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Harbor Trucking Association Responds to Ports of Los Angeles and Long Beach Approval of Cargo Dwell Fees

Trucking companies doing business in LA and LB feel any real solution for clearing cargo should include direct engagement on the thousands of empty containers on dock and in truck yards.

Long Beach, CA- On Friday the Board of Harbor Commissioners for the Ports of Los Angeles and Long Beach unanimously adopted a punitive fee structure designed to charge ocean carriers for any cargo that dwells on dock longer than 9 days if destined for a truck move. The fee is meant to encourage the movement of imports off the docks to clear up space in order to receive additional vessels.

"However well intended, it is misdirected", observed HTA CEO Matt Schrap during his testimony before the Harbor Commissioners on Friday. "For our members and many of our BCO partners, the issue is and has been for many months now, empty containers. Not only the thousands of empty containers sitting on top of thousands of chassis in motor carrier yards across the southwest, but also the thousands of empty containers sitting on the waterfront."

While there is no single source of publicly available information to determine the number of empties that are dwelling on the waterfront in LA and LB, there is anecdotal evidence that the number is in the tens of thousands. According to HTA, these empties are the real constraint within the system and their mere existence is preventing imports from moving off dock.

"What would be a possibly more effective tactic to get the ocean carriers engaged is to charge an empty excess dwell fee" Schrap observed. "This would free up space on dock to receive more vessels and allow for additional empty returns to free up chassis and help get cargo flowing."

One other major concern of industry is how the fee is structured. Although the ocean carriers are receiving the bill, they have indicated they will be passing the fee on to BCOs if it is assessed.

"The most unfortunate part of this punitive measure is the fact that the ocean carriers have been very open in stating these fees will be passed on to the BCO's who in turn will likely pass onto the American consumer in the form of higher prices" added Schrap during his testimony.

The Harbor Trucking Association is a not-for-profit trade association representing intermodal drayage carriers serving America's west coast ports. The mission of HTA is to advocate, educate and promote strategies with other goods movement stakeholders to decision makers and public officials in order to formulate sound polices that sustain emission reductions, provide a dialogue for intermodal truck efficiency and to return cargo and jobs to America's west coast ports.

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