

## PROCEDURE FOR OBTAINING NAEGA STRIKE CERTIFICATES

Clause 20 of NAEGA FOB Contract No. 2 (Revised May 1, 2000) is generally applicable whenever delivery of a commodity, or any part thereof, is prevented at an elevator or port, or the forwarding of the commodity to the elevator or port is prevented by:

- (1) Riots, strikes, lockouts, interruptions in or stoppages of the normal course of labor;
- (2) Embargoes or exceptional impediments to transportation; or
- (3) Action by Federal, State or Local government or authority

PROVIDED the seller sends proper notice to the buyer and furnishes the buyer, at buyer's request, a NAEGA Certificate certifying the existence and duration of the cause.

Such certificates are issued by the NAEGA Committee on Strikes, Riots, Lockouts and Embargoes whose duty is to investigate the merits of any application made to the Association by a shipper for the issuance of any certificate or for the furnishing of any information relating to strikes, riots, lockouts, embargoes, or other conditions affecting his contract, and to approve the issuance of certificates or cables pursuant to, and in accordance with, the rules adopted by the Board of Directors of the Association and the committee's own rules of procedure.

Under Rules of Procedure adopted by the committee in July 1992:

- The committee's function is limited to verifying or denying that a strike (or other Clause 20) condition exists based upon documents submitted by the applicant;
- While it is the applicants' responsibility to furnish appropriate documentation to support their claim, the committee believes it would be appropriate to suggest they provide:
  - Copies of fax messages, telexes, etc. which establish the parties involved in the Clause 20 declaration; and
  - Documentation from neutral third parties (e.g., port authorities) which clearly establishes the beginning (and end, if available) of the "Cause;"
- The committee does not attempt to assess how the strike (or other Clause 20) situation affected execution of the contract between the parties as long as a general connection between the "Cause" and prevention and delays under NAEGA 2 contracts is obvious;
- Committee decisions are based upon the opinion of the majority. A unanimous opinion is not required; and
- A separate application is required for each port or elevator involved.