



April 17, 2020

The Honorable Michael Khouri  
Chairman  
Federal Maritime Commission  
800 North Capitol Street, N.W  
Washington, D.C. 20573

Dear Chairman Khouri:

On behalf of adidas, and in light of the current crisis, I am writing to urge the Federal Maritime Commission (FMC) to immediately finalize, as published, the FMC's Proposed Interpretive Rule addressing fair demurrage and detention practices at our nation's maritime gateways. Further, with the global supply chain disruption and massive loss of business resulting from the coronavirus, I urge the FMC to issue strong guidance stating that, based on the final interpretive rule, the current crisis constitutes a situation where detention and demurrage fees should be waived.

adidas is a global designer and developer of athletic and lifestyle footwear, apparel and accessories with the mission to be the best sports brand in the world. As an innovation and design leader, adidas engineers the best in high-performance products to make athletes better, faster and stronger and creates a range of classic and fresh lifestyle and high-fashion lines. The company's North America headquarters are in Portland, Oregon. adidas has nearly 12,000 employees across North America including many in our main distribution centers in Spartanburg, SC (2000), Wilkes-Barre, PA (720) and Indianapolis, IN (900).

adidas is facing unprecedented challenges throughout its supply chain because of the current crisis – from lockdowns in supplier countries and shipping issues to the shutdown of retail in the United States. As such, the imposition of detention and demurrage charges when equipment cannot be returned or containers cannot be picked up during the free period, for reasons beyond my company's control, especially in this time of crisis, is not only inherently unfair, but makes my company's products more expensive for consumers, at a time when they can least afford it.

adidas believes that the approach that the FMC has developed with the Proposed Interpretive Rule, which provides guidance for when a detention or demurrage charge can or cannot be fairly imposed, is the correct one.

Again, I urge the FMC to immediately adopt its proposed interpretive rule, as published. The FMC has created a strong rule, and it needs to be implemented now more than ever.



Thank you for your time and consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Godsey". The signature is stylized and fluid, with a large initial "J" and a long, sweeping underline.

Joseph Godsey  
Senior Vice President, Supply Chain Management  
adidas