

SC Ports resumes most operations, but recovery just beginning



On an average day, the Port of Charleston handles about 6,000 to 8,000 truck transactions, including cargo going to and from off-dock rail yards. Photo credit: Mariusz Bugno / Shutterstock.com.

Ari Ashe and Senior Editor | May 21, 2024, 5:28 PM EDT

It will take the South Carolina Ports Authority a week or more to restore normal cargo flow through its network following the software malfunction that forced the closure of truck gates at Charleston's marine terminals and SC Ports' two inland ports for most of two days, trucking companies that work the market said Tuesday.

SC Ports, in a statement late Tuesday afternoon, said cargo pickups and drop-offs had resumed at all marine terminals and Inland Port Greer. The statement did not mention Inland Port Dillon, but a spokesperson for the port authority said the facility remained closed.

Additionally, SC Ports said it would extend gate hours until 7 pm Tuesday at the Wando Welch and North Charleston marine terminals “to support our motor carriers and cargo owners.”

“We appreciate the support of our maritime community and the patience of partners as we work through the restart of operations,” the port authority said.

SC Ports has said the widespread software problem that surfaced on Sunday did “not appear to be a cybersecurity issue.” A spokesperson for the port said the software vendor confirmed that the root cause of the malfunction was a technical issue, not cyber related.

While operations have mostly resumed, truckers say working through the backlog of containers that weren’t moving for almost two days has only just begun.

“In general, we still anticipate backlogs for a week or two,” a source at one trucking company told the *Journal of Commerce*.

On an average day, about 6,000 to 8,000 truck transactions are handled at the Wando Welch and North Charleston marine terminals, according to the South Carolina Ports Authority. Wando is the primary container location in Charleston. Other operations inside the terminal returned to normal on Monday, including loading and unloading vessels and moving boxes within the yard.

Trucking companies are concerned about short-term equipment shortages due to the pileup of cargo requiring drays to customers. A second large trucking company with operations in Charleston warned that shippers might receive accessorial fees on invoices due to the congestion.

“Even after the backlogs subside, we anticipate per diem and chassis usage cost impacts and disputes created as a result,” a source at the company told the *Journal of Commerce*.

Aside from the landside concerns, there will also be downstream effects outside the harbor. As of Tuesday afternoon, there were 13 container ships anchored outside Charleston, meaning the port will need to devote extra resources to clear the backlog of vessels.

Winding through unexpected fees

There are several types of accessorial fees that could become an issue in Charleston in the coming weeks, but a port official said the issues can be easily resolved.

First, there is the question of how ocean carriers and the port authority will treat the free time on containers discharged from vessels on Monday. Port officials will invoice ocean carriers for excessive use of the terminal grounds and ocean carriers will add their fees for not removing the container in a timely fashion in a demurrage invoice. The port told the *Journal of Commerce* that it will not count Monday or Tuesday toward its demurrage invoices.

Secondly, cargo owners may ask questions about detention penalties – i.e. penalties for not returning the empty container back within a pre-determined window. If a shipper was unable to return its empty container because the terminal was not accepting boxes, would the ocean carrier waive the fee charged on Monday since truck gates were unavailable? In *TCW v. Evergreen*, the Federal Maritime Commission ruled that a marine terminal must be open to incentivize the flow of containers through accessorial fees. The port did not comment on this issue since it's a question for the ocean carriers.

The port also told the *Journal of Commerce* that it will not charge customers for chassis usage on Monday or Tuesday, and it would add an extra day for exporters to deposit their cargo if their window began prior to Monday.

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