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OFFICE OF THE SECRETARY  
FEDERAL MARITIME COMMISSION

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P.O. Box 1186, Kent, WA 98035-1186

Feb 27, 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:

On behalf of my company, Pacific Coast Express in Sumner Washington, 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. Our staff here at Pacific Coast Express 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 Vice President and Operations Manager, in charge of overseeing the movement of containerized shipments from the ports of Seattle and Tacoma. Our company serves a customer base across the four Northwestern states for the movement of containerized ocean shipments, both import and export. Our customers combined, employ thousands of people. And their businesses depend on our ability to move their import or export shipments through the Seattle and Tacoma ports. The financial health and viability of our company and others like it is important to our customers business and the families they support in addition to our own.

There is simply not enough room here to list all of the issues we have encountered over the course of the last couple years in dealing with the ports and ocean carriers in the process of moving our customer's vital cargo. But suffice it to say, the overall behavior and business practices of both the port terminals and the shipping lines have been appalling. And the financial toll this behavior has taken on our company and our customers over the last few years is considerable.

Our company has experienced repeated incidents of severe delay at the container terminals on a very regular basis. Often times, these delays wreak havoc with our scheduling commitments with our customers and create further inefficiency. Then as the free time expires on our customer's containers, the terminals often seem to throw up even more roadblocks in what almost looks like a determined effort to make sure we cannot get all of our containers off the dock within the free



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time. And then, when we ultimately fail, the terminals and shipping lines conspire to levy unrealistic penalties in the way of demurrage and per diem charges. And to make matters still worse, they demand a check in hand before they will release a container. And then they often refuse to accept modern forms of instant payment such as credit card payments or e-checks, claiming they don't know what they are in the case of the latter.

I cannot speak with authority to exactly what is causing the delays in moving trucks through the terminals, but I can tell you that per truck productivity over the last 3 years is less than half of our historical average. Whether it is the consolidation of the terminals, larger vessels, security measures, labor issues or simply volume, long delays are the norm and not the exception. 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.

These predatory business practices need to stop. But there seems to be no regulatory oversight and left to their own devices there seems to be no limit to the outrageous schemes the shipping lines and terminal operators will come up with.

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,

Rick Knight  
Vice President  
Pacific Coast Express  
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Sumner, WA 98390