

**Subject:** FMC Petition P4-16 (summarized comment)  
**From:** Special Services - Sefco Export <priority@sefco-export.com>  
**Date:** 12/8/2017 3:46 PM  
**To:** Joseph Quinn <joseph.quinn@sefco-export.com>



**Sefco Export Management Company, Inc.**



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Worldwide Shipping Services - New York City USA - Over 30 years experience  
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BEFORE THE FEDERAL MARITIME COMMISSION

Petition P4-16

email: [secretary@fmc.gov](mailto:secretary@fmc.gov)

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Good Day,

My name is Joseph T. Quinn, and I request the opportunity to present my testimony regarding the petition filed by the Coalition for Fair Port Practices, Petition P-4-16.

I represent and am President of Sefco Export Management Company, Inc. and hold a FMC OTI ocean freight forwarders license (since 2007).

I have been engaged in the business of US exports for several decades, starting in my family owned export company in the late 1970's.

For brevity, **a summary of my remarks** are submitted herein.

From August 2010, through and up to 2014, I defended myself in an informal docket brought against me,

before the FMC.

**At the heart of the issue was port demurrage.**

The reference for this is: Informal Docket 1914(I). A copy is posted here:  
<http://www.sefco-export.com/archives/josephquinn-fmc-informal-2010.htm>

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**Very High Demurrage was charged to the freight forwarder, and much more.**

After several years deliberation, as a direct result of the final "*Memorandum Opinion and Order*", there were regrettable, unfair slams on my repute. A screenshot from an online posting regarding that, can be viewed here: <http://sefco-export.com/archives/demurrage-1914l.jpg>

On that, it is noted that, before the subject ocean container was loaded on the ship and exported, **over \$ 4100 in demurrage** accrued in the US (origin port of Miami) with several thousand more, assessed at destination, as the cargo of donated goods was deemed abandoned by the consignee, according to Honduran Customs, at its destination in Honduras.

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How did so much demurrage accrue in the US?

**This is the core issue.**

After the shipper/complainant paid a truckers overtime fee, late, and his container was OK to be shipped, **due to the SS Line's (ZIM) own scheduling issues**, they rolled the booking several times more. By and at the time the cargo was loaded on the vessel, the nvocc/carrier then advised me that several thousands of dollars in port demurrage had accrued and was being assessed by ZIM.

Had ZIM loaded the shippers container onto their vessel, promptly, I would have thought that those thousands in demurrage could have been avoided. It was due to the ocean carriers own **scheduling issues**, that it finally left when it did.

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**The issue of the amount of "Free Time"** for export and import cargo, is certainly important.

It seems that port operators throughout the US (and elsewhere) have over time been decreasing the amount of free time at the port/terminals, to such an extent that avoiding demurrage is like threading a needle. The general public has little knowledge of such things. The port operators have been given a practical free reign on such matters.

I think that these terminal operators certainly use demurrage and ever decreasing free times at the terminals, as a way of increasing their bottom line profits. Its not all about prompt cargo "through-put", while that is of course a factor.

Some SS Lines, like Hoegh, have been fortunate and smart, to be in a position to "buy the real estate" where their ships berth. That gives them much greater leeway in how they can accommodate their shippers/consignees/customers. Each port and terminal is different, however.

Years ago, the general public may faintly recall the controversy that arose when "Dubai Ports World" tried to take over the running of the Port of Baltimore. One can review the record, online:

[https://en.wikipedia.org/wiki/Dubai\\_Ports\\_World\\_controversy](https://en.wikipedia.org/wiki/Dubai_Ports_World_controversy)

Control and administration of US ports is one of the most important lynch-pins to our economy.

In places where port administrators have a bottom line interest in maximizing profits by shortened free times and imposing very high per diem and demurrage fees; when left unchecked, they will do so. It becomes a hidden tax on US exports/imports, when it occurs. Locations controlled by a carrier like Hoegh, are much less likely to be rapacious in their pricing and practices. They mostly want to just move the cargo on their ships.

From my experience, in some other ports and terminals, there seems to be more of a profit motive to assess very high demurrage fees. The carriers just pass it along. Its not a cost of doing business for them. They want to maintain peace with the terminal operators. The individual shippers/consignees bare the brunt. Unless, of course, the costs are unfairly transferred onto the export brokers/forwarders, like me.

Unfair port practices should not mean that I, as forwarder only, or my client/shippers, become a target for extremely high US export/port demurrage.

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My Testimony.

I recognize that the FMC can pick and choose who is invited to publicly testify, and what comments will be posted.

Kindly note, that when my timely submitted public comment (07/05/2017) on the Regulatory Reform Docket 17-04 and EO 13771 was sent by email to the FMC, it was not posted. I followed up in a second email asking "why was it not posted?" but my email was not answered.

Nevertheless, I am asking for the opportunity to lend my own voice and experience to this important petition.

**If I am invited, I will be there.**

Fair Port Practices are critical to our nations well-being.

My desire is to help make things better, not just for myself but for all who work honestly in the export-import industry. There's got to be a better way. If I can help the Commission figure a better way forward, I will help. We still have a long way to go before current port practices are "more fair, just and equitable".

To quote our current President:

"We cannot solve our problems by making the same failed assumptions and repeating the same failed strategies of the past. **Old challenges demand new approaches.**"

I want to be a part of a new approach.

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**I commend and support the effort by the Coalition for Fair Port Practices.**

A copy of my full remarks, are being shared/sent to Senator John Thune, and the White House, for their information.

A copy of my previous submission regarding EO13771 and Docket 17-04, follows below.

Respectfully submitted,

Joseph Quinn

**Sefco Export Management Company, Inc.**

1 Ascan Avenue, PH-74

Forest Hills, NY 11375

**PERSONAL BACKGROUND & HISTORY:**

[www.sefco-export.com/corporate/josephquinn.htm](http://www.sefco-export.com/corporate/josephquinn.htm)

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FMC OTI ocean freight forwarder lic. no 020644F

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**Reference: CURRENT**

Commission Sets January Dates for Petition P4-16 Hearings

November 16, 2017

Contact: John K. DeCrosta (202) 523-5911

The Federal Maritime Commission today announced January 16 and 17, 2018 as the dates it will hold public hearings to receive testimony from maritime industry witnesses regarding a petition filed by the Coalition for Fair Port Practices (Petition P4-16) that raised issues associated with detention, demurrage, and per diem charges.

Those interested in presenting testimony at the hearings must send their request to the Commission no later than Friday, December 8, 2017. Information included in their correspondence should include the name of the potential witness, the company or employer they will represent, their contact information, and a summary of intended testimony. The Commission may also reach out to other potential witnesses. All witnesses will testify by invitation.

Acting Chairman Michael A. Khouri stated, "I look forward to the opportunity to explore with the witnesses the issues raised by the Petition. One question is whether the Commission can craft a general rule of universal nationwide applicability on detention, demurrage, and per diem provisions given the wide variety of commercial terms and conditions that are incorporated into VOCC service contracts and in MTO tariffs nationwide to address various events and circumstances. A further consideration to be addressed is the various and disparate operating protocols used at the 250 plus marine terminal operators currently registered at the Commission."

The hearings will commence at 10:00 a.m. on both days and are tentatively scheduled to last through the end of each workday. The hearings will be held in the Commission's Main Hearing Room, located at 800 North Capitol Street, NW, Washington, DC.

The Commission voted at its September 20, 2017 meeting to hold these hearings after receiving staff's analysis of the 115 public comments received in this matter. Both the volume of correspondence and variety of issues raised by comment filers demonstrated the complexity of the issue being raised in the petition and the need to not only gain more information, but to have the opportunity to engage stakeholders directly to better understand their perspectives.

Commissioners will engage in lines of questioning based off the already established record, individual research they have done, and in response to testimony of the witnesses.

The hearings on Petition P4-16 will be open to the public to allow any interested parties to observe the proceedings in person. Additionally, the hearings will be webcast and a link to livestream the session will be published closer to the event date.

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reference: **Previous Submission**

sent 7/5/2017: [www.sefco-export.com/policy/RegulatoryReform-DOCKET-17-04.pdf](http://www.sefco-export.com/policy/RegulatoryReform-DOCKET-17-04.pdf)

#### FMC Regulatory Reform

The FMC is engaged in a voluntary effort to provide regulatory reform consistent with Executive Order 13771, Reducing Regulations and Controlling Regulatory Costs (EO 13771) and Executive Order 13777, Enforcing the Regulatory Reform Agenda. Although as an independent regulatory agency the FMC is not required to comply with the recent regulatory reform executive orders, the Commission has undertaken its regulatory reform effort in the spirit of both EO 13771 and EO 13777.

On March 13, 2017, the FMC's Acting Chairman Michael A. Khouri designated the agency's Managing Director, Karen V. Gregory, to serve as Regulatory Reform Officer (RRO). The RRO established a Regulatory Reform Task Force (RRTF) comprised of 5 members, including the RRO. The RRTF has met regularly to implement the process identified in EO 13777 of evaluating existing FMC regulations and making recommendations regarding their repeal, replacement, or modification.

On May 24, 2017, the RRO publicly provided a report to the Commission on the progress of regulatory reform efforts.

On May 26, 2017, the Commission solicited input from the public through a Notice of Inquiry (NOI). The NOI comment period has concluded and the RRTF is in the process of reviewing filed comments. The RRTF is also conducting a review of pending matters before the Commission, such as rulemakings and petitions, in an effort to provide regulatory reform consistent with EO 13771 and EO 13777.

The RRTF has identified a petition filed by the National Customs Brokers & Forwarders Association of America, Inc. (FMC Docket No. P2-15) and an existing rulemaking on agreement filing (FMC Docket No. 16-04) as short-term objectives by which to move forward the Commission's regulatory reform initiative.

The RRO will recommend a regulatory agenda with proposed actions and regulatory reform. All regulatory changes will require action by the Commission, and may require rulemaking. The RRTF will continue to meet as reform efforts progress.

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