This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit https://www.djreprints.com.

https://www.wsj.com/articles/southern-california-ports-struggle-to-trim-cargo-backlog-as-omicron-surges-11641938505

LOGISTICS REPORT

Southern California Ports Struggle to Trim Cargo Backlog as Omicron Surges

Covid-related absences sidelined about 800 dockworkers at the ports of Los Angeles and Long Beach this week



Shipping containers wait to be unloaded from a cargo ship at the Port of Long Beach in November.

PHOTO: APU GOMES/AGENCE FRANCE-PRESSE/GETTY IMAGES

By <u>Paul Berger</u> (Follow) Jan. 11, 2022 5:01 pm ET

The Covid-19 Omicron variant is hampering efforts to clear a backlog of about 100 container ships at the nation's busiest port complex as infections rise among Southern California dockworkers.

About 800 dockworkers—roughly 1 in 10 of the daily workforce at the ports of Los Angeles and Long Beach—were unavailable for Covid-related reasons as of Monday, according to the Pacific Maritime Association. Absentees included workers who tested positive for the

Follow All Your Favorite WSJ Authors

 \otimes

Click "Follow" next to a writer's name on desktop article pages to receive an email alert.

several cases a day to dozens and then hitting about 150 a day last week.

The shortfall meant that on Monday two container ships at the port complex received fewer dockworkers than requested and 13 ships didn't receive any requested workers to load or unload cargo, effectively halting operations. That same day, 102 container ships waited for a berth at the port complex, according to the Marine Exchange of Southern California, which monitors ship movements in the area.

Dozens of vessels have waited weeks or months to unload cargo at the ports of Los Angeles and Long Beach as a crush of imports has <u>overwhelmed logistics operations</u> that deliver goods to U.S. markets. The backlog rose to 100 ships in late November and reached a record 106 vessels on New Year's Day. Before the pandemic it was unusual for more than one ship to wait for a berth.

Alan McCorkle, chief executive of Yusen Terminals LLC at the Port of Los Angeles, said the rise in coronavirus infections has extended a worker shortage that began over the Christmas and New Year holidays, reducing productivity at his terminal by about 20%. "It's just going to prolong the catch-up," he said.

Dockworkers helped move record cargo volumes last year and are just as susceptible to Covid infections as other workers, said Frank Ponce De Leon, an official with the International Longshore and Warehouse Union, which represents West Coast port workers. Los Angeles County, where many port workers live, logged 200,000 positive coronavirus cases for the week that ended Jan. 8, a record.

The labor shortages in Southern California come as surging Covid-19 cases ripple through global supply chains, <u>slowing production</u> at U.S. factories and <u>shutting factories and clogging ports in China</u>. Denmark-based marine consulting firm Sea-Intelligence ApS said in a report Tuesday that congestion and bottlenecks are worsening at ports in the U.S. and Europe.

The Southern California port complex is the main ocean gateway for U.S. imports from Asia, handling about 40% of containerized cargo. The ports struggled last year to handle

Follow All Your Favorite WSJ Authors

Click "Follow" next to a writer's name on desktop article pages to receive an email alert.

(x)

MORE FROM LOGISTICS REPORT

Cascading Flight Cancellations Snarl Airfreight Shipments January 11, 2022

Robotic Arms Are Using Machine Learning to Reach Deeper Into Distribution January 10, 2022

New Studies Find Unprecedented Impact from Supply-Chain Turmoil January 7, 2022

The Biden administration last year took measures aimed at reducing the backlog, including efforts to prod Southern California terminals to move toward 24-hour operations that had <u>limited success</u>.

Port of Long Beach Deputy Executive Director Noel Hacegaba said in a statement that the port's terminals remain open and continue to offer some extended hours despite the increase in worker infections. The Port of Los Angeles referred questions about labor shortages to the Pacific Maritime Association.

Jim McKenna, the association's chief executive, said terminals might be able to catch up on some of the work backlog if factories in Asia reduce operations during the Lunar New Year, which begins in a few weeks. But he cautioned that most of his members, who include the world's largest ocean carriers, expect the cargo surge to continue through the next six months, if not through the end of 2022.

Write to Paul Berger at Paul.Berger@wsj.com

Appeared in the January 12, 2022, print edition as 'Southern California Ports Strain to Trim Cargo Backlog.'

Copyright © 2022 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit https://www.djreprints.com.

Follow All Your Favorite WSJ Authors

 \otimes

Click "Follow" next to a writer's name on desktop article pages to receive an email alert.