

# Memo

**To:** Assistant Secretary Ms. Rachel E. Dickon  
**From:** Spadaro International Services  
**Date:** 2/16/17  
**Re:** **Petition No. P4-16**

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Federal Maritime Commission

800 North Capitol Street N.W.

Washington, DC 20573-0001

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. In the *Federal Register* notice, "views or arguments" on this petition were invited and I am pleased to respond. My company fully supports the rulemaking requested by the Coalition and we urge the FMC to begin a proceeding to consider this matter as soon as possible.

I am **Michael Spadaro** and my company is **Spadaro International Services**, which is an ocean transportation intermediary engaged in the business of arranging for the movement of international ocean cargo for our various shipper/receiver clients.

In recent years, there have been a number of situations where the vessel operators or marine terminal operators have assessed significant amounts of demurrage or detention in situations where neither we nor our customers are at fault or are able to either pickup or deliver cargo or containers from or to the ports or carriers. In particular, recurring port congestion resulting from significant weather events, port labor issues or inadequate port infrastructure have caused lengthy delays in moving the cargo and empty containers. Yet, ports and carriers have routinely assessed demurrage and/or detention charges

to us and/or our customers even though the delays in moving the containers are normally beyond our control.

The existing system of arguing with the carriers or ports over the propriety of receiving demurrage or detention bills in these circumstances or, if the carrier or ports refuse to listen, in challenging the bills at the Commission, even with the assistance of the Consumer Affairs Dispute Resolution Service, is time consuming and unwieldy. For that reason, we believe that the Commission should consider adopting a policy or rule, as proposed by the Coalition, that makes it clear that it would be inappropriate for the carriers and MTOs to assess demurrage and/detention charges in situations where the delays are clearly

beyond the control or fault of the OTIs and their customers.

I want to emphasize that we are not asking the Commission to add new regulations, since the Petition makes it clear that the assessment of demurrage and detention in situations where the delays are not attributable to the cargo interests, is unlawful and violates the Shipping Act. But the recent experiences - - where my company or its customers receive inappropriate and often very large invoices - - demonstrates that the Commission should make it clear to the carriers and ports that they need to act more responsibly. By doing so, the Commission would both provide a needed incentive to those parties to work harder to increase the efficiency of their operations and significantly reduce the amount of time spent or arguing or litigating about demurrage and detention bills.

We accordingly urge the Commission to initiate a proceeding to consider this important issue.

Cordially,



Michael Spadaro