



November 23, 2021

**LA/Long Beach Container Excess Dwell Fee Deferred Another Week;  
Port of Vancouver Sees Some Improvement from Severe Floods**

As we overviewed in our November 18<sup>th</sup> News Flash, the Biden-Harris Supply Chain Disruptions Task Force implemented a **Container Excess Dwell Fee**, as an emergency surcharge, at the ports of Los Angeles and Long Beach. The action was to press the ocean carriers to immediately improve efficiencies and improve throughput of containers to lessen congestion, or be penalized for the longer than normal dwell times. As the program took shape, fee structures came into place on containers that sit for 9 days or longer for local truck delivery and 6 days or longer for containers, waiting to be loaded to rail for inland moves. The initial effective date was November 1, 2021, with enforcement of the fees to begin November 15, 2021. The majority of ocean carriers immediately responded by sending out advisories that they would be passing these fees on to the cargo owner, further putting more strain and cost on the importer. The fee structure shows a scaling increase of \$100 daily and with no maximum, leaving the importer vulnerable to activities outside of their control and a “pass the buck” mentality by the ocean carriers. The situation had been heightened with national attention and regular media coverage as the situation became dire. Just as the fee enforcement was to begin, the date was deferred to November 22, 2021. As this enforcement date arrived yesterday, claims of a combined 33% reduction in long term container dwelling was jointly reported by both port authorities, prompting the enforcement date to be postponed again and a new enforcement date of November 29<sup>th</sup> announced.

**The Port of Vancouver which lost inbound and outbound transportation capabilities last week after the region suffered severe floods, and mudslides from two days of extreme rain, is making progress to return back to some level of stability.** Portions of the highway system impacted by the storm have partially reopened, allowing for “essential” travel, which does include commercial truck transport. The CP Rail has announced that they are restarting operations this afternoon between Kamloops and Vancouver. The Canadian National Rail (CN) is not yet able to restore service, but is hopeful that repairs will be completed this week. With existing delays already being experienced at the port this will add more congestion and increase delays. During the backlog, over 40 ships have now gathered and are at anchor outside of Vancouver. It has been confirmed that 6 container vessels are amongst these ships anchored and that a total of 19 vessels are scheduled to call the port this week. The port authority is estimating it could take weeks to clear the backlogs and that forecasted weather of more rain could create more obstacles, such as landslides.