



February 17, 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:

Johnsonville Sausage is pleased to respond 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. Johnsonville Sausage 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. We urge the FMC to begin a formal rulemaking on this matter as soon as possible.

I am the Director of Logistics for Johnsonville Sausage with 29 years of transportation, logistics, and supply chain industry experience, and have responsibilities for ocean borne export containerized shipping. My company's International Business Unit manufactures sausage and meat products that are involved in ocean borne export containerized shipping. We have experience working with a number of ocean carriers and terminal operators in Long Beach, Los Angeles, San Pedro, Oakland, Tacoma, Norfolk and New York.

Our company has experienced repeated incidents of severe congestion at container terminals in U.S. ports at Oakland, Tacoma, Los Angeles and Long Beach which have prevented us from delivering our cargo. We incurred \$219,292 in additional cost in 2014/2015 due to the West Coast shutdown. This included detention, storage, airfreight, demurrage and per diem cost.

Whether those incidents involved weather, labor contract negotiations, the arrival of very large ships or other disruptions, the port delays were beyond our control/the control of the exporters or draymen. 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 period 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 US imports and exports are not burdened with unfair demurrage and detention charges. Thank you for considering our views.

Respectfully,

Curt Reynolds
Director of Logistics
Johnsonville Sausage