



FMC 857

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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMMISSION

CORPORATE HEADQUARTERS
P.O. Box 90099
Long Beach, CA 90809
562-252-8600
FAX: 562-986-1345
www.westernoverseas.com

Atlanta
770 996-2224
Fax: 770 996-2252

Baltimore
410 590-3820
Fax: 410 590-3827

Charleston
843 572-1987
Fax: 843 572-2771

Charlotte
704 357-1111
Fax: 704 357-0222

Chicago
847 981-9050
Fax: 847 981-9052

Houston
281 449-7070
Fax: 281 219-7141

Las Vegas
704 625-1520
Fax: 562-986-1345

Long Beach
562 252-8600
Fax: 562 986-1367

Los Angeles
310 215-3520
Fax: 310 337-1371

Miami
305 477-7377
Fax: 305 477-2191

Milwaukee/Detroit
414 761-7166
Fax: 414 761-7180

New Orleans
504 273-7136
Fax: 504 273-7138

New York
516 823-1500
Fax: 516 823-1515

Norfolk
757 340-2288
Fax: 757 340-3946

Philadelphia
610 583-0906
Fax: 610 583-0907

Portland
503 253-8463
Fax: 503 408-0835

San Diego
619 531-1299
Fax: 619 531-1236

San Francisco/Oakland
650 952-2955
Fax: 650 952-2978

Seattle/Tacoma
253 395-0112
Fax: 253 395-0153

Springfield, MO
417 833-4020
Fax: 417 833-0023

Hong Kong
852 31623283
Fax: 852 26719483

Shanghai
8621 3876 3813
Fax: 8621 3876 3813

January 31, 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:

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 the Chief Operating Officer for my company Western Overseas Corporation 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.

As far back as the Labor Strike of 2002, 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.

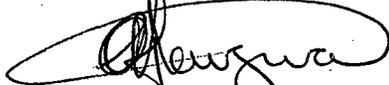
The existing system of arguing with the carriers or ports over the propriety of receiving demurrage or detention bills in these circumstances or, if the carrier or ports refuse to listen, in challenging the bills at the Commission, even with the assistance of the Consumer Affairs Dispute Resolution Service, 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, as the labor slowdown in late 2014, early 2015 resulted in numerous cases where my company or its customers receive inappropriate and often very large invoices through no fault of their own 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,

A handwritten signature in black ink, appearing to read 'Carlo De Atougua', with a large, sweeping flourish underneath.

Carlo De Atougua