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Mammoth cargo ship under arrest off Long Beach due to Hanjin shutdown

Goods must stay in U.S. until judge approves a plan to unload ships operated by Korean shipping giant

By Rachel Uranga, Long Beach Press Telegram

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One of three Hanjin ships moored off Southern California's shores was seized by U.S. Marshall's officers, officials confirmed Wednesday.

Two fuel suppliers teamed up to lay a claim last week on the Hanjin Montevideo, said an attorney for one of the companies. The cargo craft has been sitting inside the breakwater while the financially crippled Korean shipping giant tries to hammer out a bankruptcy plan to resume business.

Deputy U.S. Marshal Matthew Cordova confirmed the assets had been seized. Maritime law allows such companies to plant a lien on a ship, he said.

"As far as I am aware, no other vessel within the United States has been arrested," said Neil B. Klein, the lawyer who filed the claim.

Claims filed in U.S. District court argued that the company owes suppliers about \$775,000 for fuel in the Montevideo's tanks.

The move came just ahead of a New Jersey bankruptcy judge's Tuesday decision to grant the company protection from creditors. The judge also ordered all Hanjin ships to remain in the U.S. On Friday, he is expected to finalize a plan that could pave the way to unloading. Now, terminals won't accept cargo without a payment plan.

The arrest order allowed the ship to enter the port, but prevented it from leaving. "We will be happy for the boxes to be taken off the vessel," Klein said. "But no one wants to remove the cargo because they are not going to get paid."

Meanwhile, another ship that sat for days off the Southern California coast to avoid being seized by creditors headed toward Mexican waters Wednesday as its fuel supplies began to run low. The Hanjin Greece drifted to 30 miles off the coast of Mexico, where it avoided U.S. regulations requiring low-sulfur fuel, reported the Marine Exchange of Southern California, a maritime tracking service. Some ships carry a limited supply of the less-polluting fuel.

The world's seventh-largest shipping company's third ship in the region, the Hanjin Boston, remains outside

the breakwater.

Lawyers involved in the case estimate there are thousands of potential creditors — and some may never get paid what they are owed.

Assurances from South Korea's top economic policymaker on Wednesday that Hanjin Shipping Co. vessels marooned off Long Beach will be able to unload cargo this week offered little relief to such creditors.

“There are a lot of unanswered questions about taking cargo,” said Jon Gold of the National Retail Federation. “The impact isn't just on retailers, this also has an effect on manufactures waiting on production.”

Days after Hanjin's parent company pledged \$90 million to stem the financial collapse, South Korean Finance Minister Yoo Il-ho said at a government meeting he expects the cargo crisis to ease this week.

But the long-term impacts could be felt for years to come, said lawyers involved. About [8 percent](#) of all goods coming from Asia are shipped via Hanjin.

Hanjin's collapse stunned the global supply chain, as everyone from warehouse operators to truck drivers to tow-boat operators to international home-electronic manufacturers await a resolution.

Robert Krieger, president of Carson-based freight forwarder and customs broker Norman Krieger, said he has customers with clothing stuck on the Hanjin Boston that should be on its way to stores.

Even if the ship is soon unloaded, he and his clients face an array of logistical problems, including what to do with Hanjin containers and how to reel in products stranded in foreign seaports.

“It could be a disaster for our clients,” Krieger said.

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