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

**Re: Docket No. 22-04: Comments for the ANPR Regarding Demurrage and Detention Billing Requirements**

**Background:**

The International Association of Movers (IAM) is the household goods (HHG)s moving and forwarding industry's largest global trade association. With more than 2,000 members, its companies provide moving, forwarding, shipping, logistics, and related services in more than 170 countries for HHGs shipments. IAM members provide domestic and international household goods moves for the majority of U.S. service members and their families, federal government agencies, commercial and private for-hire relocations.

IAM is pleased to provide the following comments and responses to questions posed within **Docket 22-04**, which requests input on metrics, standardization, and information around detention and demurrage (D&D) billing practices. We are also providing additional perspective regarding the significant impact these charges have long had on the HHGs moving industry.

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**Should the Commission include both VOCCs and NVOCCs in a proposed regulation on demurrage and detention billing?**

Yes, all parties issuing D&D invoices should be within the proposed regulation.

**Should the Commission include MTOs in a proposed demurrage billing regulation?**

Yes, similar to VOCCs and NVOCCs, all parties that issue D&D charges should be included within the regulation.

**Should a proposed demurrage billing regulation distinguish between the demurrage MTOs charge to shippers and the demurrage MTOs charge to VOCCs? That is, should the Commission regulate the format in which MTOs bill VOCCs?**

Yes – The Commission should, in an expeditious manner as possible, provide clarity, formatting, standardization and distinction across all billing parties (those responsible for issuing D&D invoices, as well as those responsible for payment of accurate and demonstrated charges).

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

This question covers a lot of ground that we highlight in our following question response. Applicability, timing, cargo inspections and availability all impact the accuracy of detention and demurrage billing practices and invoices. The percentage of either inaccurate information, or basis for the charge dispute, depends on the particular circumstance under which a D&D charge is issued.

**What type of information should be required on detention and demurrage billings?**

IAM would like the following information below included (per the Commission’s proposed category list). Most important and key to the HHGs industry are the “clock-stopping” events. IAM strongly recommends adding “government inspection of cargo” to this list of events, per the Commission’s Final Interpretive Rule (FIR) on Detention and Demurrage.

- Bill of lading number
- Container number
- Billing date
- Payment due date
- Start/end of free time
- Start/end of demurrage/detention/per diem clock
- Demurrage/detention/per diem rate schedule
- Location of the notice of the charge (i.e., tariff, service contract # & section or MTO schedule)

**Any intervening clock-stopping events, for example:**

- Unavailability of container
- Unavailability of pickup or return locations
- Unavailability of appointments (where applicable)
- Restrictions on chassis accepted v. Force majeure-related events

- **Government inspection of cargo**

IAM believes that the FMC's *Final Rule on Interpretive Rule on Demurrage and Detention Under the Shipping Act (FIR)*, which went into effect in May of 2020, provides clear authority for the Commission to consider required government inspection of cargo as a "clock-stopping" event, for purposes of this ANPR, and future regulations pertaining to rules surrounding detention and demurrage charges.

As IAM has testified before the Commission at hearings and in subsequent follow-up comments and testimony, the household good shipments (varying in nature, and not as uniform as traditional commercial cargo), are often much more subject than other cargo to both import and export government inspections and exams.

These inspections can occur with regular frequency, cannot be planned for and their associated detention and demurrage charges are by and large unable to be passed back to the "at destination" shipper, or elsewhere in the HHG logistics and forwarding supply chain networks. The government inspections for HHGs is despite the fact HHG shipment has all manifest and customs documents completed and in proper order.

Household goods are unique in the fact that they are not for "resale" – while food and other industries also undergo more regular government inspections and exams, the nature of their goods, and their "for sale" aspect provide opportunity for D&D exam incurred charges to be passed on at the wholesale, retail and/or consumer levels.

*Per the FIR - The Commission has determined that, consistent with precedent, reasonableness should be assessed by considering whether demurrage and detention serve their intended purposes. As noted above, when shippers cannot retrieve cargo from a terminal, it is hard to see how demurrage or detention serve their primary incentive purpose. The question is, why shouldn't that principle apply during government inspections of cargo? In other words, why are government inspections different from any other circumstance where a shipper cannot retrieve its cargo?*

While the FIR also acknowledges the inherent challenges, complexity and unique circumstances surrounding government inspections, it is also clear that these charges do absolutely nothing to "incent" the movement of cargo, the primary premise of the FIR and its findings. Costs for D&D charges assessed on government inspected household good shipments vary, but can commonly fall within a range of \$1,500 - \$5,000. This is outside of

the cost of the government inspection itself, which can easily run into several thousands of dollars.

As such, the length, timing and all relevant incurred government inspections information should be included on any and all D&D invoices, and just as important, be given the appropriate consideration, should a D&D charge be issued on government inspected HHG shipments. Should the charges fall into prohibited areas under established D&D policy, they should be appropriately dismissed.

**Should the billing party be required to identify the basis of why the invoiced party is the proper party in interest and therefore liable for the charges? (i.e., as shipper, consignee, beneficial cargo owner, motor carrier or an agent, or as a party acting on behalf of another party pursuant to the common carrier's merchant clause in its bill of lading.)**

Yes - Consistent with our other responses, transparency and clarity are absolutely key, and with respect to this question, the basis, proper party liability and justification for the charges should be clearly indicated on all D&D issued invoices.

**Should the Commission, for purposes of clarity and visibility of charges, require MTOs to bill demurrage directly to shippers (rather than billing VOCCs who then bill shippers for demurrage)?**

Yes, the billing party should be required to directly bill the party responsible for payment. This would not only increase efficiency, but also provide transparency around the applicability of all charges assessed, make payment easier when properly justified, and disputes for any errant charges more quickly resolved.

**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, all of this information should be included – circumstances for when a charge may be waived alongside supporting and documenting information supporting the assessed charges. A clear point of contact for disputing the charges is just as necessary.

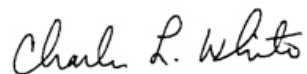
**How long from the point of dismissal of a charge does it typically take to receive a refund?  
Should the Commission require that refunds of demurrage or detention bills be issued  
within a certain time period and what should that timeframe be?**

Yes, any D&D charge dismissal and resulting refund should be no longer than 30 days, and should be made clear in all future FMC D&D related regulations.

IAM looks forward to continuing our collaboration with the FMC on this initiatives and across shipping issues.

Thank you for your continued efforts in these areas, they are very much appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Charles L. White".

Charles L. White, M.Ed., CAE  
President

