

Update on ILA-USMX Negotiations and Potential Impact

December 19, 2024

Dear Customer,

We continue to keep you informed about the ongoing negotiations between the International Longshoreman Association (ILA) and the United States Maritime Alliance, Ltd. (USMX), which may impact your operations.

On October 3, a conditional agreement on wages was agreed allowing for an extension, but discussions on technology-related issues stalled negotiations when both parties met in November. The contract was extended until January 15th, so unless a new agreement is reached by that time, it is possible that the ILA will again begin a coast-wide strike on January 16th. The situation remains dynamic as we await further developments but the possibility of a strike increases each day that passes without a settled contract.

Should there be any developments during the holidays we will share an update with you via email and [Maersk.com](https://www.maersk.com). We advise our customers to continue booking through your normal booking channels including Maersk.com and Maersk Spot. Note: Maersk booking acceptance is contingent upon space and equipment availability, as always.

Maersk Operations & Contingency Preparation

Our teams continue to develop contingency plans to reduce the potential impacts should a labor disruption occur.

In the event of an ILA work stoppage, we anticipate that all USEC and Gulf Terminals will implement the same closure measures as they did in October. We may see halted operations, suspension of gate and rail services, while terminals and nearby depots may not be open to accept empty returns. Our operational team continues to assess impacted services and vessels and explore different options considering various timelines. More detailed information regarding specific closure times for each port will be provided as the date nears. We will promptly communicate specific vessel contingencies, ensuring operations are completed on time and that vessels are not docked

Equipment

In the event of ILA work stoppage, USEC and GULF terminals and nearby depots will not be open to accept empty returns. Please hold your empties until the terminals and depots reopen. Escalations can be sent to NAMEQUEDO@maersk.com

As the January 15 deadline approaches, we recommend that customers make preparations to move containers off terminals prior to any disruptions. It is not yet confirmed whether terminal operators will offer additional hours to support doing so, however please monitor terminal schedules for schedule adjustments that may present more opportunities to manage cargo. Your commitment to move containers off-terminal will help reduce the impact of not being able to access your cargo in the event of a terminal closure.

Should disruptions occur, we stand ready to assist our customers with exploring their options - keeping their supply chains moving best as possible via alternate routes, modalities, or distribution schedules. Customers are



asked to stay in close contact with their Maersk representatives now as communicating supply chain requirements will be key to developing tailored contingencies if needed.

We will provide updates as the situation unfolds.

Sincerely,
Maersk