

The Port of Oakland has revealed it will be reducing free wait times from seven days to four days in order to reduce congestion caused by long-dwelling import containers.

According to a [report by CNBC](#), Oakland is also considering raising penalties for containers that wait for too long, with the port's executive director Danny Wan stating: "We think the (demurrage) rates need to be higher to encourage cargo owners to move their cargo faster."

The Port of Oakland is not involved with assigning demurrage rates. The late fees are charged by both the shipping lines and the marine terminals when a container is not moved out of the port within the free days offered.

Wan also expressed his "belief that the rates are still low" and his concern about customers "still using the terminals as storage facilities."

Aside from problems with container pick-up, the Port of Oakland's Central Valley pop-up yards are also currently experiencing a shortage of container-handling equipment.

Moreover, the CNBC Supply Chain Heat Map has demonstrated that the port is experiencing the longest dwelling times for import containers. "The average dwell [time] in Oakland terminal is now 9-12 days [including rail dwell time]," Wan said, highlighting that "it used to be 3-4 days."

This rail wait is something many of the West Coast ports are facing. For example at the Port of Los Angeles "60% of the aging containers are designated as rail cargo," said its executive director Gene Seroka, while suggesting "this needs improvement".

However, "containers that move out by truck are doing well. Aggregate, long dwell numbers at the POLA are higher than we saw in February, but not close to last fall," he added.

In an email, Union Pacific, who services the West Coast Ports alongside BNSF, told CNBC, that it moves containers from the ports to inland ramps so end receivers can pick them up for further distribution.

"We have steadily increased our shipments from the ports but are beginning to see elongated dwells at our inland terminals and increased chassis street time due to a lack of dray and warehouse capacity."

"It is important that end receivers consume these shipments in a timely manner so inland terminals remain fluid and we can continue to move containers from the ports", the Union continued.

Furthermore, Wan told the publication that there is no shortage of labor, highlighting that “thanks to the ILWU, we actually increased our dockworker workforce by 16 percent last year.”

Wan concluded that “our biggest challenge is to reduce the dwell time of containers at the port,” as “if we do not move the containers out quicker, we may have vessel congestion.”

In other U.S. ports, surcharges are already being considered or established. Northwest Seaport Alliance of Seattle and Tacoma have been charging long-dwell fees since November 2021. Meanwhile, Los Angeles and Long Beach have delayed the implementation of surcharges announced in October 2021, citing progress in the reduction of containers.