Date: May 4th, 2015

Operations Update - Southern California Ports

Dear Valued Customer,

As we are sure you are aware, the embittered labor dispute between the International Longshore and Warehouse Union (ILWU) and Pacific Maritime Association (PMA) came to a tentative resolution on February 20, 2015. The southern California port complexes of Los Angeles and Long Beach are reporting that for the first time in months, ships will be able to berth directly without having to anchor first.

![Graph showing port activity](image)

Courtesy of American Shipper

While this is positive news for carriers who have seen their rotations thrown into chaos by West Coast congestion, there are still lingering issues at several key southern California terminals, most notable West Basin Container Terminal (WBCT).
Over the past month WBCT has been running at over 100% capacity (typically terminals aim to run at 70%-75% capacity, allowing them room to re-sort and move containers easily). At the moment, terminal space is fully utilized, yet vessels continue to arrive and unload more volume. Normal operational procedure dictates cargo to be sorted into piles with similar containers (e.g. imports in one pile, IPI cargo in another). However, in an effort to accelerate the vessel unloading process, terminals are "quick discharging" containers into mixed piles making it nearly impossible to plan dispatch to dray-out, as well as loading to dock trains.

While WBCT has been tackling the issues by targeting the "cleanest" pile (e.g. a pile of containers all sorted to go to the same destination) which allows them to move the cargo to rail or off dock dray areas much quicker, **WBCT officials do not expect to clear up on the backlog for another 2-3 weeks.**
Many drayage companies are reporting average turn times at Southern California ports exceeding 100 minutes to enter and retrieve a container, while lower from the peak of 112 minutes, is still unacceptable to drivers who get paid by the trip.

Terminal operators have been working to implement solutions to congestion that include a communal pool of chassis to address equipment shortages, and a "peel off" program to aid in accelerating cargo movement through the port. However, these agendas are still in a testing stage and have yet to be fully launched.

For more detailed information please refer to the following:
LA, Long Beach drayage truckers face 'new normal' in wait times
Congestion disappears from ports of Los Angeles, Long Beach

OEC is doing its best to monitor the situation closely, redirecting our resources to minimize the impact where possible to our customers.

Should you have any questions regarding this update, please contact your Sales or Customer Service representative at OEC Group.

Sincerely yours,
OEC Group