



Subject: Docket 19-05, Demurrage and Detention Comments

Date: October 31, 2019

To whom it may concern:

My name is Angela Czajkowski, and I am the Director of Supply Chain at Samuel Shapiro & Co., a 104-year old freight forwarder and Customs house broker headquartered in Baltimore, MD. I am also a member of the NCBFAA's NVOCC Sub-Committee. The comments contained herein represent those of my organization, with feedback gathered from members of our management team. We submit these comments in support of the proposed rulemaking regarding when demurrage and detention charges may be found to be unreasonable in violation of Section 46 U.S.C. § 41102(c).

First, let me say that we appreciate and support the concepts of detention and demurrage as a means of improving port performance, reducing congestion, and keeping cargo moving. In terms of specific comments with the goal of improving the process, we offer the following:

- We agree that availability should be clearly defined as off the vessel, in an assigned spot on terminal, where the spot is in an open area, with appointments available to retrieve, with no PGA holds.
- With specific regard to PGA holds, an evaluation of our files over a 12-month period showed that holds placed by one single PGA were associated with at least 31 instances where demurrage was collected on a file with that specific PGA hold for cargo held at a marine terminal. These shipments were held for an average of 8 days with an average cost per day of \$180. Total demurrage in this population totaled \$36,637, an average of \$1182 per shipment. Related to this issue, a free time extension (not necessarily for the entire duration of the hold) would allow the interested parties to continue to perform all necessary functions to satisfy a PGA's evaluation, while also continuing to provide incentive to cargo owners/brokers to prioritize cargo movement quickly upon release.
- We also believe that consideration should be given to the availability of the entire volume of a bill of lading.
- If chassis restrictions exist, we believe that chassis must be available.
- We agree with the NPRM that carriers should be required to issue a notice of cargo availability before the cargo should be considered available for pick-up. This would prevent issues where we are billed for days that should be considered free or where there are disputes over the last free day as advised.
- We believe this notice should be sent to the same parties receiving the arrival notice via email or EDI (as warranted) and should include all identifying information for the shipment (B/L number, Container Number, vessel/voyage details) as well as terminal location, availability and last free day details. The last free day details should include both the carrier's last free day after which charges will be assessed for demurrage on-terminal, the last free day after which charges will be



assessed on the equipment off-terminal as well as the terminal's last free day for this cargo. The disparity between terminal and carrier last free day details in certain circumstances creates a challenge in visibility. This has become a labor-intensive process to manage in order to mitigate potential errors based on disparate information.

- We believe that limitations should be placed on the timely billing of detention and demurrage, with a recommendation of 45 days after an empty container is returned, thereby finalizing the shipment. We have received invoices well after empty return (years later, in some limited cases, but more frequently 3 or more months after the fact). These become costly for us as we cannot reasonably go back to the customer (whether importer or exporter) to collect. We have been informed that billing of these charges can take up to 6 months, so we remain unnecessarily exposed during this time.
- We also believe that there must be clear definition over who is responsible for detention and demurrage charges at the time of shipping. We have received charges for detention incurred by an importer after they had taken possession of containers but failed to return them timely. We, as the Broker, have been held accountable until the importer agreed to accept the charges. This resulted in a great deal of labor investment by all parties to remedy this situation. We believe responsibility for these charges should be more clearly defined to allow carriers to collect monies due to them from the correct party in the most efficient manner possible, saving all parties time.
- We agree that clearer, industry-wide definitions of the terms "detention" and "demurrage" should be provided for easy assessment of contracts, tariffs, and invoices. This would allow all parties to speak in the same vernacular and to fully grasp what charges may be or are being billed.

Again, we recognize the importance of detention and demurrage as a way to maintain the velocity at which cargo moves through our marine terminals. With these changes, we believe the trade community can work together to streamline processes and to keep cargo moving.

All the best,

Angela Czajkowski

Director, Supply Chain

Shapiro