dwells could be headed, particularly those who aren't personally experiencing the gains that have been documented.

"What we're seeing is closer to a seven- to nine-day dwell," said one forwarder who did not want to be identified.

Rail container dwell times in Southern California can vary considerably from terminal to terminal. Terminal operators say they can manage their rail container volumes if inland point intermodal (IPI) containers are about 20% to 30% of their total cargo mix. If that mix varies widely, so too can the rail dwell times at individual terminals.

Especially important factors that must be considered are the size and configuration of a terminal's on-dock railyard, said Dan Smith, a partner in the consulting firm Tioga Group. Smith said on-dock rail yards that were added to older terminals oftentimes are more difficult for the terminal operator to manage than new terminals with the on-dock railyard included in the original design

"If it was not developed with a purpose-built on-dock railyard, [the terminal] is inevitably less efficient," Smith said.

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