



2999 E. Pacific Commerce Dr. Rancho Dominguez, CA 90221

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Federal Maritime Commission

800 North Capitol Street, N.W
Washington, D.C. 20573

In response to *Docket No. 22-04, Comments on Demurrage and Detention Billing Requirements ANPRM*, Golden State Logistics has the following proposals:

Purposed Per Diem/Detention Billing Requirements:

- 1. A calendar for each container where per diem was billed and the amount that was billed for each day.**

Currently, there is no way to determine whether we were billed for a weekend, holiday or any other days that the terminal was closed for receiving. SB-45 and the UIIA contract agreement state that VOCC's cannot impose per diem charges on days that we cannot return empties due to reasons out of the trucker's control and/or terminal closures. The absence of a calendar is a grey area and allows steamship lines to essentially get away with billing per diem that goes against SB-45 law and the UIIA contract agreement. The calendar would be essential to verify what days were billed.

Additionally, the amount that was billed for each day would also be essential. Most VOCCs issue per diem bills based on a tier rate level. For example, the first 4 days after the last free day expires the rate would be \$300.00; on day 5 and thereafter would be a rate of \$400.00. To ensure the accuracy of the charges, we purpose the daily rate to be added to the calendar.

- 2. Reason codes that are easily understood for per diem revisions. Contingent with the calendar, anytime per diem is revised the charges should be colored in red giving us a clear view of what exactly was revised and reason- with the reason code.**

In one scenario, we received a per diem invoice for X amount on 1/3. A month later we received a revised per diem invoice for the same container/invoice number with an additional \$500.00 in charges. We paid the full amount we were originally billed on 1/3 and we received a shut-out notice for non-payment of the outstanding balance added to the revised invoice. There was no explanation for the additional charges until we requested more information.



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During the audit for the revised invoice we found that the steamship line attempted to bill per diem for days when the terminal was closed on the weekend. Often, some truckers may receive a shut-out notice and there is a sense of urgency to pay any per diem without question. The absence of reason codes and the calendar- mentioned previously- would cause an overlook of invalid charges.

3. 60 business days to pay or dispute any per diem invoice received- including revised invoices.

The amount of per diem invoices a motor carrier receives is extreme, especially during the first 2-3 months after peak season is over. Most motor carriers don't have the bandwidth to audit every invoice that is received- or the finances to hire an additional person to take on the task. It can take a lengthy time to audit each invoice. To encourage other motor carriers to do more auditing we believe it would be essential to extend the current payment terms and/or dispute deadline from 30 to 60 business days. This would allow motor carriers more time to audit and pay per diem invoices accordingly.

In addition to my above comments, most invoices we receive from the SSL's show a due date the same day the invoice was received or sent out. Truckers who aren't familiar with the contract agreements will feel they are forced to make per diem payments immediately.

This would also stop the lines from sending truckers active shut out notices for revised invoices sent in the same month the shut out takes place.

4. Clear distinction of BCO free time applied to the invoice vs. additional free time added by the VOCC as a result of terminal closures.

Some VOCCs (more specifically, MSC and Hapag Lloyd) add additional free time to the extended free time the BCO already has- if all terminals are closed to receive their empties. When the VOCC adds additional free time, it makes it difficult to differentiate the BCO free time vs the additional free time applied due to terminal closures.

For example: MSC/BCO agreement shows the BCO has 7 free calendar days. On the per diem invoice we receive- it will show 10 free days applied with 2 days of per diem billed. This means 7 free calendar days were applied and 3 days of additional free time applied due to full terminal closures. What if the VOCC had full terminal closures for 5 consecutive days? How will I distinguish whether 7 free days were applied according to the BCO/VOCC contract agreement vs. the additional free days added due to no return locations?

In conjunction with the calendar I purposed earlier in this document, we believe having a clear distinction between BCO free time applied and additional free time applied in separate areas of the per diem invoice- and on the calendar- would be extremely helpful. It would help verify that the VOCC



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applied the correct BCO free time and it would also help verify that additional free time applied due to full terminal closures is correct.

5. Service contract agreement number

BCOs have different free time. Some lines add the service contract agreement numbers on their per diem invoices, however- not all do. Most BCOs share their free time with truckers so they can verify the correct free time for any given service contract was applied accordingly on the per diem invoice.

It would be helpful if the service contract number was applied to all invoices to verify accuracy of free time applied.

6. Credits should not be used without the invoiced party's consent. Instead, credits should be immediately refunded by the VOCC.

There have been some instances where a credit on a previously paid per diem invoice will be issued by the VOCC. If the credit isn't applied to an outstanding invoice immediately under the direction of the invoiced party- the VOCC will use that credit and apply it to an outstanding invoice without anyone's knowledge. Sometimes this credit will also be applied to an invoice that is under dispute. Most VOCCs fail to confirm when a disputed invoice has been waived. It can easily be assumed that a disputed invoice has been waived because it no longer shows on a statement. Credits used on disputed invoices won't be discovered until those credits are ready to be used on a valid invoice.

We believe any credits should be refunded immediately to avoid these issues with the VOCC.

7. VOCC per diem dispute email should be listed on all physical invoices.

We recently encountered a situation where ZIM line not only failed to notate their per diem dispute email on their physical invoice, but also failed to list the email on the body of their email. We followed the email that is posted on their UIIA account within our portal which was perdiem@us.zim.com. Later, we found this email to be incorrect and the correct email should have been dispute-request.us@zim.com. This new email address has been in effect for the last 5 months. Listing the proper email address for disputes on the physical invoice will halt any potential confusion and missed deadlines to dispute invoices.



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8. 30-day deadline for VOCCs to respond to disputed invoices, otherwise the invoice must be waived in full.

Many VOCC's can take up to 6 months to respond to a dispute- if they respond at all. There needs to be a regulation on this timeframe because the longer it takes the more difficult it becomes for a motor carrier to collect from the BCO or NVOCC, if the invoice is deemed valid.

We believe a 30-day deadline to respond- *with a resolution*- to disputed invoices would be helpful. If no resolution is received within 30 days, then the VOCC should waive the invoice in full.

9. Use of 3rd party websites for back up documentation.

VOCC's sometimes refuse to accept 3rd party website back up as evidence to prove there were no available appointments (for example, Blue Cargo). Blue Cargo scrapes appointment availability data from all terminal websites throughout the day.

When VOCC's refuse to accept Blue Cargo back up as sufficient evidence they ask that we submit screenshots of the terminal website for each container on each day we were unable to return their empty. This would be physically impossible for anyone to do manually especially if there are well over 200-500 containers in the fleet at any given time.

What percentage of detention bills contain inaccurate information, and which information is most often disputed?

95% of invoices are inaccurate. The most dispute reasons are ranked as follows (1 being the most common reason for dispute)

- 1- Lack of terminal appointments/terminal closures
- 2- Billed past the 60 day deadline after empty return date, per UIIA contract agreement.
- 3- Physical invoice never received via email, instead- charges show on our statement.
- 4- Per diem billed to wrong motor carrier

How long from the point of accrual of a demurrage or detention charge does it typically take to receive a demurrage or detention invoice or billing?

60-90 days



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Should the Commission require demurrage and detention invoices to be issued within 60 days of date when the detention/demurrage/per diem stops accruing?

It would be ideal to receive a per diem/detention invoice within a week of returning the empty. No later than 2 weeks.

Should the Commission require specific information be included on the invoice regarding how to dispute a charge? If so, what information should be required? For example, should the Commission require invoices to include contact information for disputing charges, identify circumstances for when a charge may be waived, or identify the billing parties' evidentiary requirements sufficient to support a waiver of the charges?

Yes, the commission should require the following information on the invoice:

- a. How to dispute a charge
- b. What email address to use when submitting a dispute
- c. Back up documentation required to have an invoice waived successfully

How would a regulation on demurrage and detention billing requirements impact, conflict with, or preempt any other applicable laws, regulations, or arrangements (such as the UIIA)?

We believe the UIIA contract agreement should be updated to reflect these new changes.