



# International Monthly Market Update: December 2021

Season Greetings from IL2000! We hope all our customers spend some time with family and friends to ring in the New Year! Here is our latest market update for 2021 as we all prepare for 2022!

## Port of Los Angeles and Long Beach

- The West Coast MTO Agreement announced in November that the Traffic Mitigation Fee (TMF) will be temporary adjusted from December 1st through January 31, 2022. The adjustment was at the request of the Biden Harris Administration as a collaborative effort to increase the use of marine terminal gates during off peak hours.
- The congestion surcharge announced last month has been postponed a 3rd time because of the progress in reducing cargo heaps. Port Authorities said the fee was delayed after a virtual meeting with the White House. However according to the Port of Los Angeles daily operations report, the number of containers beyond 9 days has actually increased. The overall backlog has decreased with import containers dwelling 13 days or more, dropped down from 31k to 14k.





## Carrier Announcements

- CMA announced an early Container Pickup Incentive Program to assist importers in expediting the movement of cargo in Southern California. Incentive credits will be provided to customers that pick up their import containers in Los Angeles/Long Beach during the first 8 calendar days from vessel discharge.
  - \$100 per container for pickups Monday-Friday.
  - \$200 per container for pickups at night and weekend gates
- Atlantic Container Line will implement a Damage Protection Surcharge (DPS) starting in January. The charge will be \$20.00 per unit.
- ECU announced a GRI for exports to Central America starting 1/1/22, The charge will be \$20.00 w/m.
- CN Rail is implementing new tariffs January 1 and February 1 that will affect seal requirements, over-the-road trucking requests, billing, rail shipping instructions, and modifications on equipment. Additionally, the Canada Border Services Agency (CBSA) requires high security seals on all international and domestic shipments. Failure to comply will result in a fine of \$450.00.
- Vanguard issued notice to all customers that effective immediately they are no longer using Philadelphia Truck Lines as their CFS station in Charleston. They will switch to Guardian Logistics Solutions.
- MSC cancelled their GRI for imports into the Middle East.

## China Update

- PSW has very limited space with more carriers announcing roll overs and blank sailings. This is expected to continue into January.
- PNW/USEC has increased demands with very limited space. Carriers ONE and ZIM announced they will deploy an additional loader starting the first week in January.
- Wait time at most base ports has decreased averaging 2-4 days.
- Transshipment cargo via Busan is averaging a 3-week delay.
- Carriers CMA, OOCL, and Cosco announced severe equipment shortages for 40HC's.
- Hapag and ONE: feeder suspensions in South China will take effect December through February 2022 due to Covid restrictions.



## Air Freight

- American Airlines is closing out the year with more than 6200 widebody flights in December, expanding their presence across all regions.

## Canada

- Due to significant rainfall, intermodal traffic northbound and eastbound from Vancouver has been affected. Flash flooding, mudslides, and a track outage in Chilliwack BC are impacting the mainline train in those areas.
- Truckers at one of the ports in Vancouver reached an agreement December 1st, to improve health care benefits and detention pay. However, there is still another strike planned Friday 12/3 seeking reasonable wages at Prudential Transportation.
- As of 12/1, there were 55 vessels waiting to berth in the port. This is the highest number to date.

## Harmonized Tariff Schedule 2022

- The following tariff changes will be effective January 1, 2022
- Total of 351 sets of amendments will be taking effect with the new HS2022 edition of the HTS code to accommodate recognition of new products and addressing environmental and social issues seen globally previously not addressed.
- Some of the biggest chapters seeing changes are Chapters 44 (wood), 62 (clothing), 84 (machinery), and 85 (electrical equipment). A total of 995 codes will be deleted and 1360 new codes will be added.

## Port/Rail Congestion

- With the announcement last month of vessels remaining 150 miles offshore, the latest count for LAX/LGB is at 87 vessels awaiting berth. It's now tracked in two different groups. 59 vessels are in the greater San Pedro Bay where another 28 vessels remain several hundred nautical miles out.
- The Chicago rail ramp is experiencing severe congestion due to dwelling containers and chassis shortages.
- Savannah and Charleston are averaging 6-9 days due to high import volume. Carriers are advancing cut offs with little to no notice.



- Seattle is facing up to 10 days for cargo destined to the Midwest. Limited trucker capacity, with carriers booking 3-4 weeks out.
- Houston / Dallas is now at 3 weeks or more to secure drayage due to severe chassis shortages.

Wishing you all the best this holiday season!

Reach out any time: [international@il2000.com](mailto:international@il2000.com)

**Sources:** CN, CMA, American Airlines, LinkedIn, ECU, Freight Waves, Hapag, Sino, Rose, Vanguard,