

Update: West Coast Port Congestion Surcharge

by Michelle Kelley - Wednesday, November 19, 2014



As a follow-up to [our last client alert](#), we are pleased to announce that many carriers have since rescinded or postponed their port congestion surcharges after Mohawk and many other industry groups questioned the legality of how they were filed with the Federal Maritime Commission (FMC).

In response to the many inquiries it received, [the FMC posted a notice to their website](#) citing Commission regulations and the Shipping Act of 1984 as stipulating that “a carrier may only lawfully charge the rates in effect on the day the cargo is tendered.” Although carriers had argued that they had published tariff rules in 2012 giving notice of their intention to implement surcharges under certain conditions (such as “labor unrest”), the FMC negated the legality of their argument, noting in their news release that “all such carrier tariff rules...must be clear and definite as to the implementation and termination of the surcharge based upon specific criteria related to labor unrest.”

Mohawk will continue to follow this issue and keep you informed as news develops. For now, we are happy to share the positive news that the port congestion surcharge is not being implemented.

[Client Alert: Port Congestion Surcharges coming to the U.S. West Coast Port Congestion Surcharges](#) (Federal Maritime Commission Newsroom)



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