MEDIA MENTIONS

Benesch Partner Jonathan Todd Quoted in Law360: What To Watch As East Coast Ports Strike Roils Supply Chain

OCTOBER 2, 2024

Jonathan Todd, Vice Chair of Benesch's Transportation & Logistics Practice Group, was quoted in a recent Law360 article discussing the significant ramifications of the first major dockworkers' strike on the East and Gulf coasts in 47 years.

The strike, involving tens of thousands of International Longshoremen's Association (ILA) members, has left supply chain stakeholders grappling with disruptions that parallel the severity of the COVID-19 pandemic.

In the article, titled *"What To Watch As East Coast Ports Strike Roils Supply Chain,"* Todd highlighted the immediate impact the strike has had on West Coast port volumes. “West Coast port volumes increased dramatically in September,” Todd noted, attributing this to both the anticipation of the strike and the recent implementation of enhanced Section 301 duties on Chinese imports by the Biden administration.

Todd also underscored the wide-reaching effects of the strike, explaining, “We have to bear in mind that these ports handle about half of the import and export traffic to the United States, so it’s not exclusively an import problem. I’m aware of U.S. interests that are using air cargo, which is much more expensive, but it also has, in this environment, reliability.”

The article details the broader implications of the strike, which has disrupted key industries including food, automotive, pharmaceuticals and agriculture. Manufacturers and retailers are now facing elevated costs as they explore alternative routes for shipping, including air transport and land routes through Canada and Mexico.

Additionally, Todd spoke on the potential financial burdens stemming from detention and demurrage fees during the strike. He emphasized the complexity of managing these fees under the current regulatory framework: "There are very clear rules now, post-OSRA, on how detention and demurrage must be invoiced, the notice you have to give to your shipper and how per diems are handled - all of those rules still apply, it's just that this is a challenging environment to handle those, and so I think folks will certainly see increases in cost and time."

As the strike continues with no resolution in sight, businesses across the country are left facing the uncertainty of delayed shipments and rising operational costs, while federal agencies monitor the situation closely.

Read the full article on Law360 here.