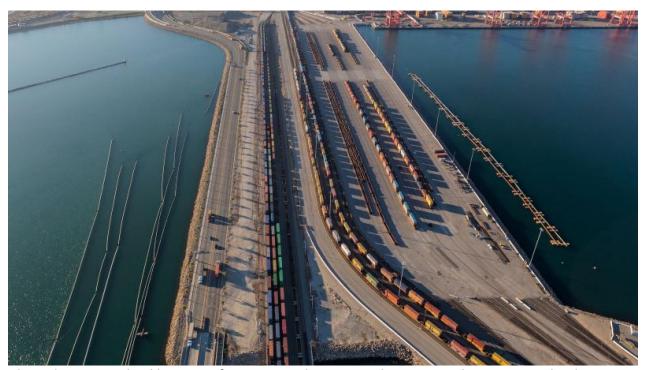
BNSF, UP working through rail container backlogs in Southern California



The rail container backlogs vary from terminal to terminal in Los Angeles-Long Beach. Photo credit: trekandshoot / Shutterstock.com.

Bill Mongelluzzo, Senior Editor | Mar 19, 2024, 4:15 PM EDT

Terminal operators at the ports of Los Angeles and Long Beach are working to reduce a backlog of rail containers that have accumulated during two consecutive months of strong imports and are urging the railroads to send more cars to the ports to help them finish the job.

The rail container inventory at Yusen Terminals in Los Angeles is double the normal volume, but the terminal has managed the load thus far. "We've been backed up for four to five weeks, but there's no real congestion yet," said Yusen CEO Alan McCorkle.

Still, McCorkle said he anticipates strong volumes for summer and fall as much of the discretionary cargo that left West Coast ports last year during the <u>prolonged longshore</u> contract negotiations returns.

US imports from Asia in January and February handled in Los Angeles-Long Beach totaled 1,395,837 TEUs, an increase of 39.6% from the first two months of 2023, according to PIERS, a *Journal of Commerce* sister company within S&P Global.

The two railroads that serve Los Angeles-Long Beach, BNSF and Union Pacific, say they are responding to the backlog in Southern California. BNSF and Union Pacific told the *Journal of Commerce* they are deploying more intermodal railcars to Los Angeles-Long Beach and are adjusting their operations so the terminals can clear out the rail containers and reduce dwell times.

BNSF in February set a record for on-dock intermodal container moves in Los Angeles-Long Beach, beating its previous February volume record set in 2021, said Jon Gabriel, the railroad's vice president for innovation, service design and network strategy.

BNSF is steadily reducing the rail container backlog, he said. "We will whittle away at it and should be completely current by the start of April," said Gabriel.

BNSF has positioned "ready fleets" of railcars at "multiple locations" throughout the western US so it can deploy more equipment when needed at the ports and along its network, Gabriel said. "We have dedicated equipment that focuses only on the ports," he added.

In addition to the import surge in Los Angeles-Long Beach, operating conditions in the western part of the country were hampered by wildfires in Texas and flooding that occurred during multiple rainstorms on the West Coast, Gabriel noted.

When some terminals in Los Angeles-Long Beach began to experience a surge of imports, Union Pacific "temporarily restricted westbound empty billing to help marine terminals manage higher import volumes," a UP spokesperson said. The temporary restriction was later lifted and UP isn't experiencing a railcar shortage this week, the spokesperson said.

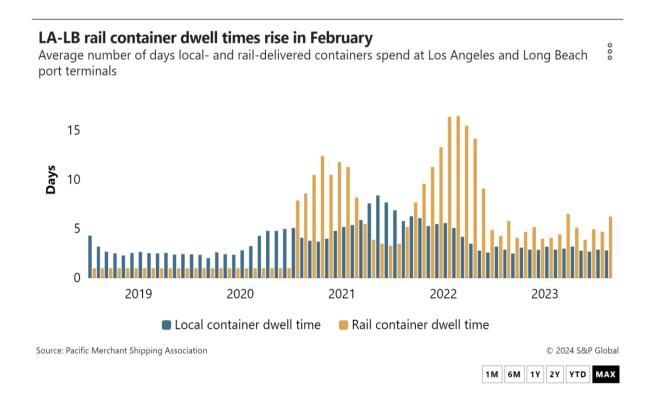
Backlogs vary from terminal to terminal

The rail container backlogs vary from terminal to terminal in Los Angeles-Long Beach. SSA Marine, which operates three terminals in Long Beach, has not experienced issues with rail containers so far this year. Due to its mix of ocean carriers, SSA does not handle as many intermodal containers as some terminals, said Ed DeNike, president of SSA Containers.

The TraPac terminal in Los Angeles, however, experienced a surge of imports, which generated a 100% increase in eastbound intermodal rail volume since the beginning of February. The surge led to UP's temporary embargo of repositioning westbound railcars

to TraPac. However, the embargo has been lifted, and "TraPac caught up this weekend," said a source with knowledge of the situation.

The dwell time for all rail-destined containers in the Los Angeles-Long Beach port complex increased to 6.26 days in February from 4.72 days in January, the Pacific Merchant Shipping Association (PMSA) said in a statement Tuesday.



Whereas only 5.9% of the containers that left Los Angeles-Long Beach by truck in February dwelled on the terminals for five days or longer, 45.9% of the containers that left on rail last month dwelled for five days or longer, PMSA said.

At the Port of Los Angeles, the rail container inventory last week was about 12,500. "We'd like to see it at about 9,000," Gene Seroka, the port's executive director, told a press briefing Monday.

Of the total inventory of rail containers in Los Angeles last week, about 4,300 had been dwelling nine days or longer.

The Port of Long Beach had about 7,800 rail containers on the docks in February compared with the usual inventory of about 6,000, said Noel Hacegaba, the port's deputy executive director and chief operating officer.