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24 May 2022

### PSW Emergency Fee Surcharge

United States of America North America

May 24, 2022 - Update 8

Potential Container Dwell Fee Surcharge for Pacific Southwest Ports On Oct. 25, 2021, the Biden Administration announced that, effective Nov. 1, 2021, the ports of Los Angeles and Long Beach

would begin charging a "Container Dwell Fee" on all long-dwelling cargo as terminal congestion had reached historic levels. Since that time, the ports have delayed consideration of the fee week after week. However, given that congestion continues to impact vessel and landside supply chain operations, the likelihood of the Administration implementing the fee has risen significantly this month.

historic levels of goods coming into the U.S., geopolitical conflicts, and challenges in global markets. In addition, the ILWU and the PMA have initiated labor negotiations for a contract that expires July 1st in advance of shipping peak season. In its efforts to counter these supply chain stressors, the Biden Administration has tasked its "Supply Chain Disruptions Task Force" and the <u>U.S. Dept. of Transportation</u> of to enact strategies they believe will mitigate disruption.

Since last year's announcement, supply chains have endured even more disruptions, including the COVID-19 pandemic,

While a detailed FAQ document is available on Maersk.com, general program parameters are as follows:

- The fee will be applied to all containers that remain at the terminal for 9 days or more and rail containers for 6 days
- The cost is \$100 per container on the first day past the set dwelling limit for terminal or rail and will increase by \$100 increments for each day that follows (i.e., \$200 for day 2, \$300 for day 3 and so on) • The relevant Port Authority will be charging the fee and submitting the bill to Ocean Carriers to act as collection
- agents to charge and invoice those with a cargo interest in the laden import containers • Maersk will collect any amounts due from cargo owners (or their designated demurrage payer) before releasing the
- cargo Rest assured, Maersk continues to explore different options for moving longstanding containers to help customers

mitigate exposure to this new government fee. On May 3rd, we published our Customer Advisory, "Off-dock Drayage

Program for Long-Dwelling Containers Begins May 16 in Los Angeles and Newark." The advisory stated that Maersk will begin transferring longstanding import containers in its Los Angeles and Newark gateways to off-dock yards as of May 16th. While we continue to make progress, similar dray-off programs are being considered in other locations such as Seattle, Houston, Savannah, and Chicago. Customers with cargo in the Los Angeles (APMT) and Long Beach (TTI) terminals are encouraged to take advantage of our "Saturday Gate Incentive," which offers a \$100 per container credit for import pickups. We have extended this credit

program through June 18th. We understand the fee implementation could put all parties involved in a difficult situation as truck, chassis, and warehouse capacity are all extremely stretched. We ask for your continued support in prioritizing the pickup of ageing

cargo as we work together to restore fluidity of the marine terminals and inland hubs for a more reliable supply chain. Please reach out to your Customer Experience representative should you have any questions. FAQ's

### When will the Emergency fee go into effect?

10

11

8

10

More than 10

#### The program went into effect on the 1st of November 2021, but at the discretion of the Port Executive Director,

\$200

\$300

\$300

\$400

\$500

implementation of the fee has thus far been delayed. How will the fee be assessed?

### move. The 9th day and 6th day respectively will be the first charge day.

Mhat is the fee structure?

Cumulative charge (\$)

\$100

\$300

\$600

\$600

\$1000

\$1500

The fee will be assessed on all containers dwelling for 9 days or more on truck moves or for 6 days or more on rail bound

#### Local Import Loaded Container Daily charge (\$) **Days on Terminal**

#### \$100

12	\$400	\$1000
13	\$500	\$1500
More than 13	Incremental \$100 increase per day with no limit	
Intermodel Import Loaded Container		
Days on Terminal	Daily Charge(\$)	Cumulative Charge(\$)
Days on Terminal		Cumulative Charge(\$) \$100

### How will the dwell days be applied for containers on terminal when the fee goes into effect?

Incremental \$100 increase per day with no limit

Will this charge apply to all PSW containers?

All import containers on terminal that are dwelling for more than 8 days from the date the fee goes into effect will be

to any non-waterfront rail yard containers.

deemed to be at 9 days dwelling for purposes of fee charges.

Who will be charging this fee? The relevant Port Authority will be charging the fee.

The charge will only be applicable to all waterfront terminal dwelling import containers. The charge will not be applicable

#### Who is responsible for paying this fee? The Port Authority of Los Angeles Tariff No. 4 states: "This Excessive Dwell Fee shall be billed directly to the Ocean Carrier

bill to Ocean Carriers to act as collection agent to charge those with a cargo interest in the laden import containers. As a customer of Maersk, should my container exceed the defined dwell times, will I be billed this fee?

under whose bill of lading a Container subject to the fee was discharged..." This means that the Ports are submitting the

## as the owner of the cargo that is dwelling on the terminal, resulting in the fee from the Ports.

Yes, should your container not be removed beyond the defined dwell times, Maersk will pass this cost onto all customers

How will I be billed? Maersk will issue an invoice for the accumulated owed fee.

### Will the fee be calculated based on calendar or working days?

The surcharge will be applied based on calendar days, inclusive of Saturdays, Sundays, and holidays.

### How will the number of days be measured?

Discharge from the vessel will constitute day 0. Days are then measured based on the completion of a 24-hour period

For shipments booked with Maersk on a through bill to an inland rail location, should the

commencing 3:00AM each calendar day.

container be subject to rail delays, will customers still be subject to the fee?

#### While Maersk will still be subject to the fee by the Port Authority, for through bills to inland rail locations where the container was subject to delays, Maersk will not pass this fee onto the customer unless the delay is caused by a customs hold, government exam, or any other reason attributable to the customer

Will there be a maximum cap on the fee, or will the charge continue for the duration the container is on terminal/rail? There is no maximum cap on the fee that will be applied.

#### Will containers held for Customs Exam be exempt? No, all containers will be subject to the fee irrespective of release status.

inspection) or any receiving constraints at the customer's warehouse. How will the surcharge be applied for Customer Preferred Trucker moves?

No, the fee will not be applicable unless the delay is caused by a freight, OBL, customs hold (exam or any government

Will the fee be applicable for store door moves where Maersk controls the trucking (MPT)?

#### This is a government impelled charge, the no-new-fee clause does not apply in this instance. Will Maersk have to publish this new surcharge in our tariff and give 30-day notice per FMC regulations?

Will the charge apply to me if I have a no-new-fee clause in my service contract?

The customer is responsible for the fee on all Customer Preferred Trucker moves.

this surcharge to be applied on the same timeline as announced by the Ports.

surcharge be waived? We are unfortunately unable to waive this government-mandated fee due to lack of chassis. For CY and SD (CPT) moves, the trucker nominated by the customer is responsible for securing the chassis.

Maersk has published a new surcharge in its tariff under the name "Emergency Government Port Storage Charge". The

What if I am unable to pick up my container due to a lack of chassis, will the emergency

published tariff rule allows for this new surcharge to be applicable effective immediately. Customers can therefore expect

### APMT and TTI have confirmed that they will not be placing cargo in a closed area. Who is responsible for the fee if the container is not made available by the terminal?

What happens if my container is placed in a closed area at the terminal?

#### The fee will generally apply even in situations where terminal appointments are not available if the Port Authority does not make any exceptions. We encourage truckers to maximize dual transactions and leverage weekday 2nd shifts and Saturday gates when there are typically ample appointments available.

Customers will not be charged the fee if the container is not made available by the terminal for pickup.

If an appointment pickup time is not available, how will this fee be assessed?

as of May 16th. Please refer to the customer advisory sent on the 3rd of May provided here "Off-dock Drayage Program for Long-Dwelling Containers Begins May 16 in Los Angeles and Newark" What happens once a container is gated out and placed in a holding yard (per the solution

The container will no longer be subject to the Emergency fee but will continue to be subjected to demurrage fees.

Maersk will begin transferring longstanding import containers in its Los Angeles and Newark gateways to off-dock yards

#### Will customers be charged a drayage fee for the movement of their containers from the port to the holding yard?

Will all Maersk customers be offered this solution?

outlined above)?

Yes, a drayage fee may be applicable.

be applied as well per current standard practice.

you informed.

What solutions will be made available to Maersk customers?

As there are only a finite amount of capacity at these holding yards, movement will be subject to availability and in its duration in dwelling. Please contact your customer service representative for more information. Will my container be placed on hold until the fee is paid?

Containers will be placed on hold subject to payment of the excess dwell fee. Container demurrage holds will continue to

Note: We are still actively working with both regulators and the ports of Los Angeles and Long Beach alike to gain a full

understanding of all the issues at hand and as more information becomes available, trust we will do our utmost to keep

#### Previous updates To review all previous updates to ensure that no communication is lost, please unfold the below list.

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