

DOCKET NO. P4-16

AFFIDAVIT OF RANDY STIEFEL IN SUPPORT OF REPLY OF THE PORT OF HOUSTON AUTHORITY TO THE PETITION OF THE “COALITION FOR FAIR PORT PRACTICES” FOR RULEMAKING

1. My name is Randy Stiefel. I am Director of the General Cargo Facilities at the Port of Houston Authority (PHA). We have several general cargo terminals: Turning Basin, Care, Jacintoport, and Woodhouse.
2. I am familiar with the petition filed by the “Coalition for Fair Port Practices” in this proceeding. I offer the following testimony which relates to demurrage practices and experiences at the general cargo terminals at PHA.
3. Demurrage issues are not significant at PHA’s general cargo terminals. Our revenue from demurrage charges for the last three years have been \$1.4 million in 2016; \$1.1 million in 2015; and \$ 872,000 in 2014. Over 80% of our inbound cargo is direct discharge cargo, which means that it is taken out of the port directly after being unloaded from a vessel. Since the direct discharge cargo is promptly removed from the dock, demurrage charges are not incurred on this cargo.
4. PHA free time at the general cargo terminals is tailored to specific commodities and other transportation factors and is generous, further diminishing the likelihood that demurrage charges will be incurred. Furthermore, PHA’s Tariff No. 8 provides that if a general work stoppage which prevents cargo from being handled at the port occurs during the cargo free time period, the computation of free time will be suspended.
5. When demurrage occurs, it is generally because of very specific problems caused by carriers, shippers, or their representatives. For example, specific equipment required for the transport of certain oversized or uniquely sized cargo may not be foreseen by the trucker, resulting in delays and therefore demurrage. Another circumstance which has accounted for demurrage at our general cargo terminals is when shipment is arranged on the assumption that the cargo will be bought before it is unloaded, and that does not happen. Similarly, market disruptions, such as a

severe drop in the price of steel which resulted in the “disappearance” of the buyer, have resulted in our having to charge demurrage, until the vessel or cargo interest could find other buyers or make other arrangements for the cargo.

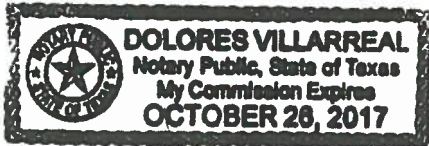
6. Every port is unique and every marine terminal operator must take into consideration circumstances unique to their port in determining procedures for the efficient handling of cargo at their facilities. There are no “one-size-fits-all” rules, even as between general cargo and container cargo in the same port.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Randy Stiefel

Director, General Cargo Terminals, Port of Houston Authority

Sworn to and subscribed before me on the 14 day of February, 2017.



NOTARY PUBLIC

My Commission Expires: 10-26-2017