

LEGAL UPDATES

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Navigating the Supply Chain Aftermath: Legal Implications of the Baltimore Bridge Collapse

The tragic event of yesterday's Baltimore bridge collapse presents a host of issues—most importantly the loss of innocent lives. As the National Transportation and Safety Board (NTSB) rightfully delayed its in-depth investigation until a complete search and rescue is completed, the event spawns a host of initial legal issues to explore. This is the first of a series of forthcoming Husch Blackwell legal updates that will provide detailed analysis of the legal and practical business issues to consider as a result of the bridge collapse.

Specifically, the Port of Baltimore handled over \$80 billion worth of cargo in 2023 alone (including almost 900,000 shipments of automobiles) with 12 private and five public terminals. As such, the Port closure will have a massive economic impact. Speculative causes of the incident range from mechanical failure, to unclean fuel, to human error, to cyber security issues. The NTSB's detailed investigation will begin with analyzing the electronic recorder data and gathering all maintenance and safety records, among a host of other information.

For the supply chain and shipping community, the incident affects maritime lanes as carriers seek alternative ports of call while the Port remains closed for the foreseeable future. In the next few weeks alone, hundreds of vessels will divert. Future efforts will focus on the significant tasks of clearing the channel, re-opening the Port, and replacing the bridge to allow surface transportation.

As an initial matter, five general legal issues emerge:

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1. Immediate cargo re-routing to other ports, to motor carriers, and/or to rail pending the destination and preferences of the controlling parties (including bond securement issues).
2. Cargo damage as well as associated detention and demurrage charges, including bill of lading and tariff terms, COGSA (Carriage of Goods by Sea Act), and/or the applicability of “General Average.”
3. Structural issues, including deconstructing the collapsed bridge in a methodical fashion (which may implicate broader structural/engineering issues), and reconstructing the bridge to re-open vital surface transport.
4. Environmental impact upon the surrounding areas during cleanup and beyond.
5. Short and long-term Eastern port impact, including temporary increase in cargo volume at other East Coast ports and the potential long-term impact for use of West Coast options.

Contact us

We look forward to unfolding these and other legal issues further via our forthcoming series and analysis in the weeks ahead. If you have questions relating to the Baltimore bridge collapse or its implications for shipping and supply chains, please contact Julie Maurer or a member of our national Transportation or Supply Chain Logistics teams.