

Federal Maritime Commission Docket No. 22-19

Request for Information

Seaboard Marine Ltd. (“Seaboard Marine”) is an ocean common carrier (“carrier”) that serves multiple ports on the United States (“U.S.”) East and Gulf Coasts. In addition, Seaboard Marine operates two marine terminals in the U.S. in Miami and Houston. Therefore, Seaboard Marine is responding both as a carrier as well as a marine terminal operator.

Our primary trade is between these U.S. ports and the Caribbean, Central America and those in the West Coast of South America. Seaboard Marine understands the issues surrounding port and terminal congestion in many marine terminals but has not been faced with severe congestion within the U.S. ports and marine terminals in which we operate. It is important for the Federal Maritime Commission (“Commission”) to consider that not all carriers or marine terminals are experiencing the severe cargo congestion that plague certain locations such as Los Angeles, Long Beach, or New York. Even within some of these ports, cargo congestion is at specific terminals but not necessarily all.

Severe congestion in any marine terminal disrupts the natural flow of international commerce and we applaud the Commission’s engagement in making improvements to the cargo fluidity through U.S. ports. There are many factors that lead to port congestion. Ocean carriers and/or marine terminals are merely two of the many entities that can provide solutions to ease cargo congestion, but they alone are not responsible.

Clear definition of cargo congestion.

To determine if an Emergency Order is warranted, the Commission must first clearly define what is 'cargo congestion'. Without a clear definition of cargo congestion, the Commission cannot specify which U.S. ports, carriers or marine terminals within a U.S. port are 'congested' to warrant invoking the sharing of information to relevant shippers, rail carriers or motor carriers.

Carriers and especially marine terminals that handle smaller volumes should be exempt from any Emergency Order. Seaboard Marine respectfully suggests that the Commission set a benchmark for marine terminals that handle one million or more TEUs, on an annualized basis, for applying any Emergency Order should such marine terminal meet the definition of 'cargo congestion'.

Tailored approach.

The Commission must specify which, if any, marine terminals, or carriers meet the definition of 'cargo congestion' and tailor the Emergency Order to those specific terminals and the respective carriers that serve that specific terminal. Any broad-based Emergency Order would be highly unproductive as many carriers, such as Seaboard Marine, largely operate in smaller ports or marine terminals that are not congested and therefore do not warrant the need to publicly share additional information.

If an Emergency Order is issued, the Commission must clearly define the specific situation that the Emergency Order is expected to address and how such order would alleviate the cargo congestion at the specified marine terminal. The Emergency Order should also contain

the criteria or milestones that are required to terminate the Emergency Order.

Multiple service providers are involved in cargo congestion

Many service providers affect service reliability within the international transportation supply chain. Ocean common carriers and marine terminal operators must rely on timely clearance of goods including payment of freight charges, U.S. Customs and Border Protection (“CBP”) clearance, disposition of any Bill of Lading and warehouse acceptance to receive the freight. In addition, ocean common carriers and marine terminal operators rely on rail and motor carriers to provide inland transportation beyond the port of debarkation to timely remove containers from the marine terminals. The Commission must consider reciprocal sharing of similar information related to warehouse, rail, or motor carrier capacity in order for ocean common carriers and marine terminal operators to effectively improve the fluidity of cargo through cargo congested terminals.

Sharing of Information

Understanding that there are a multitude of players engaged in the international transportation supply chain, any of one which contribute to cargo congestion, the Commission must require bi-directional sharing of information. If only the ocean common carrier and the marine terminal operator are sharing information to relevant shippers, railroads or motor carriers, it will not solve the inherent problem with the ‘last mile’ which ultimately removes containers from marine terminals. From an import perspective, shippers, rail carriers and motor carriers must also share information on the availability of timely

clearance and delivery of the container to the receiver of the cargo. For export cargo, the ocean common carrier issues a booking for the intended vessel and voyage with an earliest return date which is communicated to the marine terminal operator responsible for receiving the container. It is the responsibility of the shipper to ensure that their cargo is timely delivered to the marine terminal with all the relevant documentation provided to the ocean carrier to expedite the export of the cargo.

Define ‘certain information’.

If an Emergency Order is issued, the FMC must clearly define the specific throughput and availability information that must be shared with relevant shippers, railroads or trucking companies. Any shared information must be in a specific format and consistent amongst those ocean common carriers and marine terminals required to provide the information. The FMC must define how and when this information must be disseminated by the carrier or marine terminal either through their public websites, a centralized FMC reporting system or via direct communication.

In addition, these stakeholders in the supply chain must understand how to utilize the information to alleviate cargo congestion and be required to take appropriate action as a result of the shared information. Providing information without clearly defining what action these stakeholders must take will be of little or no value to ease cargo congestion.

In conclusion, Seaboard Marine urges the Commission to take a measured approach with an Emergency Order. Broadly defining the Emergency Order would burden carriers and marine terminals, especially lower volume facilities, that are not experiencing severe congestion with unnecessary compilation and sharing of data. In other words, do not inadvertently target those who are not adversely impacting the competitiveness and reliability of the international transportation supply system.

Respectfully submitted,



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