

## Ongoing negotiations between the International Longshoremen's Association (ILA) and the United States Maritime Alliance, Ltd. (USMX)

### Frequently Asked Questions (FAQs)

Below are answers to some of the most Frequently Asked Questions (FAQs).

***Given the fluid nature of the situation, this information is accurate to the best of our knowledge at this time. We will share any updates as they become available.***

Q: What is the background of the potential industrial action?

A: The ILA, representing workers at several major U.S. East Coast and Gulf ports, is in ongoing negotiations over contract terms, wages, and working conditions. With no resolution yet, there is a growing risk of industrial action starting October 1, 2024.

Q: Which ports are directly impacted by this potential industrial action?

A: The industrial action would primarily impact major U.S. East Coast and Gulf ports where ILA members are employed, including but not limited to New York/New Jersey, Norfolk, Philadelphia, Baltimore, Charleston, Savannah, Jacksonville, Miami/Port Everglades, Mobile, New Orleans and Houston.

Q: Will this industrial action only affect container traffic?

A: This industrial action could impact all cargo types, including containerized, bulk, and breakbulk cargo moving through affected ports.

Q: When is the labor disruption expected to begin?

A: The current labor contract is set to expire on September 30, 2024, so the disruption could potentially begin as early as October 1, 2024. However, the exact timing remains uncertain as it depends on the outcome of ongoing negotiations.

Q: How long could the potential industrial action last?

A: The duration of the industrial action is uncertain and depends on the progress of negotiations and/or government intervention.

Q: Which lanes or services are impacted by this potential industrial action?

A: All shipping services served by the affected ports would likely experience delays or disruptions, impacting both import and export cargo movements.

Q: What options can Hapag-Lloyd offer?

A: Providing alternative routings is challenging due to the anticipated scope of the labor disruption. We encourage you to discuss specific shipment options with your local Account Executive. In the meantime, we are working with customers to expedite bookings on earlier vessels and to prioritize moving import containers off the terminals before any disruption occurs.

Q: Will I still be able to pick up my full import container from the terminal during an industrial action?

A: In the event of a strike, cargo left on the terminal at the affected ports will not be accessible.

Q: Can I still pick up empty containers for export loading during an industrial action?

A: The situation remains fluid, but empty container pickups are expected to be possible inland and near dock depots, subject to the operational conditions of other facilities.

Q: Can I return empty containers at the port during the industrial action?

A: Returning them to the terminal might not be an option during a strike, however, Hapag-Lloyd may offer additional locations for returning empty containers near affected ports. Please visit our local page for Empty Return Depot options by U.S. location [here](#).

Q: What should I do if I need to return empty containers during the industrial action but can't do so at the ports?

A: We are identifying alternative depots where empty containers can be returned if port returns are not possible. We will keep you posted on the locations through this [link](#) on our website.

Q: In the event of a port closure, will I be able to retrieve back my full export container?

A: No, truck gates are expected to be non-operational during a port closure. Please plan accordingly.

Q: How will Demurrage & Detention (D&D) be handled during an ILA industrial action?

A: In the event of an industrial action, affected days will be classified as "shut out" for import and export D&D, meaning they will not be charged in D&D calculations. Additionally, any weekends between shut out days will also be considered non-chargeable.

Q: Will shipping rates increase during the industrial action?

A: Shipping costs, including freight, warehousing, and drayage rates, are expected to rise due to increased demand for alternative routes and port services. Emergency surcharges may also be applied to account for additional handling and congestion.