



Dear Friends and Colleagues:

As promised, we are continuing to closely track the Hanjin Shipping bankruptcy situation. Please see below for an update.

The U.S. Bankruptcy Court in New Jersey conducted a hearing on Oct. 7, 2016. Among other matters addressed by the Court was a motion by an NVOCC, Globerunners, Inc., seeking a ruling from the Court expanding and clarifying the Court's Sept. 9 Order granting provision relief. More specifically, Globerunners wanted the Court to expand its provision order to apply not only to its relationship with Hanjin but to third parties as well.

The Court granted the Globerunners motion. Among other relief granted, of potential significance to NVOs, was the following:

1. Hanjin relinquished all claims of right, title or interest in any containers it had leased from third parties containing Globrunners customers' goods.
2. Regarding Hanjin-owned containers currently subject to customs custody, the Court ruled as follows:
 - a. To empty the containers and return them without charge to a site designated by Hanjin, if any, within 50 miles from where the container was picked up or the marine terminal where the container was picked up.
 - b. To continue to use the container at a rental charge set by the Court.
 - c. If Globrunners removes a container from the marine terminal it will do so at its own expense, along with the cost of transporting the container elsewhere. However, if the marine terminal refuses the return of the empty container, and no reasonably convenient location is designated for the return, Globrunners will not be responsible for addition usage charge for the container.
3. On export shipments tendered to Hanjin on either an intermodal or directly to a marine terminal, Hanjin may not claim any freight charges for such shipments to the extent the goods are shipped to destination by Hanjin carrier partners' vessels, other than the charges agreed to be all parties. In other words, Globerunners cannot be charged more than it would have initially.



Although the foregoing ruling addressed a motion of a single NVO, the expectation among those monitoring this ongoing proceeding is that the decision may have general application to all NVOs facing similar issues as those which motivated Globberunners to file its motion with the Court.

In simple terms, Hanjin can't charge shippers for goods it can't carry because of the bankruptcy. It also can't charge for containers where they cannot be returned within the geographic scope set by the Court. On this latter point, Hanjin had already announced it would not charge detention charges for containers that could not be returned until some protocol was set up to facilitate returns. The Court's order makes it official and adds some added qualifications.

Anyone wishing to see a copy of the Court's order may request it via email. As the foregoing is for informational purposes only and should not be considered legal opinion or advice, please refer to the order before taking any action.

As you may know, our firm represents ocean freight forwarders, non-vessel operating common carriers, customs brokers and cargo interests, many of which have containers detained, or awaiting loading for export, on Hanjin vessels. We are available to help those seeking advice or representation in connection with retrieval of containers or other difficulties you may be experiencing.

Please contact me directly at (212) 252-0004 or rfurman@cmk.com for more information.