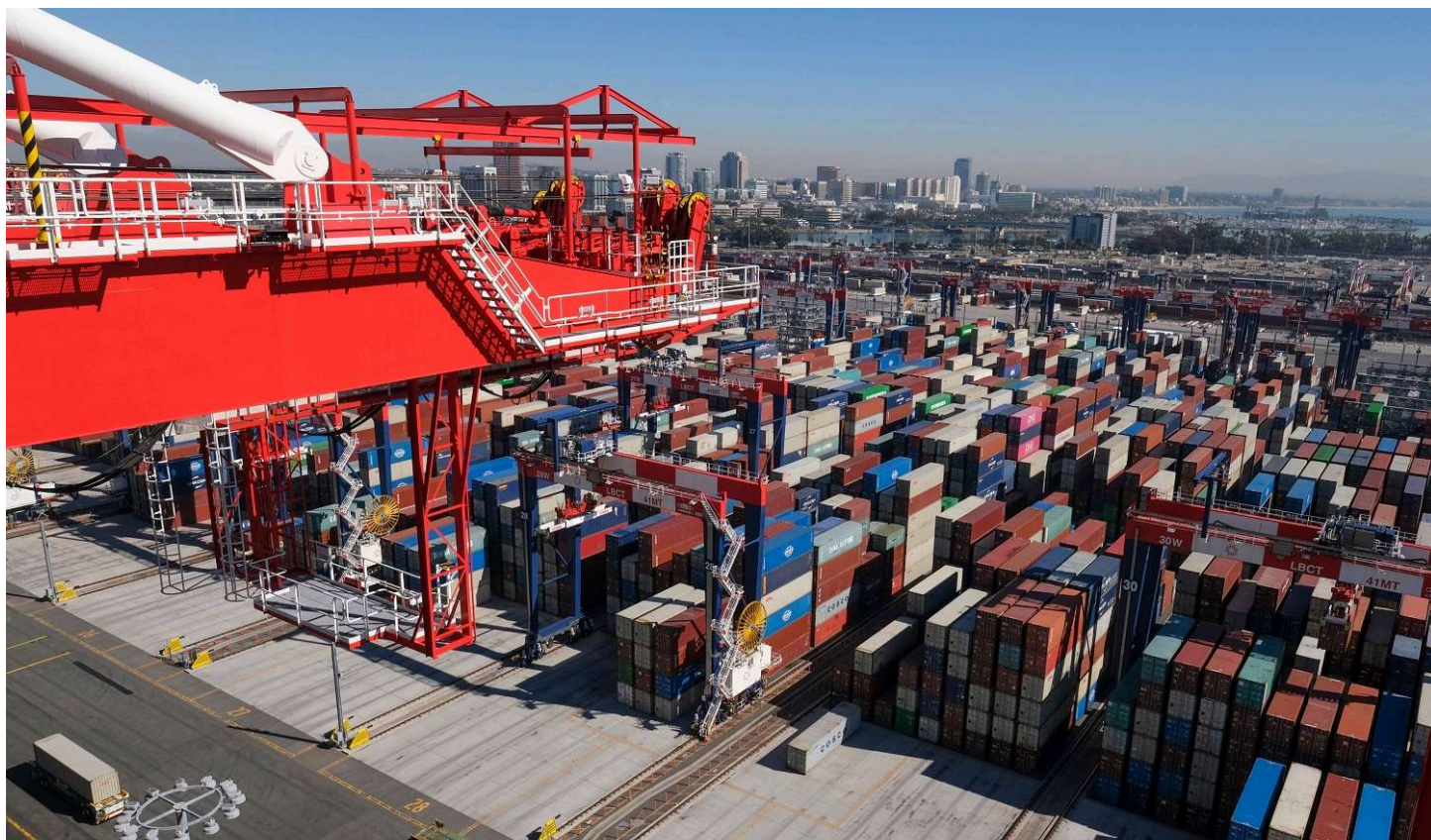


LA-LB rail dwells spike to two-year high amid record imports in September



LBCT is a fully automated container terminal and normally has among the lowest rail container dwells and truck turn times in the LA-LB port complex. Photo credit: Ringo Chiu / Shutterstock.com.

Laura Robb, Associate Editor and Bill Mongelluzzo, Senior Editor | Oct 16, 2024, 4:12 PM EDT

Rail container dwell times in the ports of Los Angeles and Long Beach surged to a two-year high in September as the largest US port complex handled record one-month volumes of imports from Asia, driven in part by retailers diverting cargo from East and Gulf coast ports ahead of the longshore strike there.

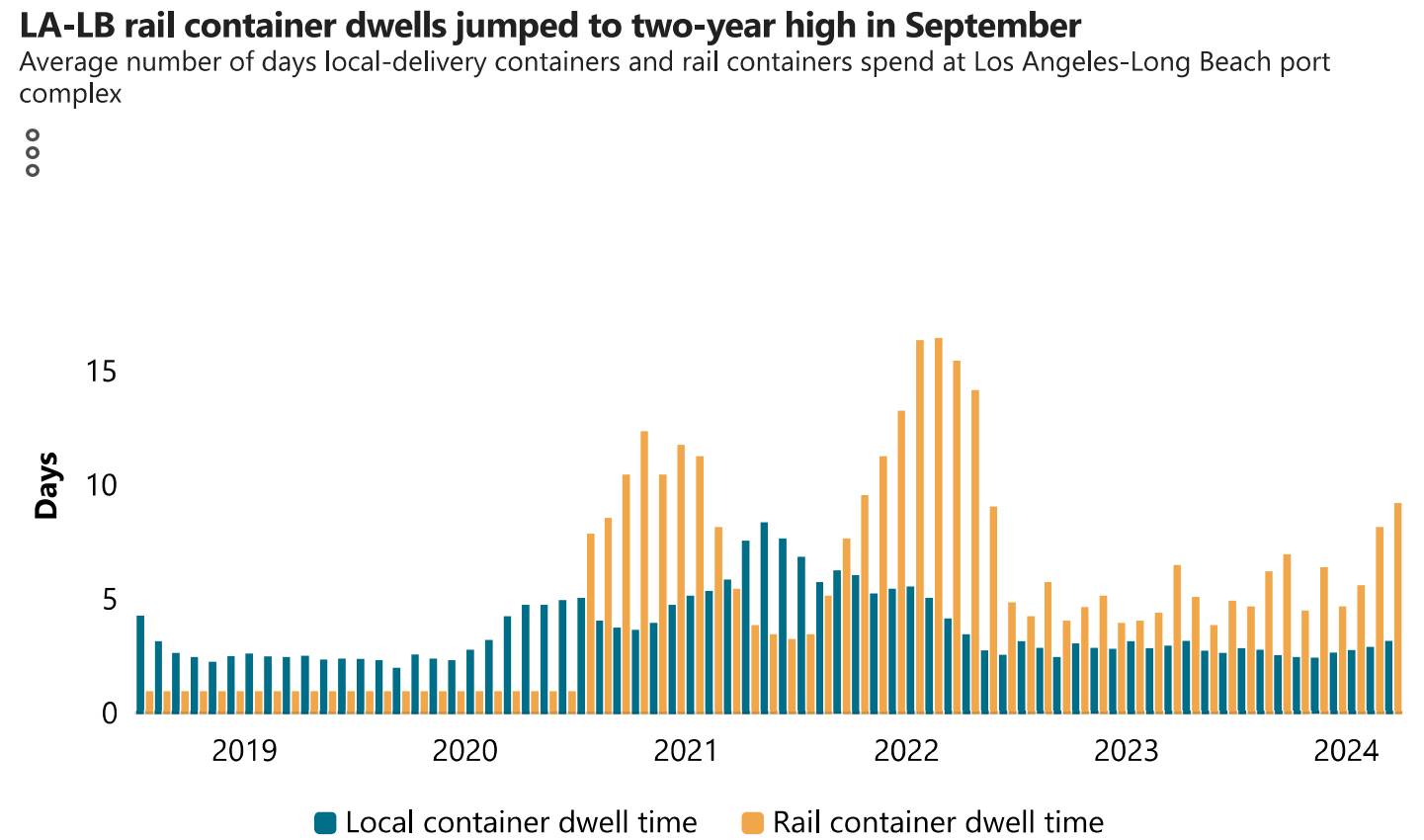
And while dwell times for containers leaving the LA-LB complex by truck hit their highest level since October 2023, terminal operators say the average of 3.21 days is not contributing to congestion.

The Los Angeles-Long Beach port complex in September handled 874,730 TEUs of imports from Asia, besting the previous one-month record of 873,196 TEUs in May 2022

during the post-COVID import boom, according to PIERS, a sister company of *the Journal of Commerce* within S&P Global.

The record imports in September sent rail container dwell times in LA-LB soaring to an average of 9.25 days, up from 8.2 days in August and the highest dwells since 14.2 days in October 2022, according to the Pacific Merchant Shipping Association (PMSA), which represents terminal operators and shipping lines on the West Coast.

“The situation is bad and it’s getting worse,” said Stephen A. Nothdurft, vice president of sales/North America at the forwarder MOL Consolidation Service (MCS). “As always, it’s a terminal-by-terminal situation.”



Source: Pacific Merchant Shipping Association

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6M	1Y	2Y	YTD	MAX
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Forwarders say their containers are sitting at some LA-LB terminals for 10 days or longer before they can be retrieved.

“We’ve had about three times our normal inventory on dock for about six weeks now,” said Alan McCorkle, president of Yusen Terminals in Los Angeles.

With two weeks remaining in the peak shipping season, terminal operators expect imports will soften in the normally slow month of November. US imports from Asia hit 1.76 million TEUs in July, the highest since May 2022. That figure has gradually decreased — 1.74 million TEUs in August and 1.72 million TEUs in September — but continues to hover near two-year highs nonetheless.

Carriers have deployed 28 extra-loader vessels in September and October, in addition to their normal weekly services, to handle the huge import volumes in the eastbound trans-Pacific headed to Los Angeles-Long Beach. But each port said just two extra-loaders are currently scheduled to call at their terminals in November, a sign that import volumes — and rail dwells — will decline.

Terminals deploy different operating procedures

Some terminals have been able to weather the elevated rail container dwells without experiencing significant congestion.

“Our [on-dock] inventory is 40% higher than we would like, but our [rail] dwells are still about four days,” said Anthony Otto, president of Long Beach Container Terminal (LBCT). LBCT is a fully automated container terminal and normally has among the lowest rail container dwells and truck turn times in the port complex.

McCorkle said that when Yusen’s on-dock inventory surged last month, the terminal activated its near-dock temporary storage yard so inbound containers could be moved from the terminal as soon as they were discharged from the vessels.

“This has helped tremendously. There has been some backup, but we’ve kept our terminal fluid,” he said.

The rail and truck container dwell times as tracked by PMSA vary widely from terminal to terminal based on their individual operating plans, the configuration of their on-dock railyards and the number of railcars positioned at their facilities.

Noel Hacegaba, COO at the Port of Long Beach, said the average rail container dwell at the port’s six container terminals was seven days. While that was up from four days in July, it was about two days less than PMSA’s average dwell time for the LA-LB gateway. Overall operations at Long Beach’s six container terminals remain fluid, he said.

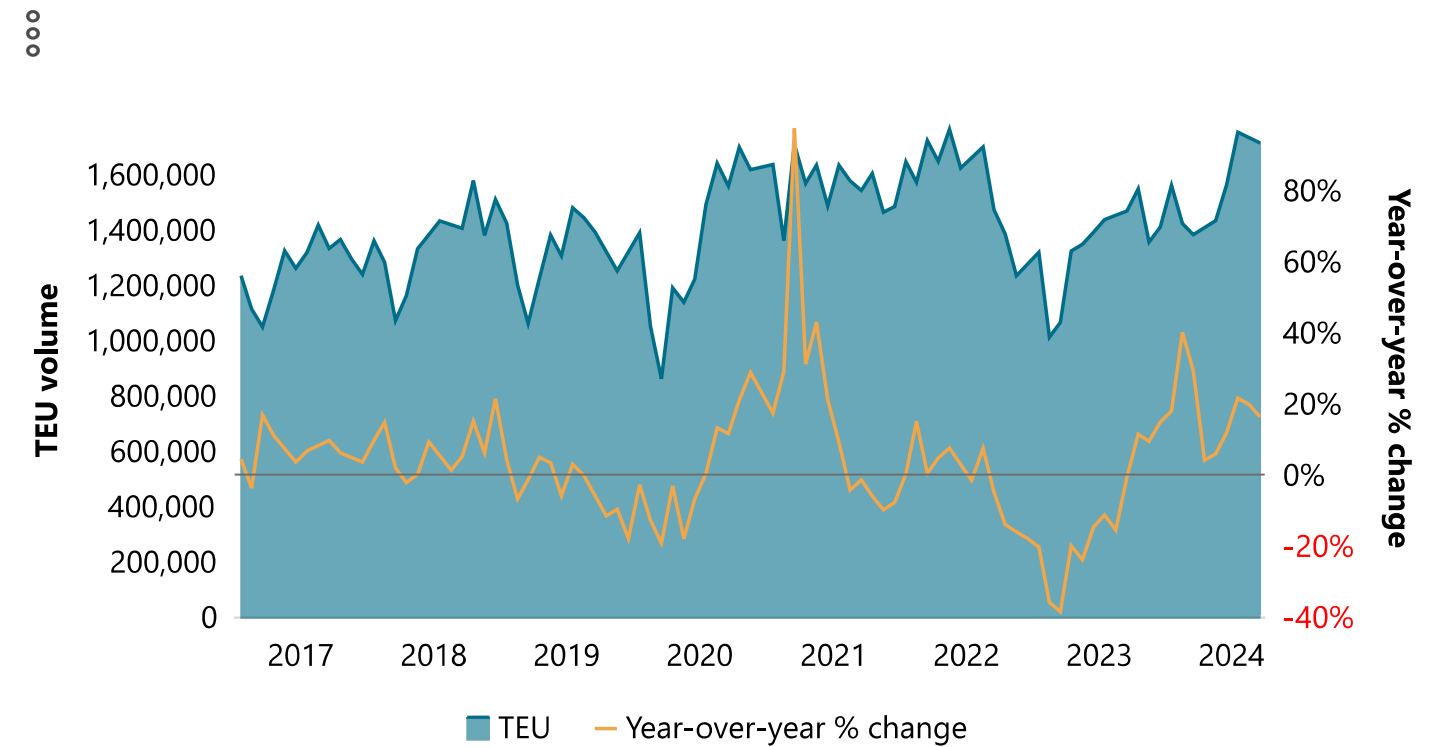
“We are busy, but not congested,” Hacegaba said. “We are at 73% capacity and still have room to handle additional volume.”

Imports, rail container dwells expected to peak soon

Imports are projected to peak in Los Angeles at 125,882 TEUs during the week of Oct. 20 before dropping to 111,713 TEUs the next week, while Long Beach’s imports are expected to fall from 102,756 TEUs next week to 87,780 TEUs in the week of Oct. 27, according to data from the ports.

US imports from Asia hover near two-year high

Containerized US imports from Asia, in laden TEUs, with year-over-year change



Source: S&P Global

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3M	6M	1Y	2Y	YTD	MAX
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November is normally a slow month in the eastbound trans-Pacific because most of the holiday merchandise arrives at the ports by late October so retailers can stock their shelves in time for the Black Friday sales on the day after Thanksgiving.

While that should be the case again this year, Los Angeles-Long Beach could capture a higher share of total US imports from Asia if the contract negotiations between the International Longshoremen’s Association (ILA) and East and Gulf coast employers drag on next month and through December. The ILA ended its three-day strike on Oct.

3 with a tentative agreement on wages and agreed to extend the deadline for reaching a new coastwide contract until Jan. 15 so the two sides could negotiate other key issues.

Retailers with time-sensitive spring merchandise will likely continue to ship through Southern California until a final contract is reached, forwarders said.

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

Contact Laura Robb at laura.robb@spglobal.com.

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