



Published on *JOC.com* (<https://www.joc.com>)

[Home](#) > Round-the-clock LA-LB port operations not ready for prime time: terminal operators

Bill Mongelluzzo, Senior Editor | Oct 08, 2021 3:41PM EDT



Running US ports 24/7 as Asian ports do is not a viable option without support from the inland supply chain, terminal operators in Los Angeles-Long Beach say. Photo credit: Shutterstock.com.

Terminal operators at the ports of Los Angeles and Long Beach say they are offering retailers and truckers every incentive they can to attract more traffic to their night and weekend gates, but the extended hours are so far finding little traction in the three weeks since they were unveiled by the ports.

The reason, operators suspect, is that local warehouses are filled to capacity, so truckers have no reason to patronize late-night and early morning gates because they have nowhere to take the containers when they pick them up in the off-hours.

“Adding additional gates is not a solution. There are plenty of available hours out there. Truckers are not using them,” Alan McCorkle, president of Yusen Terminals in Los Angeles, told JOC.com

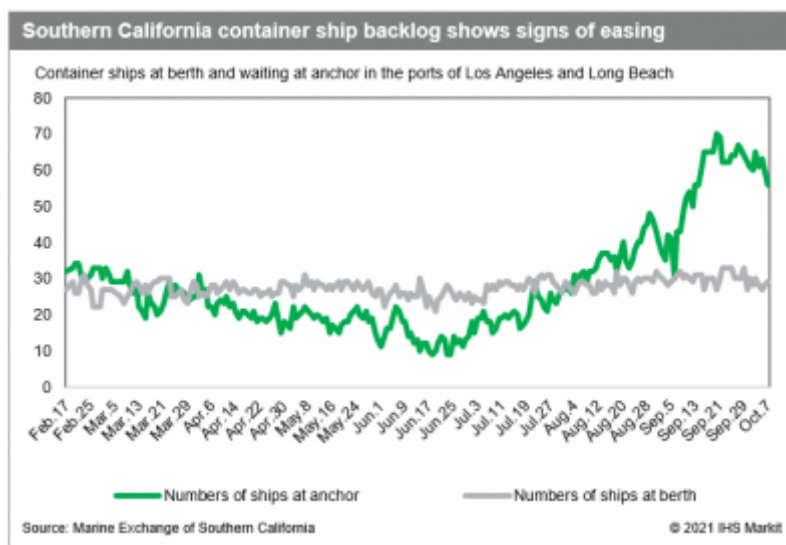
Thursday.

The ports of Los Angeles and Long Beach in mid-September announced that they would immediately begin to work with their terminal operators, vendors, and customers to launch initiatives involving extended gates and late-night “hoot” gates, with assurances to shippers and truckers the off-hour gates would be fully staffed to handle the increased traffic.

Rising container dwell times, vessel bunching, and a chassis shortage have created massive port congestion over the past year. With 15 consecutive months of record and near-record import volumes that are forecast to continue into next year, relief is not expected anytime soon.

Concerns over congestion in Los Angeles-Long Beach, which handles 50 percent of US imports from Asia, have raised the interest of the federal government level, with President Joe Biden appointing a “port envoy” to work with the ports and their vendors to seek a solution. Initial meetings have zeroed in on extended gate options for shippers and truckers. But terminal operators in Los Angeles-Long Beach told JOC.com the number of truck visits needed to make a difference during those extended hours have simply not materialized in the three weeks since they were offered.

Truckers, in response, say that night gates can be particularly inconvenient because terminals often place restrictions such as requirements for dual transactions and appointments on truckers. Also, a severe shortage of chassis in Southern California is further compromising the ability of truckers to work extended hours, said Matt Schrap, CEO of the Harbor Trucking Association.



[Click to enlarge.](#)

“We’re doing everything we can, but if you can’t meet the dual [transaction] requirement or you don’t have the right chassis, you don’t get an appointment,” he said.

Schrap added that truckers don’t necessarily want or need 24/7 operations at the ports as some have suggested. Rather, he suggested giving truckers earlier hours on the day shift, be it opening the gates at 7 a.m. rather than 8 a.m., or even better at 6 a.m., which is defined as a “double-flex gate” in the harbor.

“Our guys are committed to the double flex as the way to go. Even better would be 5 a.m. because of LA traffic,” Schrap said.

But the problem with that suggestion is that the coastwide contract between the Pacific Maritime Association (PMA) and the International Longshore & Warehouse Union (ILWU) does not allow for a

double-flex gate at container terminals. The contract allows double-flex gates only for the cruise business in Seattle, said PMA president Jim McKenna.

Is 24/7 really the answer?

The ILWU says longshore workers are prepared to work double-flex gates or 24/7 gates if terminal operators choose to run extended gates, but that is unlikely to happen because, according to ILWU coast committeeman Frank Ponce De Leon, that would cost terminals money. “The option for 24/7 is there,” Ponce De Leon told the virtual Agriculture Ocean Transportation Coalition (AgTC) Thursday.

The 24/7 concept has been promoted by some in the industry. Jeremy Nixon, CEO of Ocean Network Express, told the AgTC meeting that one of the main reasons why North American ports are experiencing so much landside congestion is that they do not operate around the clock such as terminals in Asia. “Customer hours of working in North America are not matched with those in Asia,” Nixon said.

However, the complexity of matching around-the-clock operations at the ports with a supply chain that is crippled by chassis shortages, labor shortages at warehouses, trucker shortages, and congestion problems at inland rail hubs such as Chicago, shows that ports are not ready for the 24/7 concept, terminal operators say.

“The bottleneck is away from the terminal fence. It’s in the interior,” McCorkle said.

Mario Cordero, executive director of the Port of Long Beach, told the AgTC conference he has been an advocate of 24/7 hours going back to 2016 when a consultant’s study projected that Los Angeles-Long Beach would be handling 20 million TEU a year by the early 2020s. Even though it looks like the ports will handle 20 million TEU this year, Cordero said operational realities throughout the supply chain indicate 24/7 should be a “mid-term” rather than an immediate response to the congestion problem.

Truck traffic in off-hours is low

LA-LB terminal operators say they will continue to engage with retailers and truckers to give the extended gates a chance even though their efforts have yet to produce the results they had hoped. Total Terminals International (TTI) in Long Beach is running a full menu of night and weekend gates, including 3 a.m. to 8 a.m. hoot shifts Monday through Thursday each week.

“We haven’t seen a shift by truckers to the extended gates. We will continue to run the pilot and we will continue with our trucker outreach to get some participation,” Bill Peratt, TTI’s CEO, told JOC.com Friday.

Yusen Terminals some weeks ago responded to trucker complaints that there are too many restrictions on the late-night gates to make them attractive by eliminating all restrictions for advance appointments or dual transactions after 8 p.m., McCorkle said.

“Our night gate volumes are really low. The bulk of the visits, 70 percent, are before 9 p.m.,” McCorkle said. Unless truck traffic picks up sufficiently in the coming weeks, Yusen may have to pull back on some of its night gates, he added.

Although terminal operators want to utilize as many hours as possible to ease congestion at their facilities, they point out they have no control over the inland bottlenecks that they say are the direct cause of the congestion.

“It’s not a terminal issue,” Ed DeNike, president of SSA Containers, told the AgTC meeting. SSA Marine operates terminals in Seattle and Oakland and three in Long Beach. “We’re operating gates on Saturdays and Sundays, but we’re getting little support from the truckers because they have nowhere to bring the containers,” DeNike said.

Although terminal operators have no direct relationships with warehouses and distribution centers, they hear daily from other stakeholders that the warehouses are full, that they are short on labor, and that there are not enough trucks to move product from the warehouses inland.

As a result, the dwell time for import containers at the terminals is double or more what it should be, which is no more than four days, terminal operators say. Importers have four days to store containers at the terminals without incurring demurrage, but the storage fees mount quickly after that. Yet importers continue to pay thousands of dollars in demurrage, the terminal operators said, because local warehouses are full.

McCorkle said 50 percent of Yusen’s import loads are dwelling seven days or longer, when normally that number is 9 to 12 percent. Peratt said TTI is experiencing similar dwell times.

The solution to the port congestion is for retailers and other importers to look for alternative storage sites so they can decongest the marine terminals and save themselves thousands of dollars in demurrage costs, terminal operators said.

“Just pick up your containers,” DeNike said.

Contact Bill Mongelluzzo at bill.mongelluzzo@ihsmarkit.com and follow him on Twitter: [@billmongelluzzo](https://twitter.com/billmongelluzzo).

[Port News](#) › [Terminal Operators](#)
[Asia](#) › [China](#)
[North America](#) › [United States](#)

Source URL: https://www.joc.com/port-news/terminal-operators/round-clock-la-lb-port-operations-not-ready-prime-time-terminal-operators_20211008.html

