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Logistics Report

# Baltimore Bridge Collapse Triggers Extensive, Costly Logistics Diversions

Car carriers are shifting to new ports as several container lines push added transport expenses to customers

***By Liz Young***
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Alan Baer has spent the days since a containership collapsed the Francis Scott Key Bridge trying to reroute some 15 boxes at the Port of Baltimore to other gateways even as he waits to learn when he can recover 10 boxes still sitting on the Dali amid the debris in the Baltimore harbor.

“You keep widening the circle of what you have to do,” the chief executive of freight forwarder OL-USA said. “There’s sort of the first five yards around in a circle where you’re going to do what’s immediate. What’s on the dock, what’s on the ship? Then, what’s at the port? What’s en route, and then what’s the long term?”

The effort to locate shipments, find new ports and patch together new transportation is part of a massive logistics undertaking in and around one of the U.S. East Coast’s biggest ports. It takes in operators including major automakers around the world, local truckers, and railroads, as well as a range of exporters and importers trying to contain the impact of the latest disruption to hit global supply chains.

The port has been closed since March 26, when the Singapore-flagged, Sri Lanka-bound ship lost power and collided with the bridge, sending large sections of the span into the Patapsco River.

Authorities this week began the complicated task of clearing debris from the site, including parts of the bridge sitting in murky water with little visibility for divers.

Surveys of the river bottom in the 50-foot channel show the wreckage “is far more extensive than we could have imagined,” Col. Estee Pinchasin, the district commander of the U.S. Army Corps of Engineers, said in a briefing on the clearance effort this week.

“We have portions of the wreckage that are completely collapsed. What this means is that the state of that wreckage makes it very difficult to figure out where to cut, how to cut,” she said.

Port officials have not estimated when they expect to reopen the shipping channel to vessels.

Business analytics group Dun & Bradstreet estimated the weekly impact of the port closure on trade at about $1.7 billion, based on the value of consumer goods, automobiles, coal and other shipments that moved through the port on average each week in 2023.

Authorities at ports from New York-New Jersey to Savannah, Ga., have said they have the capacity to handle the diverted cargoes. The Port of Virginia says it is extending some operating hours to handle any extra volume.

Shifting those goods to other ports will raise transportation costs for shippers and logistics operators, however.

Several major container shipping lines, including CMA CGM, Cosco Shipping and Evergreen Marine, have declared *force majeure*, a contractual provision meaning they won't cover the cost of added transport to and from alternate ports.

Companies importing and exporting vehicles and heavy machinery appear to be among the most exposed to the disruptions. The Port of Baltimore handled about 847,000 cars and light trucks last year, the most in the country, according to the Maryland Port Administration, and is a busy gateway for heavy farm and construction machinery.

**Tradepoint Atlantic, a logistics park outside the closed shipping channel that includes an automotive terminal, said it expects six car carriers delivering some 10,000 automobiles as well as nine redirected vessels to arrive in the next two weeks.**

Norway's Wallenius Wilhelmsen, one of the world's biggest automobile transporters, said one of its car carriers, the M/V Carmen, remains stuck at berth in the port while the shipping channel is closed. The operator estimates the closure of one of its key hubs will cost the company between $5 million and $10 million in earnings before interest, taxes, depreciation and amortization if the disruptions last for a month.

Japanese manufacturer Kubota, which uses Baltimore as its East Coast import hub for construction equipment, is redirecting its shipments to the Port of Virginia and then trucking the equipment to Baltimore for final assembly before it is shipped to dealers, said Robert Davy, the company's director of supply-chain operations in the U.S.

He said the added transportation up the Eastern Seaboard is raising Kubota's trucking costs more than sixfold.

"Our number one concern is protecting the dealer and the customer from any kind of shipping disruption," Davy said.

Freight broker Total Quality Logistics said it has about 50 automotive-related shipments scheduled through Baltimore in the next few weeks that will have to be rerouted.

“There are thousands of shipments that we are actively establishing new trade lanes for or responding to bids that are for the next two months. These will primarily reroute through Norfolk, New York/New Jersey and Brunswick, Ga.,” a spokesperson for TQL said.

Around Baltimore, the collapse of the bridge that carried Interstate 695 over the Patapsco River south of the port has pushed traffic onto alternate roads, adding time and cost for truckers.

Brian Webb, president of port services for NFI Industries, a logistics provider for major retailers, said the main challenge will be to find trucks at decent rates because of the increased demand for road transport in the region.

“This is probably a three- to six-month problem,” Webb said. “But it’s going to be a heck of a three- to six-month problem.”

Truckers Jaclin and Trent Wilmoth, who haul goods between their home in Trinity, N.C., and the Baltimore area, said they now have to drive through the city. That’s adding 10 to 15 minutes to each trip, adding fuel costs at a time when freight rates are already low.

“It doesn’t sound like a lot,” Trent Wilmoth said, “but the way the economy is right now, that’s a lot of money.”

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