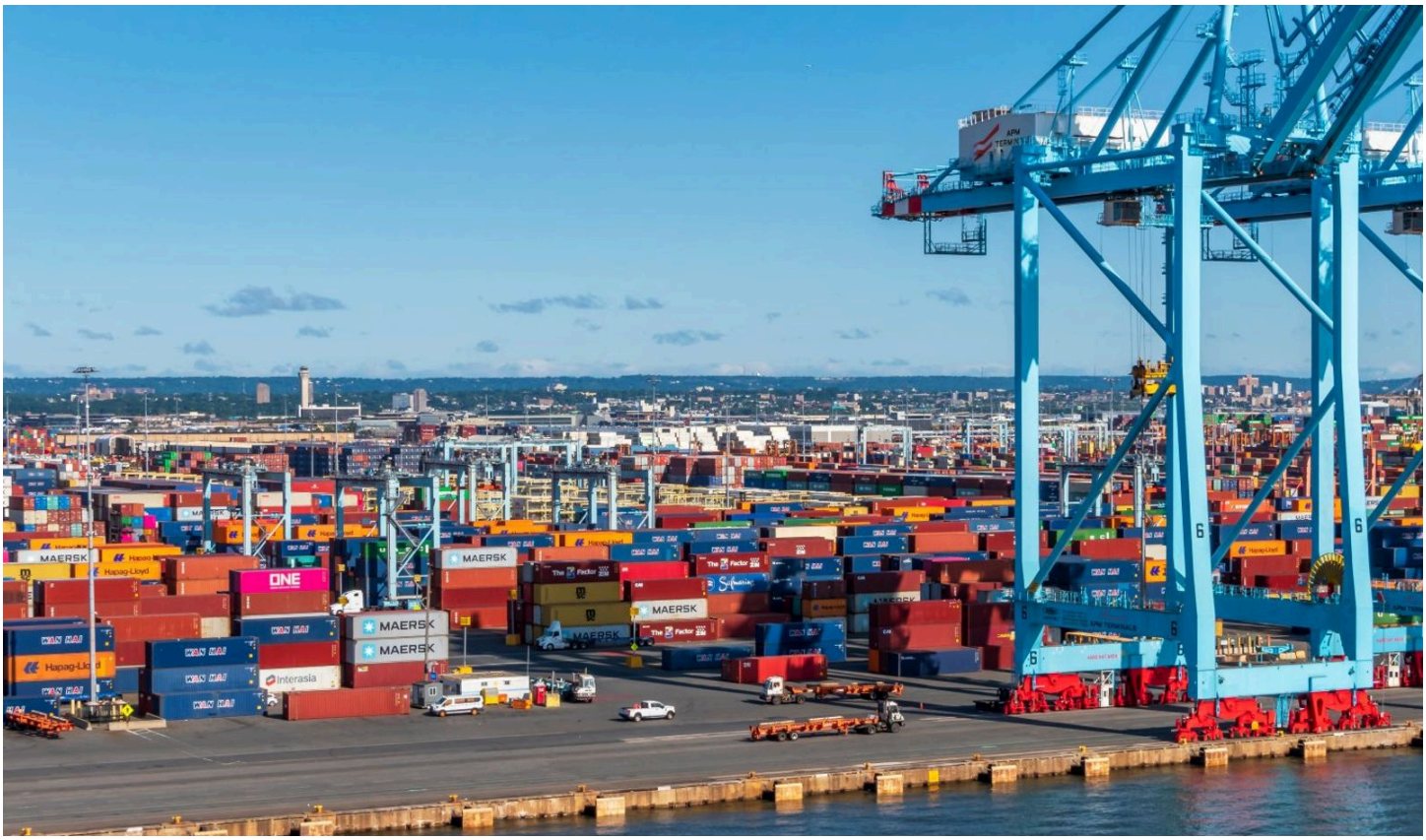
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S&P Journal of Commerce

Commentary

The high cost of a flawed port container fee in NY-NJ



Ocean carriers design their rotations with New York as first port of call on the East Coast, a reality that brings both benefits and challenges. Photo credit: ambient_pix / Shutterstock.com.

Robert Cannizzaro | May 8, 2026, 12:01 PM EDT

The Port of New York and New Jersey is one of the most important economic engines in the United States. It handles enormous volumes of cargo, supports hundreds of thousands of regional jobs, and is a critical gateway for US manufacturers, retailers and consumers. Policies affecting port operations must be carefully designed and targeted at improving supply chain efficiency.

The port's decision to implement a new container imbalance fee, which went into effect May 1, risks doing the opposite.

Ocean carriers share the port's goal of maintaining a fluid, resilient supply chain. They invest billions of dollars every year to move cargo efficiently through US ports. Congestion harms ocean carriers as much as any other supply chain stakeholder.

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ean carriers are concerned that this fee comes at a time when it is neither necessary nor well designed to address the causes of port congestion, and, in fact, due to a flaw in its formulation, may do more harm than good.

Container imbalance fees were first proposed during the pandemic, when unprecedented consumer demand, warehouse labor shortages, and constrained terminals created severe congestion. In that extraordinary context, some ports considered penalties to force short-term behavioral change. They focused on the effect, not the cause. Volumes have since normalized, supply chains have recalibrated, and these extraordinary disruptions have receded. The port of NY-NJ, along with all other port authorities who considered such a fee, ultimately found it unnecessary.

NY-NJ's benefits, and challenges

Due to geography, population density, and intermodal connectivity, ocean carriers design their rotations with New York as first port of call on the East Coast. This brings major benefits, including discretionary cargo that could easily move through other gateways if costs rise too high. Those same dynamics create equipment challenges:

1) Import volumes far exceed exports, leaving large numbers of empty containers with limited outbound cargo.

2) Cargo destined for New York is often stowed above later port cargo for stability reasons, limiting the ability to load empties without costly rehandling. Export demand forecasts are frequently inaccurate, and carriers protect space for later ports.

3) Disruptions and vessel bunching further complicated equipment planning. These are structural realities and not failures of carrier behavior.

Perhaps most critically, container volumes have continued to grow without a corresponding increase in terminal density or off-dock container yard capacity. In fact, container yard space within the port complex has declined in recent years, even as the need for storage has increased. If the port lacks space to handle current and projected volumes based on actual dwell times, no fee structure will resolve congestion. Before imposing penalties, the port should commission an independent study by terminal design experts to determine whether the port complex is appropriately sized both today and for the future.

Fee mechanics 'deeply flawed'

Setting aside broader concerns, the mechanics of the imbalance fee are deeply flawed. The current formula focuses on whether containers enter and exit facilities by sea or rail. It ignores containers that leave via truck and never return to the port. These include leased and one-way containers that are returned to owners after import; truck-served inland cargo to locations such as Boston, Montreal or Toronto; off-dock container yards used by ocean carriers at significant expense, specifically to relieve congestion (an approach this fee would discourage); and damaged containers held under jurisdictional rules, for reasons beyond a carrier's control.

By failing to recognize these realities, the fee formula risks charging ocean carriers for containers that are no longer in the port — potentially more than once. Rolling past imbalances into future billing periods only compounds the problem, ensuring fees are disconnected from actual

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ost importantly, the formula is a deterrent to ocean carriers actively taking steps to solve empty storage issues, as carriers will pay this fee regardless.

Ironically, a fee designed to improve port fluidity may instead drive discretionary cargo away from New York and New Jersey altogether. Ocean carriers and inland cargo owners have choices. If costs rise without meaningful benefit, freight will move elsewhere. That would mean fewer containers, fewer truck and rail moves, and fewer jobs for the region —not improved fluidity.

Ocean carriers stand ready to work constructively with the port to address empty container issues. Collaboration, not unilateral penalties, is how durable solutions are achieved in complex supply chains. The port should commission an independent capacity study and revise the formula to ensure it reflects how containers actually move through the port complex, fully considering the interests and incentives of those stakeholders that are involved.

Getting this right matters, and not just for ocean carriers, but for the long-term competitiveness of one of America's most vital ports.

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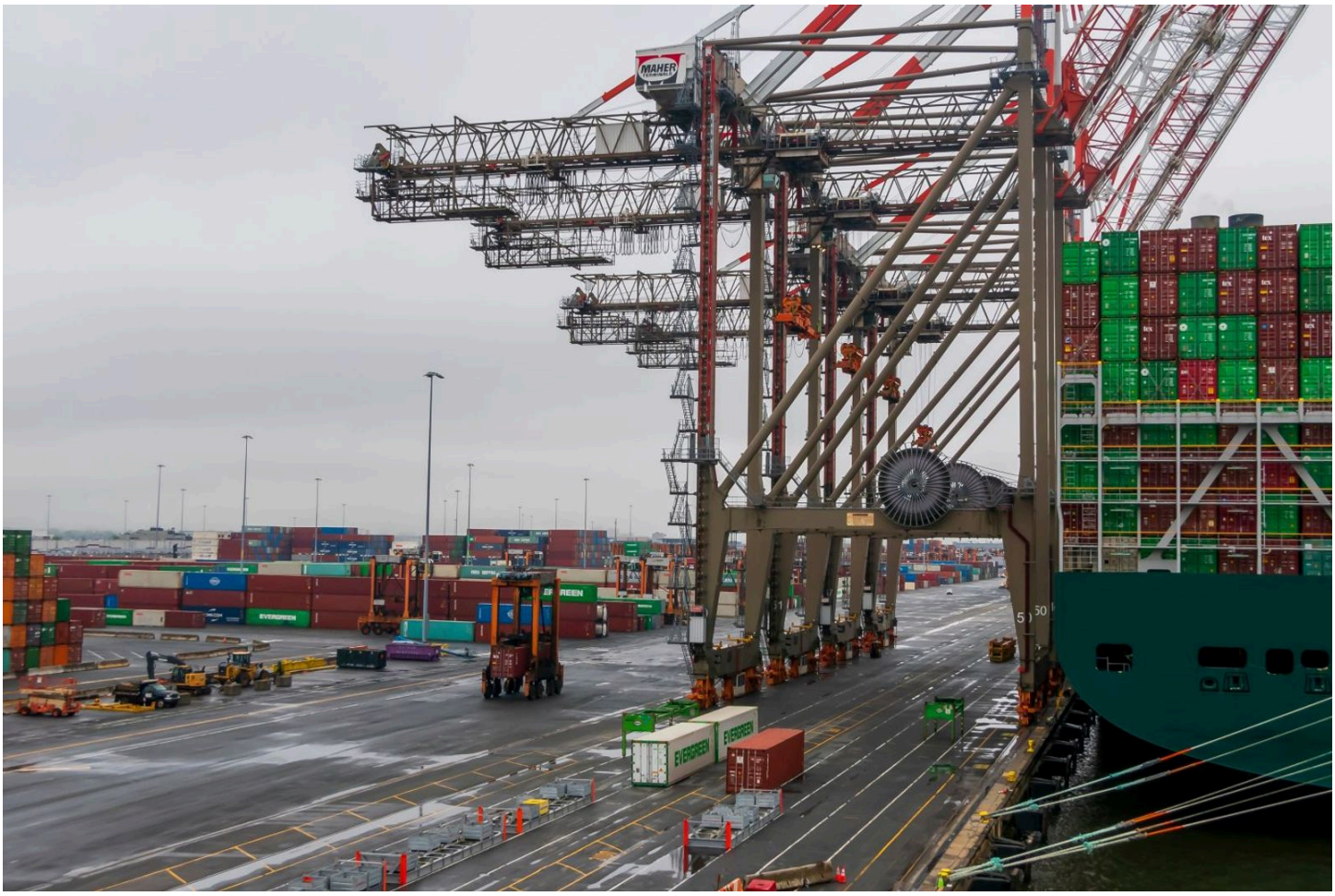
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