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Trucking Association Responds to POLA and POLB efforts to get cargo moving through America's Port

Trucking companies doing business in the San Pedro Bay Port complex respond to recent announcement on efficiency improvement concepts by the ports of Long Beach and Los Angeles.

Long Beach, CA- Stakeholders across the global supply chain have been feeling a tremendous amount of pressure due to the massive cargo surge coming through the Ports of Los Angeles and Long Beach. After discussions with US Ports Envoy, John Porcari the ports of Los Angeles and Long Beach have outlined efforts to help increase cargo throughput that may include corrective measures for trucking companies who are unable to meet yet to be determined metrics.

HTA leadership is weary of any concept that takes corrective action against trucking businesses working within an existing reservation system that lacks transparency and limits the ability of a motor carrier to return empties across the port complex.

"The challenges to just pick up an import container are never ending" observed HTA CEO Matt Schrap. "We are very interested in seeing what an incentivized reservation system actually looks like, because if the underlying issues that have gummed up the works today are not examined and addressed, then it is still going to gum up the works tomorrow, no matter how many more hours are offered or incentivized."

Restrictive appointments (both import pickup and empty return), lack of chassis, lack of appropriate labor staffing at marine terminals and indifference by the ocean carriers are at the core of the problem and according to Schrap, are nothing new.

"Truck operators cannot realistically plan for truck capacity utilization without hedging reservation bets across the complex. Reservations are currently made days in advance on the hopes that at least one of them will fit the profile for the particular terminal and that particular line on that particular day. It's basically a gamble with a punitive payout, not sure what concept to incentivize that practice can even look like."

Schrap went on to observe that measures currently meant to encourage efficient and timely moves of equipment to and from the terminals have turned into punitive cash generating mechanisms. Trucking companies have had to increase staffing to combat unfair detention and demurrage practices by ocean carriers and American importers are suffering higher costs not only on the ocean rate but now in fees for on-dock storage or street dwell of containers that can't be picked up or dropped off because a particular type

of reservation cannot be secured, which translates into higher per diem costs per container.

"How is any of that going to change with an incentivized reservation policy and more hours?" Schrap questioned, "It's still the same dance, just longer and now maybe with a dress code that still no one has received".

Schrap went on, "No one is talking about the massive amount of resources and capital that are necessary to house containers for ocean lines who decide to restrict empty container returns because it doesn't fit within particular operational decisions made weeks earlier thousands of miles away from the shores of Los Angeles".

"Adding to the empty return challenges is the fact that there is a massive imbalance of imported containers compared to containers that are loaded, full empty or otherwise, out of the port complex back across the Pacific Ocean. It's simple math, more in, less out equals too many empties still sitting on dock."

"With all those things being equal, when we take a step back to look at why we are experiencing these challenges and how to fix them, a concept to keep the ports open 24/7 doesn't address the issues. It is not realistic today nor will it be until we can find a better pathway toward fixing the problems plaguing the system now."

Schrap went on, "there is low hanging fruit out there we can pick, and it will help everyone in the supply chain if we pick it. For instance, we can open gates two hours earlier with the existing PMA-ILWU contract. Those two hours in the morning can make a huge difference for driver efficiency."

While the issues are very clear to many motor carriers doing business daily at the port complex, there is hope for additional discourse for reality-based resolutions, "regardless of the operational challenges our members experience daily, we will always remain engaged with our supply chain partners to help find solutions to drive efficiencies and look forward to keep an on-going dialogue going with the ports on these recently announced concepts." Schrap concluded.

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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