

Construction Update

October 2024

Dockworker Strike Could Disrupt Construction Projects

A strike by about 47,000 members of the International Longshoremen's Association (ILA) that began at midnight on October 1 has essentially closed approximately 14 crucial ports along the East and Gulf Coasts. While some ports are attempting to continue operating, others have already closed significant portions of their facilities, such as the Port of New York and New Jersey and the Port of Virginia. While it is unknown how long the strike will last, it has the potential to disrupt supply chains that have only nominally recovered from past impacts arising from the COVID-19 pandemic. In fact, it is estimated that the strike will affect approximately half of all ship cargo arriving into the United States, with most needing to be diverted to West Coast ports, potentially causing numerous delays for construction projects relying on steel, lumber, or specialized equipment being shipped from abroad.

This situation presents a vital opportunity for construction project owners and developers, construction managers, contractors, subcontractors, and suppliers to review their applicable contracts to determine whether material shipping delays could affect their construction project schedules or result in potential claims. Specifically, project participants should review force majeure or delay clauses to determine if they might apply to delays caused by the strike and if written notice of such delays is required. They should also evaluate cost escalation provisions if the project price is based on a contractor's actual costs. Regardless, project participants should provide formal written notice to relevant parties if the dockworker strike will potentially result in increased costs or time on a construction project. Project participants should strive to protect their interests while communicating possible consequences as soon as

they are aware of them to help mitigate any adverse effects on a project, even where the actual impact is not yet calculable.

FOR MORE INFORMATION

For more information, please contact:

Alan S. Ritchie

216.566.5616

614.469.3354

Alan.Ritchie@ThompsonHine.com

Daniel M. Haymond

216.566.5896

Dan.Haymond@ThompsonHine.com

Stasha Sosnowicz*

513.352.6755

Stasha.Sosnowicz@ThompsonHine.com

**Admitted to practice in New Jersey, New York, and Pennsylvania. Certified under Ohio Gov. Bar R. I § 19 to practice in Ohio while her application for admission is pending.*

This advisory bulletin may be reproduced, in whole or in part, with the prior permission of Thompson Hine LLP and acknowledgment of its source and copyright. This publication is intended to inform clients about legal matters of current interest. It is not intended as legal advice. Readers should not act upon the information contained in it without professional counsel.

This document may be considered attorney advertising in some jurisdictions.

© 2024 THOMPSON HINE LLP. ALL RIGHTS RESERVED.