



Oct 29, 2021

NOTICE TO CUSTOMER

Los Angeles & Long Beach Port Emergency Fee

The **Ports of Los Angeles and Long Beach** have announced that effective **November 1st**, an **"emergency fee"** will be assessed against cargoes dwelling on port Terminals in excess of specified periods:

- For cargoes designated for **movement by truck** remaining on port nine (9) or more days after discharge
- For cargoes designated for **movement by rail** remaining on port six (6) or more days after discharge
- The fee of **\$100 per container increases in increments of \$100 per container per day** (i.e., the fee will be \$100 per container on Day 9, \$200 per container on Day 10, \$300 per container on Day 11...), and is compounded each day (i.e. total fees on Day 9 is \$100, total fees on Day 10 is \$300, total fees on Day 11 is \$600)

The announced fees were developed in coordination with the White House's Supply Chain Disruptions Task Force, the U.S. Department of Transportation, and a number of supply chain stakeholders. The announced purpose of the "emergency fee" is to incent timely removal of cargoes from the San Pedro Bay terminals, improving fluidity of the supply chain and reduce the critical level of congestion in the Ports of Los Angeles and Long Beach. The Ports will collect those fees directly from Ocean Carriers and the revenue will be re-invested by the Ports for programs designed to enhance the efficiency, accelerate cargo velocity, and address the impact of congestion throughout San Pedro Bay.

The specifics of the fees have not yet been published; we will share those details with you – and publish an implementing Tariff Rule – as soon as they are available. To be clear, assessment of the 'emergency' fee will be in addition to previously published demurrage charges and will be invoiced to you. Given the short-term notice of the change in charges for terminal services – which fall well outside ZIM's control - we understand that the assessment of this fee will put your company in a difficult position. We will continue to identify solutions that might help mitigate the impact of the Ports' action; given the fact that your cargoes are typically manifested for discharge at Los Angeles or Long Beach and are identified for Merchant Haulage, this notice is forwarded so that you might take steps to remove your cargoes from the Terminal before they are subject to the fee.

We appreciate your continued support and will keep you informed of developments as they occur.