



Date September 12th, 2024

Subject **Customer Advisory: US East and Gulf Coast Port Labor Dispute**

Dear Customer,

We are monitoring the market situation in the **United States** very closely and would like to provide you with an update about upcoming potential work stoppages at East and Gulf Coast ports.

### **Why are we writing?**

The current contract between USMX, the organization representing terminal operators and steamship lines at US East and Gulf Coast ports, and the ILA, which represents union workers at these ports, expires September 30th, 2024. Historically, contract negotiations between the two parties have been resolved without major disruption with the last strike occurring in 1977. However, there is an increasing likelihood that a strike will occur unless a new contract is reached prior to September 30th.

Negotiations between the ILA and USMX for a new master contract have been paused since June, although reportedly some progress has been made on local contracts during this time. ILA and USMX leadership held internal meetings with their members September 4-5, after which both released statements reiterating their respective positions ([Link to ILA Statement](#), [USMX Statement](#)).

### **What is the potential impact for you in case of a strike?**

A possible work stoppage at US East and Gulf Coast ports will lead to port congestion, delays, and supply chain disruption. US importers, exporters and overseas-based companies trading with the US will all be impacted by cascading regional vessel delays and resulting equipment imbalances. All ocean services calling at East or Gulf Coast ports will be impacted, with every day of work stoppage leading to approximately one week of subsequent backlogs.

In the event of work stoppages, please find possible scenarios below and how these will be handled:

#### **1. Import containers arriving before Friday, September 27th:**

Ports are expected to remain open through Monday September 30<sup>th</sup>; however, it is recommended to have containers picked up by Friday September 27<sup>th</sup> to avoid potential delays. There will likely be limited Saturday gates at various terminals, and the ports should be operating on Monday, September 30<sup>th</sup>, which may be the last day of operation if a strike occurs. Local DHL teams will be proactively contacting customers to assist in picking containers up from the port and if containers can't be received by the intended warehouse, DHL can assist in providing local off-terminal yard storage solutions.

We strongly recommend using the MyDHLi platform for visibility purposes, which allows you to track your shipments and access key information regarding deliveries in real-time.

#### **2. Containers scheduled to arrive at port after September 30th:**

These containers will effectively be on hold and will be cleared from the ports when the strike is over. Expect one week of delay for every day of a work stoppage.

#### **3. US Export Containers:**

Port operations will cease after September 30<sup>th</sup> and DHL operations teams will assist customers with export bookings in advance of this date.



**4. US LCL Shipments:**

US LCL Export received in East and Gulf coast areas; will have alternative routings available via West Coast. DHL operations teams will assist customers with export bookings.

US LCL Import shipments routed via West Coast and Canada into US will continue to do so and will be monitored accordingly.

Please contact your local DHL Global Forwarding Sales or Customer Service representative for any questions. We appreciate your continued partnership and hope for your understanding.

Kind regards

DHL Global Forwarding