

December 8, 2017

Federal Maritime Commission  
800 North Capitol Street NW  
Washington, DC 20573

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

On behalf of the International Association of Movers (IAM), I am pleased to provide the following testimony, in support of the detention and demurrage petition under consideration at the FMC.

IAM is the moving and forwarding industry's largest global trade association. With more than 2,000 members, its companies provide moving, forwarding, shipping, logistics, and related services in more than 170 countries for household goods shipments.

IAM assisted in the development, and fully supports petition submitted by the Coalition, which would help bring about more reasonable demurrage and detention practices for household goods and other cargo moving through our nation's seaports.

In addition to delays associated with weather, labor contract negotiations, and the arrival of very large ships, **IAM member companies frequently experience additional costs resulting from routine government inspections.**

**Page 39 of the Petition explains this in detail:**

*“Delays arising from governmental inspections of cargo before free time expires are beyond a shipper's, consignee's, or drayage provider's control and may arise from the ocean common carrier's, or its marine terminal operator's, failure to tender cargo to U.S. Customs and Border Protection in accordance with its priority status.*

***Tendering goods in this manner deprives a shipper or consignee of the benefit of its free-time period. Imports or exports selected for inspection and/or examination by Customs should not be subject to demurrage and detention costs while being inspected or examined. The shipper or consignee has no control over the decision of the government to inspect a particular shipment or the timing as to when an inspection may occur.***

**Household goods shipments are unique from the majority of commercial/retail shipments, and are frequently targeted for additional inspection, (even with proper documentation provided).**

**Household Goods Inspections**  
*Recommendations*

One of the costs incurred during the inspection process for the household goods industry is that the containers must be moved to a CBP approved warehouse, prior to the inspection.

1. An FMC policy statement that encourages terminals to perform the exams on-site would greatly reduce costs and delays.

When an off-site location is required for the exam, the importer also pays drayage/chassis charges to move the container from terminal to warehouse and a second drayage charge to the rail, if the container is inbound to another city. Many times, the carrier is already assessing detention charges before the container is even moved to the VACIS exam site.

2. Recommending prohibition of detention charges on weekends and holidays, since there is limited activity at the ports during such time.

Reducing delays and costs are critical to Government employees, private citizens and members of the US military, who are waiting for their personal property and belongings to be delivered to their new home.

IAM asks that the Commission consider our members' shipments of household goods, and request that any FMC policy statement or future rulemaking recognize detention and demurrage resulting from routine government inspections, so our industry and others may not incur additional costs as a result.

The FMC has taken important steps over the past two years to carefully examine port congestion issues challenging carriers, shippers, terminals and intermediaries. We appreciate the effort and time Commissioners and staff have put into understanding this critical issue for our industry.

Regards,

Terry

Terry R. Head  
President