

June 20

The Honorable Mario Cordero
Chairman
Federal Maritime Commission
800 North Capitol Street
Washington, DC 20573

RE: Proposed Carrier Congestion Surcharges Clarification

Dear Chairman Cordero:

On behalf of the undersigned organizations representing United States manufacturers, farmers, wholesalers, retailers, distributors, importers, and transportation and logistics providers, we are writing to request further clarification and guidance on the proposed “congestion surcharges” announced by ocean carriers if there are disruptions at West Coast ports as a result of the ongoing labor contract negotiations. We also write in support of the recent letter you received from the National Customs Brokers and Forwarders Association of America (NCBFAA).

The Commission issued an industry advisory on May 29 and we appreciate your attention to this matter. However, we believe the Commission has an obligation to seek more information from carriers so that shippers, importers, exporters and others have a clear understanding how the “congestion charges” will be determined and put into place. There is still a lot of uncertainty within the industry as to how and when such surcharges are triggered and put into effect. Potentially affected shippers do not know the specific trigger mechanism that carriers will use to determine the assessment of a surcharge or the rights beneficial cargo owners have to negotiate the level of surcharges. Carrier announcements to date have been ambiguous.

Specifically, we would ask the Commission to consider the following actions:

- 1) Develop an internal clearing house for information relating to the timing and amounts of “congestion surcharges” which should be made publicly available. Provide additional guidance on ambiguous phrases like “labor related unrest” and provide Frequently Asked Questions (FAQs) about the congestion surcharge issues. Shippers are very unclear about whether or not the surcharges will be imposed, the trigger mechanism to impose the surcharges or the length of the surcharges.
- 2) Require the carriers and marine terminal operators to establish disruption-related demurrage and detention tariffs that eliminate potential “congestion surcharges” completely during the applicable time period or at least do not include any penalty portion of those charges during the timing of these events. If a shipper is unable to move its container during a period of significant labor unrest or force majeure events, it is not appropriate for them to be assessed demurrage or detention charges during that period.

We welcome the Commission's attention to this important issue. We stand ready to work with the Commission and our industry partners to address these matters.

Sincerely,

Agriculture Transportation Coalition - AgTC
Airforwarders Association
Alliance of Automobile Manufacturers
American Apparel & Footwear Association (AAFA)
American Home Furnishings Alliance
American Meat Institute
American Pyrotechnics Association
Auto Care Association
California Retailers Association
CAWA - Representing the Automotive Parts Industry
Coalition of New England Companies for Trade - CONECT
Columbia River Customs Brokers and Forwarders Association
Customs Brokers and Forwarders Assoc. of Northern California
Customs Brokers and Freight Forwarders of Washington State
Express Association of America
Fashion Accessories Shippers Association (FASA)
Institute of Makers of Explosives
International Source Suppliers and Producers Association (ISSPA)
International Wood Products Association
Los Angeles Customs Brokers and Freight Forwarders Association
National Association of Beverage Importers
National Association of Manufacturers
National Customs Brokers and Forwarders Association of America
National Grain and Feed Association
National Oilseed Processors Association
National Retail Federation
National Shippers Strategic Transportation Council (NASSTRAC)
North American Export Grain Association
North American Meat Association
North American Shippers Association. Inc.
Outdoor Industry Association
Pacific Coast Council of Customs Brokers and Freight Forwarders –The PCC
Retail Industry Leaders Association
The National Industrial Transportation League
The Waterfront Coalition
Travel Goods Association (TGA)
U.S. Fashion Industry Association
U.S. Hide, Skin and Leather Association
Wine & Spirits Wholesalers of America

CC: Commissioner Rebecca Dye
Commissioner Richard Lidinsky, Jr.
Commissioner Michael Khouri
Commissioner William Doyle