



CUSTOMER ADVISORY

ILA Strike FAQs – January 30, 2013

To Our Valued Customers,

The potential for an ILA strike looms once again as the extended contract expiration is February 6. NYK Line sincerely hopes that you find helpful the following answers to frequently asked questions:

Is a strike by the ILA imminent?

There are many complex master contract and local agreement issues being negotiated by the employers and the ILA under the auspices of the Federal Mediation and Conciliation Service (FMCS). Like you, NYK Line remains hopeful that a work stoppage can ultimately be avoided. However, in the event a disruption should occur, NYK Line will be prepared with vessel contingencies and recovery plans that will be communicated to you in due course.

How will I know a strike has occurred?

NYK Line intends to provide an email advisory to our customers as soon as possible after confirming a strike has been called. Information will also be posted to our website at www.nykline.com/english (In the Banner at the lower left hand corner). However, customers should remain vigilant for reports in the media and also check the USMX website at <http://usmxlaborupdates.com/> as well as FMCS at <http://www.fmcs.gov/internet/>.

What ports would be involved if there is a strike?

The ILA Master Contract covers the fourteen U.S. East Coast and Gulf ports from Maine to Texas. See the Table on Page 5 for a list of ports where NYK Line services call.

How will a strike impact the flow of cargo?

The fourteen U.S. East Coast and Gulf ports covered by the Master Contract would be closed in the event of an ILA strike. Container ships would not be able to berth and those already berthed would not be able to load or discharge containers. Empty and loaded containers would be unable to enter or exit the terminals. In some cases, vessels that may have completed operations may not be able to sail. Once the strike is settled, a backlog of cargo at port terminals can be expected. At present, it is impossible to forecast how long it would be before the backlogs are cleared and turn time on cargo movement is back to normal.

Does NYK Line have contingency plans in place in the event a strike occurs and recovery plans once the strike is over?

NYK Line and our vessel sharing partners are continually reviewing ship schedules for all trade lanes and considering all viable options in the event the U.S. East Coast and Gulf terminals are closed. Alternative options are limited however and congestion is likely to build quickly at all North American ports that are not impacted by the strike. NYK Line will work with our rail, truck, and terminal vendors to do everything possible to move containers into and out of the terminals and on or off ships so they can depart prior to the contract extension deadline. NYK Line will advise our



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customers as soon as contingencies become necessary for a vessel/voyage and as recovery plans are ultimately implemented.

Will alternative routings be available via U.S West Coast or Canadian ports?

An existing service contract rate will be required before cargo can be routed via an alternative port. Similarly, requests for change of discharge port or delivery destination (COD) cannot be accepted without an existing service contract rate covering the revised port or destination. The applicable rates must be filed in your service contract and with the FMC *prior to NYK Line receiving your cargo*. Please contact your NYK Line Sales Representative to discuss possible alternative routes and rates if your service contract does not already contain them. If your service contract does contain the necessary routes and rates, please note that rail, terminal and vessel capacity for these alternative routings will be limited. Increased activity may result in congestion on these routes and cargo delays. Additionally, if alternative routings result in cargo moving outside of the U.S., customers or their agents are expected to know all of the requirements for moving cargo via that country.

Will NYK Line implement a congestion surcharge?

NYK Line has filed a congestion surcharge in our public tariffs for all trade lanes, to be applied in accordance with the language in those tariffs. See the Table on Page 5 for a list of tariffs and Rules.

Will NYK Line claim force majeure?

While NYK Line will do everything possible to avoid claiming force majeure, circumstances may evolve that leave no other choice. If avoiding force majeure results in rerouting or the transshipment of cargo, the costs to do this will be invoiced for the account of the consignee, the shipper, or as otherwise instructed by our customers, according to the applicable provisions of the NYK Bill of Lading, NYK Line governing tariffs and/or service contract.

What should I do with export cargo currently in containers at my warehouse?

Please do not attempt to return containers to terminals or rail ramps without first confirming that the facility is open and working. NYK Line will not absorb any costs resulting from trucks being denied entry due to port facility closures or rail embargo. Once free time expires, NYK Line will not invoice detention charges for containers held at our customers' and/or their agents' property while port and rail facilities were closed relative to an ILA strike.

Will I be charged demurrage if I had import shipments at a terminal that were unable to be picked-up prior to the terminal closure?

NYK Line will offer the same demurrage and cargo free time terms to our customers that each terminal applies to us. NYK Line will provide an update once those terms have been confirmed.

Will NYK Line continue to accept import and export bookings via U.S. East Coast and Gulf ports in the event of a strike?



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NYK Line should continue to accept these bookings from customers provided an applicable rate is already filed in their service contract, subject to space allocation and/or availability. Please bear in mind that bookings accepted via strikebound ports may have to be rolled to the next available vessel(s) or ultimately cancelled if the strike is not settled with sufficient time to operationally accommodate the booking(s) for the intended vessel(s). Customers will be notified in advance if a booking must be rolled or cancelled due to strike-related causes.

How will refrigerated cargo be handled in the event of a strike?

Ideally, in the event of a strike, NYK Line would work with customers to advance existing bookings to ships departing prior to terminal closures, subject to space availability. However, those bookings that cannot be advanced would have to be rolled and/or cancelled until terminals reopen and operations resume. It is recommended that you contact your local NYK Line Sales Representative or customer service at 1-888-NYK SHIP to discuss your specific bookings and requirements due to product sensitivity and the operational complexity given the geographical range of ports involved.

How will containers moving by rail to a port or rail ramp be impacted by a strike?

Should a strike be called, containers in possession of a rail carrier may be held at the origin rail terminal, place of interchange receipt, or at any other point en route. Containers held at the origin rail terminal, in the rail carrier's sole discretion, may be made available for removal. If containers have been routed to a rail carrier's off-port facility, they may continue to move and could be made available for removal from that facility. However, it is likely that those containers would remain at the rail carrier's off-port facility for the duration of the strike. NYK Line will not absorb any costs resulting from containers held at rail carrier facilities.

Will I be able to return or pick-up empty containers to/from off-dock locations?

Off-dock depots utilizing ILA gate labor will not operate during a strike. Off-dock locations utilizing non-union gate labor may have limited abilities subject to space constraints. If empty containers are required for destinations outside of the affected areas, operations teams will work to meet your needs turning containers on the street or supporting from inland locations. It is recommended that you contact customer service at 1-888-NYK SHIP to discuss your specific requirements.

Whom should I contact for information on specific shipments?

Please contact NYK Line customer service at 1-888-NYK SHIP for details relating to your specific shipments. Information addressing your concerns may also be available on our e-Commerce website at www.nykline.com/english. As always, your local Sales Representative is also available to assist.

How often will NYK Line provide updated advisories?

We expect to provide updates throughout the work week but not more than once each business day. However, this is subject to change without notice depending upon the situation at the time. Customer



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Advisory emails will be sent directly to customers by our Sales division and will also be posted to our e-Commerce website at www.nykline.com/english (In the banner in the lower left hand corner).

Please Note: The contents of this Customer Advisory are intended solely for informational purposes and are subject to change without notice. Also, nothing contained herein is intended to supersede or take precedence over the provisions of the applicable NYK Line Bill of Lading, governing tariffs, and/or service contracts. If a conflict arises between the contents of this Advisory and such Bill of Lading, tariffs and/or service contracts, the provisions of the Bill of Lading, tariffs and/or service contracts shall apply.

Please contact your local NYK Line Sales Representative or customer service at 1-888-NYK SHIP for more information or if you have additional questions.

Thank you for your continued support of NYK Line.

Yours faithfully,
NYK Line (North America), Inc.



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NYK Line U.S. East Coast & Gulf Terminals:

PORT	TERMINAL	SERVICES	WEBSITE
New York	Global Terminal (Global)	AEX, ATX, PAX	http://www.global-Terminal.com/t3/index.php?id=glbl_index
	New York Container Terminal (NYCT)	ANS, NCE, SCE2	http://www.nycterminal.com/t3/index.php?id=106
	Port Newark Container Terminal (PNCT)	IEX	http://www.pnct.net/
Norfolk	Norfolk International Terminals (NIT) North	AEX, ANS, ATX, GAX, NCE, PAX, SCE2	http://www.portofvirginia.com/facilities/nit.aspx
	APM Terminals	IEX	http://www.apmterminals.com/americas/virginia/
Charleston	North Charleston Terminal	ATX, GAX, IEX, SCE2	http://www.port-of-charleston.com/
Savannah	Garden City Terminal	AEX, ANS, GAX, IEX, NCE, PAX, SCE2	http://www.gaports.com/Home.aspx
Miami	South Florida Container Terminal	ANS, GAX	http://www.sfct.us/index.php
New Orleans	New Orleans	ANSG	http://www.portno.com/index.htm
Houston	Barbours Cut Terminal	ANSG, GAX	http://www.portofhouston.com/

NYK Line Tariffs – Congestion Surcharges:

TARIFF	RULE	SCOPE
NYKS-027	10-AG	Rates & Rules Tariff for India Sub-Continent to US
NYKS-030	10-44	Governing Rules Tariff for Asia to US
NYKS-053	10-AC	Trans-Atlantic Westbound Governing Rules and Freight Tariff
NYKS-060	10-AD	Trans-Atlantic Eastbound Governing Rules and Freight Tariff
NYKS-178	10-080	Rates and Rules Tariff - Other Trades Outbound from the US
NYKS-179	10-012	Rates and Rules Tariff - Other Trades Inbound to the US
NYKS-187	10-6	Import/Export Tariff US to/from Mexico, Central & South America
NYKS-917	10-I	Westbound Rules Tariff (US to Far East)