



April 16, 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 VF Corporation, and in light of the Coronavirus, 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. Due to disruptions in the global supply chain and significant business impacts as a result of COVID-19, 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.

VF Corporation is a global leader in the branded lifestyle apparel, footwear, and accessories industries. With our diverse portfolio of iconic lifestyle brands, including Vans®, The North Face®, Timberland®, JanSport®, and Dickies®, we outfit millions of consumers globally. VF Corporation employs nearly 50,000 people worldwide with more than 23,000 in the United States. We produce more than 400 M units in 48 countries throughout the world. We also operate 56 distribution centers and more than 1,500 retail stores.

Our industry is facing unprecedented challenges throughout supply chains due to the COVID-19 pandemic, including factory closures, shipping issues, and the closure of thousands of retail stores in the United States.

As such, we consider the imposition of detention and demurrage charges to be inherently unfair when equipment cannot be returned, or containers cannot be picked up during the free period for reasons that are beyond our control. While we are not passing these additional costs on to our consumers, absorbing additional costs as a result of what we consider an unfair demurrage charge, makes the cost of producing goods increasingly more expensive.

VF Corporation believes 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.



On behalf of VF, 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 that reads "Cameron Bailey". The signature is written in a cursive, slightly slanted style.

Cameron Bailey
Executive Vice President, Global Supply Chain

CC: Commissioner Rebecca Dye
Commissioner Daniel Maffei
Commissioner Louis Sola
Commissioner Carl Bentzel