

From: [Pam Brown](#)
To: [Secretary](#)
Cc: [Shannon Whitt](#)
Subject: Demurrage/Detention
Date: Wednesday, October 30, 2019 12:57:02 PM
Attachments: [Customer Letter Port of Oakland Delays.pdf](#)
[FW West Coast update.msg](#)

Good Afternoon,

We would like to take this opportunity to file comments regarding the current unregulated practices of steamship lines and terminals when it comes to assessing detention and demurrage. While we know it is unreasonable to ask the FMC to regulate private industry, when it comes to unfair business practices it is the responsibility of our regulators to protect the industry.

There have been multiple occasions in the past years where our company as well as clients have been forced to pay demurrage/detention when containers were not available for collection.

- >Government shutdown
- >Customs exams taking extended time due to CBP or port man power
- >Port strikes/labor disputes
- >Steamship line is low on chassis/equipment
- >Port has container in closed area
- >Port has no appointments available to schedule for days
- >Closing gates early so cannot return empty container

These are a few cases which are not something that the industry has any control over yet they are left bearing all the costs. If the container is not made available and the opportunity to collect it, then the timeline should not start for demurrage/detention. We completely understand the need for these fees to eliminate companies from using the terminals as short term storage areas, but we must have some common sense logic applied.

In 2015 when the port of Oakland had extreme port issues (letter from Steamship line attached for review), during this time in a 6 week period we had one client forced to pay over \$5400 in demurrage/per diem costs as well as port congestion fees to truckers of \$250 per container just to get their containers out of the port. How can the carriers charge such fees when they contract with the ports to arrange suitable labor and have the proper facilities to conduct trade?

While we completely understand and can prepare for the cost of doing business when we are notified of increases as in the second attachment, it is simply not possible in a slim mark up industry to be able to long term sustain unforeseen costs are we have been forced to do in the past.

Another crucial issues is the timing of the billing, we can receive invoices for per diem a year or two after the shipment happens, If you do not pay then you are simply cut off and all your shipments held, in the interest of moving forward there needs to be a reasonable period to ensure all parties know of all costs timely. If we get a per diem invoice today for a shipment that happened 18 months ago and that client is no longer doing business with us, then our company is on the line. It is not

reasonable to allow such late billings and being held hostage, can you imagine receiving a personal debt collection for something you knew nothing about years before and were held hostage to pay?

This one client was importing dozens of containers a month in 2014-2015 and now they import a dozen a quarter as they had to scale down business to survive.

We hope that the FMC will continue to push through this issue and ensure that it is added to future legislation.

We would be happy to discuss further if you have any questions.

Sincere Regards,
Pam Brown
Vice President
Future Forwarding Company
NCBFAA Area 4 Representative

From: [Pam Brown](#)
To: jeaston@locksfirmhire.com
Cc: [Cindy Payne](#)
Subject: FW: West Coast update

Good Morning Tod,
Hope you are doing well. Well after reading this article it may not be such a good morning. Please let us know if you have any additional questions.
Thank you
Pam Brown

West Coast Port Congestion Surcharges Take Effect

Top News|17 Nov 2014|Ref: 1411170023

Several major steamship lines recently announced port congestion surcharges will take effect Nov. 17 for West Coast ports, amid a continuing slowdown by the International Warehouse and Longshore Union and the resumption of a strike by drayage truckers at the Port of Los Angeles/Long Beach. In an alert posted to its website, Evergreen Line told its customers that they are being "forced to trigger congestion charge collection" due to costs associated with disruptions with "no foreseeable relief in sight" (here). Several other steamship lines joined Evergreen with similar announcements, including Mediterranean Shipping Company (here) and Hanjin (here). Evergreen (here) and Hyundai (here) also announced congestion surcharges on outbound cargo. An ILWU-run news website called the move a "money grab" that "has nothing to do with labor negotiations." On import cargo, surcharges will be levied at \$800 per 20' container, \$1,000 per 40' container, \$1,125 per 40' high cube, and \$1,266 per 45' high cube. For lines imposing export surcharges, the amount will be \$240 per 20' container, \$300 per 40' container, and \$375 per 45' container. The logistics blog Great World said CMA-CGM and NYK also sent out alerts to their customers that they will begin imposing surcharges on import shipments (here). Hanjin's surcharge also applies to U.S.-bound shipments discharged at Canadian ports. The Federal Maritime Commission has previously warned the industry about congestion surcharges (see 14060214). The agency didn't immediately return a request for comment.

At the same time, several steamship lines announced service changes to account for congestion at West Coast ports. Hanjin suspended Chicago routing to the Pacific Northwest, as well as the Pacific Northwest reefer service and inbound and outbound operations to and from Minneapolis. Evergreen announced its China-Japan-U.S. East Coast service will no longer call on West Coast ports until further notice (here).

The moves come as the ILWU continues its slowdown of operations at Ports of Seattle, Takoma, and Los Angeles/Long Beach (see 1411060025 and 1411100015). Adding to congestion, drayage truckers on Nov. 13 resumed a strike that had been on hold since July. According to the advocacy group Justice for Port Truck Drivers, the strike over drivers' classification as independent contractors has spread to five major drayage companies at the port (here). The drivers had been picketing at several terminals, causing some delays, according to the Long Beach Press-Telegram (here). Justice for Port Drivers said the drivers agreed to take down the picket lines after meeting with Los Angeles Mayor Eric Garcetti on Nov. 14.
written by Brian Feito



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■ USA – Port of Oakland Delays

June 18, 2015

Dear Customer,

We would like to inform you of the labor shortages that continue to impact the Port of Oakland resulting at times in 2-gang limit allocations per vessel by PMA.

In addition, Yard congestion and overutilization of the local chassis pools have further deteriorated turn times causing import cargo to dwell for both rail and local door. There are currently seven container ships at anchor in the San Francisco Bay due to the labor shortage.

Until further notice, we regret to advise delays beyond our control on import door and rail moves over the Port of Oakland have to be expected.

For further information please contact your local Hapag-Lloyd office.

Kind regards,

Hapag-Lloyd (America) Inc.
as agent of Hapag-Lloyd AG