



February 24, 2017

Ms. Rachel E. Dickon  
Assistant Secretary  
Federal Maritime Commission  
800 North Capitol Street N.W.  
Washington, DC 20573-0001

**RE: Support for Petition of the Coalition for Fair Port Practices  
for Rulemaking [Petition No. P4-16]**

Dear Assistant Secretary Dickon:

The purpose of this letter is to support the Petition for Relief filed by Petitioners in the above-described proceeding.

**Who Are We?**

The American Home Furnishings Association (AHFA) and its affiliate the Specialized Furniture Carriers is a trade organization composed of 393 member businesses. Our membership includes wholesalers, manufacturers and retailers of new furniture, motor carriers specializing in the delivery of new furniture and dray carriers and intermediaries specializing in the transportation of movements in overseas commerce.

An estimated 75% of our members' traffic involves the export of raw materials and/or the importation of finished goods which move in oceangoing containers to and from points in the U.S. via U.S. ports such as Charleston, Savannah, L.A., Long Beach and New Orleans. For the reasons stated in the Petition, we support the issuance of a rule to treat the unreasonable rates, charges and practices which are currently imposed on our members in the form of demurrage charges when, through no fault of the customer or its drayman, the release and importation of loaded containers is unreasonably delayed.

## **Erratic Services and Bottlenecks**

In the absence of any exercise of FMC authority, the ports view the steamship lines as their sole customers. AHFA members and the dray carriers who serve them are viewed as unrepresented constituencies to whom no accountability is owed.

For a number of reasons, the ports have become increasingly congested. Service is erratic, charges for demurrage and costs for extraordinary waiting times for which draymen must be compensated is passed on to shippers when the delays in retrieving inbound containers or returning export freight or empty containers is the result of issues beyond a shipper's control.

These issues include bunching, labor/management issues at the port, restrictive in-gate out-gate policies, and high demurrage charges passed on to shippers as enhanced revenue measures when the delays were port caused.

1. Bunching. Bunching occurs at the ports similar to the experience in the rail industry, when through put of steamship is poorly scheduled, one or more large vessels arrive seeking a fast turnaround time, and the port simply cannot offload imports and reload exports within the time given.

2. Labor/management issues. As of this writing, labor management disputes between longshoremen and select port authorities threaten to interrupt the flow of imports and exports throughout the country. Moreover, slowdown and inflexible work rules militate against increased productivity and hard cut-off times for loading and unloading dray carriers can result in unnecessary demurrage.

3. Restrictive in-gate and out-gate procedures. In an effort to increase productivity and limit labor costs, certain ports are installing automated gate systems which require dray carriers to have in-gate codes to make port deliveries of containers and to pick up imports. At least one port, this procedure has resulted in 2 automated in-gates serving 18 lanes of dray trucks. Our members report delays well in excess of free time to merely get up to the gate. With some frequency dray carriers are then told that the bar code is inaccurate and that there is no carrier assist to help, so they must return to the end of the line and start all over again.

In this regard, it is reported that ports measure the drayman's waiting time only from the time the automated gate is cleared until the box is loaded, ignoring the bottleneck in gaining port access.

4. High demurrage charges and detention expenses. The ports have no procedures for waiving demurrage when congestion occurs and waiting dray trucks are locked out at closing times. Frequently those demurrage fees cost as much as \$250 per day. Moreover, the inability to retrieve and return boxes in a timely fashion results in steamship line per diem being incurred which is not AHFA members' fault. The dray carriers that serve us must, at the end of their allotted time to load and unload, seek compensation from our shipper members for reasonable detention.

Lumped together, the root cause of demurrage, per diem, steamship lines, and detention caused by port created delays results in significant costs which must be borne by our members and which cannot be forecast nor compensated for. In this regard, the new furniture industry is particularly price sensitive. Transportation costs represent a larger than average percent of sales prices. As a result, the per diem charges and ancillary charges incurred as a result of port-caused delays have a particularly crippling effect.

For these reasons, we urge the Agency to grant the relief sought.

Respectfully submitted,

A handwritten signature in black ink that reads "Mary O'Keeffe". The signature is written in a cursive, flowing style.

Mary O'Keeffe  
Director of Membership &  
Executive Director, Solution Partners  
American Home Furnishings Alliance  
Specialized Furniture Carriers