

Feb 10<sup>th</sup>, 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:

We, Northwest Grains International, LLC are responding 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. I speak on behalf of Northwest Grains that we fully support/s 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 Export Division at Northwest Grains International. I have been with the company since inception in 2009. Our business solely relies on selling US Agriculture products to Asia shipped by ocean containers. We load all across the country (i.e. West Coast, Midwest, East Coast) and have service contract or quotes with all major Ocean Carriers. Over the last years I have witnessed the services and what I call "nickel and diming" practices by the carrier against the shipper or truckers alike and they and they grow each year. Our company is a medium sized company which employs about 20 people so we don't have an attorney on retainer. The FMC is supposed to maintain a fair shipping industry for shippers, truckers/other vendors, and shipping lines. Although the SSL and their legal departments have found loopholes in the FMC guidelines to abuse customers by putting them in hostage "have to pay" situations.

In regards to this particular petition we would highlight one of our common matters that occur. We made a booking in Oakland. The trucker picked up container as per the EPU and we loaded the container. However, after we had already pulled the container, the sail date changed and therefore the ERD did as well. We understand the sail date does change but how can the SSL legally charge a trucker or shipper for demurrage on the container when that happens? We already have to pay for the chassis for the additional time that we have to wait, which are significant I will add. The Carriers pass the DEM invoice on and may pressure a shipper to pay or they will not release an ocean BL. The choice we have is to pay the DEM bill even if we don't agree with it, or risk having to pay demurrage at destination of cargo arrives with no BL. Alternatively, the SSL may give the invoice to the trucking company and demand that they pay the invoice or they will not allow them to haul their containers anymore. Since a lot of trucking companies are small businesses fighting for work they have no power to risk not being able to haul what pays their weekly bills, so the trucking companies reluctantly pay the invoice even though its not agreed on. This is more common on the West Coast than other places of the country and could be argued that is a problem of the ports. Although, no matter the reason the

Carriers should not be able to charge demurrage when ERD dates change. . We have submitted complaints to the FMC, CADRS to get resolve but its effectiveness is mixed as the carriers know that it has little legal strength.

In many situations we will have more expenses for demurrage and other penalties that actually hauling or loading cargo. Our business along with others in the industry are severely negatively affected in additional costs. We are not asking the FMC to eliminate DEM but use their authority to prevent carriers from using this to charge companies and use the situation to coerce payment even if it's unwarranted.

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.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jon Miller', is written over a light blue horizontal line.

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