



FREIGHT SYSTEM, INC.

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February 21, 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-I6]

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. Horizon Freight System Inc., fully supports the policy statement requested by the Coalition which would help bring about more reasonable demurrage and detention practices for cargo moving through our nation's seaports. I urge the FMC to begin a formal rulemaking on this matter as soon as possible.

I am the Operations and Inside Sales Manager for Horizon Freight System, Inc. and my team and I are charged with the responsibility to audit all detention and demurrage invoices received to ensure that rates/charges are in accordance with contracts/agreements. I have worked with Horizon Freight System, Inc. for 2.5 years, however the previous 14.5 years were spent with a steamship line (Hanjin Shipping) with responsibilities ranging from Pacific Northwest Operations to the Eastern Half of the United States. Horizon Freight System Inc. is an agent-based motor carrier and our agent, CGR Transport, in Tacoma, WA has been adversely impacted by present demurrage and detention practices. This is due to severe congestion in the Ports of Seattle and Tacoma on-and-off since 2014.

I can confirm that which was stated by MacMillan Piper/Suzanne Tilley, "we also had great difficulties returning containers to the ports, not only due to slow turn times, but because the terminals refused to receive containers, citing congestion, rolled/cancelled bookings, and delayed vessel loading." As a result, we incurred detention charges from 22 different steamship lines in Seattle and Tacoma. From May 2014 through August 2015, for 209 containers, we were billed approximately \$140,000 in detention charges by steamship lines. That amount was eventually reduced to approximately \$86,000. Disputes are time and effort intensive and we often are forced to pay a dispute charge to avoid shutout at the ports when we should have never been issued these invoices in the first place.

Quoting again from MacMillan Piper/Suzanne Tilley, as I am in full agreeance with her on the following:

“Whether congestion involved weather, labor contract negotiations, the arrival of very large ships or other disruptions, the port delays were beyond our control. All too frequently shippers and truckers are being charged demurrage and detention penalties for late pickup or return of containers when it is not their fault. If the terminal is closed during normal working hours, or if a container is unavailable for pickup during the free time due to congestion or other disruption at the port, carriers and terminals should not assess demurrage. The same is true for detention charges when attempts to return an empty container are frustrated. These are real costs that hurt American businesses and American competitiveness.

The Coalition for Fair Port Practices has proposed a policy statement that would help to stop this unfair practice. The FMC has the authority to ensure that demurrage and detention practices are fair and reasonable and it needs to act to address this problem.

The FMC has taken important steps to examine port congestion issues challenging carriers, shippers, terminals and intermediaries. As the next step, we urge you to grant the petition and open a rulemaking on the Coalition's policy statement to ensure that U.S. imports and exports are not burdened with unfair demurrage and detention charges. Thank you for considering my views.”

Sincerely,

A handwritten signature in blue ink that reads "Justin Cooley". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Justin Cooley

Operations & Inside Sales Manager

justinc@horizonfreightssystem.com