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American
Cotton
Shippers
Association

February 1, 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:

American Cotton Shippers Association is pleased to respond 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. American Cotton Shippers Association 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.

Our merchant members handle eighty percent of the Upland cotton and eighty-five percent of Pima cotton exports annually through California, Gulf, Southeast and Mid-Atlantic ports working directly with ocean carriers. US Cotton continues to remain one of the top export commodities departing our nation's ports each year. Through our own annual outreach representatives from many of these ports and ocean carriers attend our annual meeting and collaboratively discuss key issues affecting shipment effectiveness and competitiveness in addition to on-going private meetings with individual members on firm-specific business.

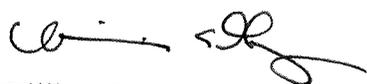
Our members have experienced repeated incidents of severe congestion at container terminals in U.S. ports on both the West Coast and East Coast in different crop marketing years **which have prevented our members from delivery of their cargo to the terminal**. Some of these problems arise after the cargo has left the interior of the country. As merchants, our members bear all commercial risks from the point an export sale is concluded. Any unanticipated costs cannot be passed along to foreign customers and directly affect the viability of member firms.

Whether those incidents involved weather, labor contract negotiations, the arrival of very large ships or other disruptions, the port delays were beyond our control. 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 cannot be delivered to the terminal during the free time period due to congestion or other disruption at the port, carriers and terminals should not assess demurrage. These are real costs that hurt American businesses and American competitiveness.

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,

A handwritten signature in black ink, appearing to read 'William E. May', with a stylized flourish at the end.

William E. May
President & CEO