

Special Memo Concerning Issues During the East-Gulf Coast Port Strike

Duty Payment Implications

When goods that have arrived with an entry filed and released, and the cargo is still in the terminal, the clock for the payment due date does not stop even though the cargo cannot be picked up the duties and fees must be submitted timely. We transmit our entries using the estimated date of arrival that estimates the duty payment from the estimated date instead of the actual date of arrival. If that date is not updated by CBP when the shipment has arrived by the carrier and the strike goes on for any length of time, duties may be scheduled for payment before the cargo is unloaded.

We anticipate that our clients want the entries filed and obligating the duty so that when the cargo does become available it can be moved for pick up as quickly as the terminals can have it ready. One of the challenges is how long the strike will last. If it is only for a few days obligating the duty should not be a problem. However, with the possibilities that the strike could be extended, decisions need to be made now on when to file an entry and obligate payment of duty.

Entries on regular statement will have the duty taken by CBP ten (10) days after the release. For entries with payment being made by Periodic Monthly Statement (PMS), the payment date is the 15th working day of the next month. For example, an entry transmitted today will have the payment date of November 22, 2024. This gives a lot of leeway for getting the goods before the duty is paid. If there is a large duty amount due on a shipment where the duty will be obligated to be paid in only (10) days, we ask our clients to talk to their Carmichael client representative about whether to withhold submitting that entry. Even for those using PMS, when there is an exceptionally large amount of duty, a decision on if the entry should be transmitted should be made early.

Right now, estimates on the strike length run from only a few days to more than a month. We plan to prefile entries under our current process unless instructed by our customer not to. If you have concerns about the possible early payment of your duties, please give us a call.

Demurrage and Detention

Many of our clients have questions about demurrage on containers left at the terminals when the strike started this week. We have heard of different actions from different carriers and terminals.

They range from charging demurrage only containers that has exceeded the free time when the terminals closed to maintaining the demurrage charges as posted with no change. Many terminals have said that they will assess detention on any containers not received within the free time. However, the Federal Maritime Commission (FMC) has issued an Industry Advisory with instructions that the Ocean Shipping Reform Act (OSRA) rules are to be followed.

Under OSRA demurrage and detention is only to be charged as a legitimate financial incentive to move loaded containers off the terminals or to get empties back to the terminals for the use in moving cargo, it is important that your trucker keep track of attempts to pick up containers or return empties that were denied access. These dates will be important for your protection from improper charges when the strike is over.

Also, all fees and surcharges assessed for special handling during the strike must be reasonable, clearly defined, and serve a specific purpose. The Advisory also includes instructions on how to file complaints if terminals and carriers do not follow the Advisory instructions. Here is a link to the Industry Advisory issued by the FMC: [Industry Advisory: All FMC Statutes and Regulations Remain in Full Effect in the Event of Terminal Closures Related to Possible Work Stoppage - Federal Maritime Commission](#). We will watch for new announcements as they come out in response to FMC's advisory instructions.



By Todd Boice, President