

# Comments from Potential Industries, Inc. to the FMC for proposed regulations on Detention and Demurrage for ocean carriers and marine terminal operators

## DEMURRAGE

IMPORTER : Demurrage charges are not appropriate for any of the following situations: (a) cargo is ready for PU but no appointments are available, (b) cargo is at port but terminal operator does not have access or provide access to it and the importer is prevented from picking it up, and (c) the trucker is at the proper location but the terminal does not have chassis and instructs trucker to wait for chassis then after hours of delay there are no chassis so the trucker has a “dry run” thus not only should there be no demurrage, but also who will pay the trucker for this “dry run”?

EXPORTER : A shipper returns loaded containers after the ERD announced on website but often the next day the vessel schedule is delayed so subsequently the ERD is also delayed for sometimes a week or more. Demurrage charges are not appropriate because the shipper has already returned loaded containers to the terminal as agreed.

## DETENTION

RATE: The rate itself is onerous and punitive, with no relation to the actual cost. The rate must be changed so it reflects the actual cost plus some administrative expenses. Current rates can be \$150-\$160 per day, but the actual cost for the equipment itself is less than \$10 per day. A reasonable rate would be something between \$10-\$20 per day.

DUAL TRANSACTION: The ports prefer to have Dual Transactions, which means they do not want a Single Transaction (example only return an empty container from an import load). Sometimes the ports refuse to take back Single Transaction empties and then charge for detention. If ports insist on Dual Transactions then detention charges must be waived.

EARLY RETURN DATE (ERD) CHANGE: Shippers pull containers for export loading based on ERD, and when that ERD changes then those containers can not be returned. At times the delay can be more than a week. If the ERD is delayed and Shipper is prevented from returning containers then detention charges must be waived.

*Potential Industries, Inc., (PI) is located within the San Pedro Bay ports, and is a regular user for the ports of both Los Angeles and Long Beach. PI operates our own trucks and also relies on subhauleders to receive import cargo and ship out export cargo on a daily basis, and has been using both ports on a daily basis for decades.*

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