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FEB 13 2017

Federal Maritime Commission
Office of the Secretary

January 31, 2017

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

ORIGINAL

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. MacMillan-Piper, 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 Compliance and Assets Manager for MacMillan-Piper and handle the demurrage and detention issues for the company. I have worked for MacMillan-Piper for 18 years and, prior to that, worked 14 years for the steamship lines Hyundai and Hanjin. MacMillan-Piper is a container freight station that operates four warehouses in the Seattle/Tacoma area. We load and unload import and export freight to/from railcars, trailers, and steamship line containers and provide container drayage between our warehouses and the port terminals and rail ramps with a fleet of 55 leased trucks.

Our company has experienced repeated incidents of severe congestion at container terminals in the Ports of Seattle and Tacoma, which have prevented us from picking up and returning steamship line containers. To support our normal volume of business, trucks leased to us need to each move an average of eight containers a day through the ports. This was not possible during much of 2014 and 2015, during which time trucks often had no more than two moves per day. We 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 17 different steamship lines in Seattle and Tacoma. From May 2014 through August 2015, for 953 containers, we were billed nearly \$1.25 million in detention charges by steamship lines. That amount was eventually reduced to approximately \$250,000. However, it took nearly a year's worth of disputes to get those charges waived. We paid many of the invoices initially to prevent the steamship lines from cancelling our equipment interchange agreements and were reimbursed by them later. However, we spent an excessive number of man hours disputing invoices that should never have been issued in the first place due to terminal conditions beyond our control.

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 US imports and exports are not burdened with unfair demurrage and detention charges. Thank you for considering my views.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne Tilley".

Suzanne Tilley
Compliance & Assets Manager
stilley@macpiper.com