

August 22nd, 2024

Canadian Rail Update #2

Force Majeure Declared

Dear Valued Customers,

This is to inform you that Ocean Network Express Pte. Ltd. (“ONE”) has declared force majeure for all shipments in and out of Canada, due to the Teamsters Canada Rail Conference (“TCRC”) strike and the Canadian National Railway (“CN”), and Canadian Pacific Railroad (“CPKC”) lockout with regards to their ongoing labor negotiations.¹ ONE further references and incorporates Clause 18 of ONE’s Bill of Lading Terms. The force majeure period shall commence on August 22, 2024.

The basis for the force majeure is the TCRC strike and the lockout scheduled by Canadian National Railway and Canadian Pacific Railroad (the “Strike/Lockout”), which has been announced to go into effect at 00:01 a.m. of August 22, 2024. According to TCRC, the strike was related to the TCRC, Canadian National Railway, and Canadian Pacific Railroad being unable to come to a negotiated settlement in their ongoing negotiations. Due to the Strike/Lockout, cargo coming to, leaving, or moving within Canada will be subject to rail stoppage, and delay is expected for transportation of all affected cargo due to challenges in berthing vessels and offloading of cargo because of terminal metering. ONE does not have any direct involvement in the negotiations, and ONE was unable to reasonably avoid or prevent the Strike/Lockout.

ONE will implement the measures laid out in our August 21st advisory:

Exports from North America:

- Demurrage for Canadian rail cargo: ONE does not charge rail demurrage.
- Detention for Canadian rail cargo: ONE will suspend detention fees for containers that have not been returned. Containers booked for return at Canadian coastal terminals are still subject to standard detention.
- For Canadian inland locations: Empty pickup at Canadian inland locations and laden return to coastal terminals, ONE will not impose any fees associated with these requests.
- New bookings via Canadian rails: ONE will not accept new bookings moving on the Canadian rails until the situation is resolved. ONE will continue to take Canadian local (coastal/port) export bookings.

¹ Additional information provided for reference only:

From TCRC: <https://www.teamstersrail.ca/news-details/news/latest-news-updates/24083/92580>,
<https://www.teamstersrail.ca/news-details/news/latest-news-updates/24083>

From CPKC: <https://www.cpkcr.com/en/media/CPKC-to-issue-TCRC-lockout-notice-for-Aug-22>

From CN: <https://www.cn.ca/en/media/cn-and-tcrc-bargaining-updates/>

- Bookings for US origins, previously routed via Canadian gateways: ONE will accept bookings only via the US gateways until the situation is resolved.

Imports to North America:

- Some terminals have notified all customers and carriers that Import rail cargo will be subject to additional charges. These additional charges are pass-through charges that will be billed by ONE where applicable. At this time, this would be for Import rail cargo discharged at:
 - Prince Rupert terminal and Vancouver Centerm terminal (PN4 service) - Subject to additional CAD 292.95 per container.
- There are no anticipated changes to detention or demurrage freetime currently. Empty receiving instructions will be posted accordingly.
- Change of destination for rail cargo via Canada to Canadian and US inland points:
 - To change the final destination from an inland rail destination to Vancouver local pick-up, ONE will waive our standard USD 400 diversion fee and continue to follow our standard diversion application process. Additional handling charges at the terminal may apply.
 - Requests to change the port of discharge from Vancouver or Prince Rupert to Seattle or Tacoma will be difficult to execute and may incur substantial additional costs. Many requests will not be operationally feasible. ONE will attempt to entertain these requests within our very limited capabilities but cannot guarantee approvals.
- New bookings via Canada rail (Live Reefer / DG): ONE will not accept new DG and live reefer bookings via Canada gateway until the situation is resolved. ONE will continue to take Dry inland bookings via the Canada gateway.

ONE is closely monitoring developments and will provide updates to ensure you remain informed of any changes to your service. ONE will continue to update with the latest information as available and will further update if TCRC or the railroads provide an estimated duration of the Strike/Lockout.

If you have any immediate concerns or require additional information, please contact your sales account representative or our Cargo Management Teams.

Sincerely,
Ocean Network Express (North America) Inc.
as agent for Ocean Network Express Pte. Ltd.
