



CONTAINER FREIGHT / EIT

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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMMISSION

February 13, 2017

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

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

Dear Assistant Secretary Dickon:

I am writing in response to the Federal Maritime Commission (FMC) Federal Register notice published on December 28, 2016 concerning a petition for rulemaking from the Coalition for Fair Port Practices. Container Freight/EIT which is the company I represent fully supports the policy statement requested by the Coalition which would help bring about more reasonable demurrage and detention practices for cargo moving through the Los Angeles and Long Beach ports. I urge the FMC to begin a formal rulemaking on this matter as soon as possible.

I am the President of Container Freight/EIT headquarters in Paramount, California. We exclusively serve the Ports of Long Beach and Los Angeles on a daily basis. My responsibilities involve the overseeing of over 250 owner-operators moving cargo to and from the Ports every day on multiple shifts for over 100 customers located in the Southern California area.

Container Freight/EIT experienced repeated incidents of severe congestion at every container terminal in Long Beach and Los Angeles which in many cases prevented us from picking up the cargo for our customer or returning the empty containers after the cargo had been unloaded.

Beginning in August of 2014 our demurrage outlay increased almost 5X that of previous years. During August 2014 to December of that year, we paid out in excess of \$2.1M in demurrage.

Truckers found themselves with the following issues:

- 1) Terminals restricted empty returns, which produced a shortage of chassis to pick up containers
- 2) Empties built up in importers' yards and rail ramps causing rail embargoes against some of the terminals by the railroads.

- 3) Rail embargoes caused a domino effect causing further congestion and back up at the terminals
- 4) Terminal appointment systems became totally inefficient as trucks got caught in lines for hours on single transactions
- 5) Lines entering and leaving terminals were on average 2 to 4 hours, conservatively, resulting in limited capacity and missed appointments.
- 6) Delays caused major container back up for the truckers and their customers. Once the melt down was complete virtually every move a trucker scheduled needed to have Terminal Storage charges (demurrage) prepaid. Checks and credit card payments were issued for the same containers daily as charges kept accumulating and there was no way of disputing each container on a daily basis.
- 7) Vessels stacked up at the breakwater and when they did discharge, they were most likely turned back to Asia without loading back empties which further exacerbated the congestion on the Terminals.

The Port delays then and now are completely beyond our control. Every day we face demurrage and detention penalties for late pick-up or late return of an empty when it is not our fault. If the terminal is closed during non-working hours or if containers are unavailable for pick-up due to congestion or any other issue relating to the terminal, the trucking industry should not be assessed demurrage or detention.

We urge you to grant the petition and open a rulemaking on the policy statement of the Coalition for Fair Port Practices to insure that the trucking industry and importers and exporters are not burdened with unfair demurrage and detention charges.

Very truly yours,

A handwritten signature in black ink, appearing to read "Patrick McGurk".

Patrick McGurk
President