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February 28, 2017

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

Re: Petition No. P4-16

Dear Assistant Secretary Dickon:

In response to the Federal Maritime Commission's (FMC) request for comments on the Fair Port Practices' petition, please be advised that our company supports the rulemaking requested by the Coalition. We urge the FMC to begin a proceeding to consider this matter as soon as possible.

I am Jeanette Gioia, President of Serra International, Inc., which holds licenses as an OTI freight forwarder and as a Customs Broker. Its subsidiary, Serra Shipping, Inc., is a separately licensed OTI NVOCC. We are in the business of arranging and facilitating the movement of international ocean cargo including the delivery and pickup of freight to or from the ports and terminals for our various export and import 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 pick up 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, carrier bankruptcy, severe equipment shortage, 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. If the attempt to get relief takes place before a container is removed from the port, the amount of demurrage only increases. Thus importers are coerced in to paying the demurrage in order to minimize the damage. Smaller shippers do not have the leverage to get relief after the fact. Intermediaries like our company have spent an inordinate amount

of unproductive and unreimbursable time in trying to mitigate demurrage charges unfairly assessed in circumstances that are beyond the control of our customers. The current system does not provide a proper set of incentives for carriers and terminals to move cargo as efficiently as possible.

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 our 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.

Respectfully,

SERRA INTERNATIONAL, INC.



Jeanette R. Gioia
President