



## PROPOSED AMENDMENT TO FREE TIME DEFINITIONS FOR SERVICE CONTRACTS

SCOPE: **IMPORT/EXPORT TO/FROM USA**

Dear Valued Customer,

As previously advised, MSC will be modifying its billing practices in compliance with the Ocean Shipping Reform Act of 2022, and subsequent regulations. In so doing, we are enacting multiple changes to make our billings as simple and transparent as possible. Among these changes, we will be issuing proposed amendments to service contract holders which clearly define detention, demurrage, and per diem billable days and free time days as being “working” days rather than “calendar” days. This is currently the calculation method already existing in our public tariff, and it helps ensure that days only accrue when equipment pickup and return is possible. A working day defined in our tariff as “any day of the week on which the marine terminal operator, the rail ramp location, or the container yard, as the case may be, is open for business.”

This new definition will apply to accrual against free time, as well as accrual against billable days.

This change is intended to go into effect as soon as possible but no later than August 1, 2024. We strongly encourage you to provide your written consent to these upcoming service contract amendments in a timely fashion so that this beneficial change can be formalized in your agreement.