



Date November 6<sup>th</sup>, 2024

Subject **Customer Advisory Ocean Freight: Port Situation Canada**

Dear valued Customer,

Given the ongoing labor disputes on both Canadian coasts that are now impacting operations at Vancouver, Prince Rupert, and Montreal, we would like to provide you with an update on the current situation.

#### **Canada - East Coast**

The announced indefinite strike at Termont's two Montreal terminals (Viau and Maisonneuve, both served by MSC vessels) started **on Thursday, October 31st, at 11:00 AM**. Consequently, access to both terminals is prohibited, with no rail, vessel, or truck services provided. Containers that were discharged prior to the strike but not evacuated in time remain at the terminal without access.

Other terminals at the Port of Montreal, including Cast (Hapag-Lloyd and OOCL vessels) and Racine (CMA-CGM and Maersk vessels), remain open for the moment. However, there has been discussions that these terminals could also be targeted for union action. Operational limitations at these two terminals are already impacted, as rail services in and out of the facilities were suspended yesterday due to operational constraints. The only option to move freight would be by truck, but significant delays should be expected due to yard congestion and limited line-haul capacities. This is also associated with additional costs at the burden of the merchandise.

As a consequence, steamship lines have already diverted vessels to the Port of Halifax, but the port is already at the limit of its capacity due to additional volumes, and congestion is increasing. Significant delays should be expected here as well. Rail and truck capacities will not be sufficient to serve all needs, and additional costs may be associated. Especially for rail services, limitations apply depending on equipment and commodity type, such as reefer, special equipment, out-of-gauge, and overweight freight.

Apparently, carriers have also put vessels that are still further away from the Canadian coast on slow steaming to avoid the bottlenecks and only berth after the strike is over.

As the situation is frequently changing, accessibility and possible solutions need to be checked for each container individually. Our operation is actively working to minimize the impact on your business as much as the situation allows, but please kindly understand that options may be limited due to the overall market circumstances.

#### **Canada – West Coast**

International Longshore and Warehouse Union Local 514 foremen began limited strike actions on Monday, November 4th, 2024. In response, the B.C. Maritime Employers Association locked out workers at 4:30 p.m. the same day, causing the Ports of Vancouver and Prince Rupert to come to a standstill. The duration of the work stoppage is uncertain.



Cargo that has arrived and is still on the terminal will remain on the terminal with no access. Arriving ocean vessels have to remain at anchorage until the ports reopen or must be diverted to the US West Coast. Steamship lines will decide individually on each incoming vessel.

As a result, CN Rail as well as CPKC Rail suspended the acceptance of all export cargo at the inland terminals for services through the West Coast. Paired with the service suspension in Montreal, it is expected that this will cause a major rail car imbalance.

Considering that we are heading into the winter season, which imposes mandatory train length restrictions and a steady flow of cargo coming to the coasts, it will take weeks if not months after the reopening and recovery of the ports to resolve the imbalances.

We apologize for any inconvenience this situation may cause, but circumstances are beyond our control.

If you have any specific concerns or require further information, please do not hesitate to contact our customer service team. We appreciate your understanding and cooperation during this challenging time.

Thank you for your continued partnership.

Sincerely,  
Your

**DHL Global Forwarding Ocean Freight-Team**