

# Contingency Plan Template for Disruptions in Freight and Space Logistics

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Purpose: To prepare for and mitigate disruptions caused by geopolitical events, labor shortages, tariff changes, and global supply chain delays.

## 1. Situation Overview

Anticipated disruptions to monitor closely:

- Port Labor Disruption: Potential disruptions to freight routes from Houston to Maine.
- Chinese New Year (CNY): Factory shutdowns causing production backlogs and shipment delays.
- Labor Shortages: Widespread impacts on trucking, warehousing, and port operations.
- Policy Changes: Geopolitical shifts including tariffs or immigration disruptions that may exacerbate supply chain stress.
- Combined disruptions impacting global and domestic logistics, labor availability, and space operations.

## 2. Risk Assessment

Risk Category	Potential Impact	Severity (High/Med/Low)	Mitigation Strategy
Tariff Implementation	Increased cost of imported goods, raw materials	High	Preemptive shipping, renegotiation of terms.
Labor Shortages	Reduced truck drivers, warehouse labor, dock workers	High	Act immediately to secure contracts with reliable labor partners
Port Labor Disruption	Delays in unloading/loading cargo and capacity issues	High	Diversify routes, explore alternate ports.
Chinese New Year Shutdown	Production backlogs, missed deadlines, quality issues	Medium	Accelerate orders, verify quality control.
Cross-border Delays	Delays in U.S.-Mexico shipments due to border checks	Medium	Identify alternative ports, expedite permits.
Space Payload Delays	Disruption in launch schedules or payload transport	Medium	Secure dedicated transport solutions.

## 3. Actions to Mitigate Disruption

A. Freight Logistics:

1. Prioritize Critical Shipments:
  - o Identify time-sensitive and high-priority goods.

- Expedite shipments before tariffs or labor disruptions take effect.
- 2. Diversify Shipping Routes:
  - Explore West Coast ports, Canadian ports, or Gulf alternatives.
  - Increase use of intermodal options (rail, barge, and air freight).
- 3. Secure Warehousing and Storage:
  - Arrange flexible storage options for delayed cargo.
  - Use temporary holding facilities near key entry points.
- 4. Lock-in Capacity and Rates:
  - Work with freight partners to secure trucking and rail capacity.
  - Avoid exposure to rising spot market rates.

#### B. Space Logistics:

1. Audit Supply Chains for Mission-Critical Components:
  - Identify dependencies on imported satellite parts and payload materials, and map out alternative suppliers or domestic options to mitigate delays.
  - Identify alternative suppliers to mitigate delays or shortages.
  - Identify dependencies on imported satellite parts and payload materials.
2. Preemptive Transport Booking:
  - Secure specialized transport in advance.
  - Avoid reliance on disrupted regions for final-mile delivery.
3. Build in Timeline Buffers:
  - Extend launch windows to account for freight or labor delays.
  - Establish backup transport plans for payload readiness.
4. Enhance Cybersecurity Measures:
  - Monitor systems for disruptions in logistics tracking and communications.
  - Implement redundancies in critical launch operations infrastructure.

## 4. Communication Plan

#### Internal Communication:

- Daily brief, actionable updates from logistics and operations teams.
- Real-time monitoring of disruptions and alternative solutions.

#### Customer Communication:

- Weekly Briefings: Proactively share updates on evolving conditions and provide links to additional resources or detailed action plans for quick access.
- Action Alerts: Notify customers immediately of any delays or cost changes. For example:
- 'Port Labor disruption Update: Shipment ETA extended by 3 days due to labor delays. Contact us for rerouting options.'
- 'Tariff Alert: Increased costs on inbound goods from China starting Jan 15. Expedite critical orders now.'
- Guidelines: Share updated shipping timelines, contingency options, and risk mitigation steps.

## 5. Review and Monitor

- Designate a senior leader to oversee task force operations, ensuring clear leadership in monitoring the situation and implementing contingency actions.
- Track key metrics:
  - Freight delays (in days)
  - Cost increases (percent)
  - Labor availability (capacity levels)
- Provide a post-disruption analysis to evaluate performance and lessons learned.

## Scenario Analysis: Impact of Tariffs and Labor Disruptions

### Scenario 1: Immediate Tariff Implementation

- Impact: Increased costs for imported goods (5-20% depending on sector).
- Sectors Affected: Electronics, automotive parts, raw materials, consumer goods.
- Actions for Customers:
  - Expedite critical orders before tariffs take effect.
  - Explore nearshoring options in Canada, Mexico, or domestic suppliers.
  - Renegotiate supplier contracts to share tariff burdens.

### Scenario 2: Labor Disruptions Due to Mass Deportation Policies

- Impact: Severe labor shortages across trucking, ports, and warehouses.
- Secondary Effects: Increased shipping delays, storage congestion, and wage spikes.
- Actions for Customers:
  - Lock in contracts with reliable freight partners.
  - Prioritize automation or technology-assisted labor solutions.
  - Identify alternative storage facilities to handle overflow cargo.

### Scenario 3: Port Labor disruption on East Coast

- Impact: Delays and congestion at alternate ports (West Coast, Canada, Gulf Coast).
- Secondary Effects: Rising costs for expedited shipping and inland transport.
- Actions for Customers:
  - Route shipments through alternative ports in advance.
  - Arrange for additional trucking and rail capacity.
  - Communicate realistic timelines for delivery to end customers and set contingency plans to maintain trust and proactively manage expectations.

### Scenario 4: Chinese New Year Shutdowns

- Impact: Delays in production, reduced quality control, and backlog post-CNY.
- Actions for Customers:
  - Place orders well in advance of factory shutdowns.
  - Work with suppliers to verify quality post-production.

- Identify alternative manufacturers outside China if needed.

## Customer Guidance

- **Prioritize Critical Shipments:** Expedite time-sensitive goods to avoid delays.
- **Diversify Shipping Routes:** Use alternative ports, rail, or air freight to maintain flow.
- **Secure Storage and Warehousing:** Arrange flexible storage solutions for cargo.
- **Lock-in Labor Capacity:** Work with vetted partners to avoid workforce shortages.
- **Audit Supply Chains:** Identify weak points and ensure alternative suppliers are ready.
- Our team is prepared to provide customized solutions, alternative logistics routes, and real-time support throughout this disruption period.

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