



ANDERSON NEWS

Shipping Update

March 16, 2015

This is an update of West Coast Port Operations and the progress since the tentative agreement was reached between the Pacific Maritime Association and the International Longshore and Warehouse Union (ILWU) on February 20th.

Delegates for the ILWU are scheduled to meet March 30th through April 4th. They will decide whether to forward the tentative agreement on to the ILWU members for a vote, which is anticipated to occur sometime in April.

We appreciate your patience during this transition period at the Ports. We will be updating you periodically regarding this ongoing Port challenge. Please bear with us as we continue to work with our shipping partners to get our customers' orders delivered. Your Anderson Hay representative will communicate updated information on your orders. Please do not hesitate to contact us at any time if you need additional information.



Los Angeles/Long Beach

Port officials are reporting that it may take three months to clear the existing backlog. Currently thousands of containers are on dock and 25 ships are at anchor awaiting berth space. Because of port congestion remaining, terminals have continued to reduce the receiving window for exports to three days and cut dates continue to move out as berthing schedules change. Carriers are closing their acceptance of bookings on ships early in an effort to work ships quickly once they do berth. This is making prompt bookings very hard to secure.

Portland

After the tentative agreement between employers and employees was struck, there remained a large backlog of shipments waiting to move from Portland to far East Asia. In addition, Hanjin discontinued their Portland direct call in January. This has left carriers scrambling to find capacity to absorb the volumes that moved on Hanjin into their Seattle routings. The short rail between Portland and Seattle/Tacoma needs to add to their capacity to handle this additional load which amounts to double their previous volumes. They have a backlog of containers in their CY of four to five vessels and a huge surge of demand. Unless another carrier steps in for a direct Portland call, which insiders think is highly unlikely, it will take months for the current backlog of exports to ship.

Seattle/Tacoma

Since February 20th, Seattle and Tacoma terminals have been able to clear almost all anchored vessels. Vessel schedules are expected to be stable by mid April. Most terminals remain very congested with both a large number of containers on dock and gates crowded with numerous trucks trying to pull or deliver containers. While these two Ports appear to be making the quickest progress at returning to normal, cut dates and vessel berths are still changing dramatically for the CHYK alliance. Those carriers remain very unreliable. The G6 alliance, M2, and Evergreen have been able to maintain more dependable schedules, however their gates continue to be very congested causing trucking delays. In an effort to clear on dock congestion, we are seeing many carriers ship empty equipment back to Asia, rather than release it for US exports, causing rampant equipment shortages.

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