Via: John Moran at jmoran@fmc.gov

September 15, 2023

Federal Maritime Commission

ATTN: Rebecca F. Dye

rdye@fmc.gov

Federal Maritime

Commission

800 North Capitol Street, N.W.

Washington, D.C. 20573

Re: Addressing Supply Chain Bottlenecks: PRACTICES OF OCEAN CARRIERS AND MARINE TERMINAL OPERATORS

ON EMPTY CONTAINER RETURN, EARLY RETURN DATE, AND CONTAINER PICKUP

Dear Commissioner Dye:

For over 100 years, the American Association of Exporters and Importers (AAEI) has served as a prominent national voice for the United States' international trade community. AAEI proudly represents a diverse range of industry sectors within the global trade landscape, comprising manufacturers, importers, exporters, wholesalers, retailers, and various service providers such as customs brokers, freight forwarders, trade advisors, insurers, security providers, transportation interests, and ports. Many of these entities are small businesses seeking opportunities to export to foreign markets. AAEI's primary focus lies in promoting fair and open trade policies, advocating for companies involved in international trade, and addressing essential issues like supply chain security, export controls, non-tariff barriers, import safety, and Customs and Border Protection (CBP) matters. As the premier U.S. international trade organization, AAEI is recognized for its expertise in the day-to-day facilitation of trade, including the administration and compliance with import and export laws of the United States, making it an indispensable resource for those directly involved in and impacted by developments in international trade.

**General Comments**

The need for reform in the Federal Maritime Commission’s (FMC) container practices has been evident even before the recent challenges posed by post-COVID port congestion. Over the past few years, there has been a notable decline in schedule reliability, placing shippers in a precarious position with last-minute alterations to receiving windows. These abrupt changes have led to a cascade of repercussions, ranging from missed cargo and document cutoffs to rolled bookings, significant customer delays, and substantial detention and demurrage charges. Additionally, our operations have been hindered by backlogs at shipping facilities and warehouses, impacting on production schedules resulting in lost sales and increased costs. The ensuing congestion across the entire value chain has only exacerbated already strained resources.

The proposals set forth by the FMC have garnered AAEI’s support. However, I would like to draw your attention to a potential challenge pertaining to the Effective Receiving Date (ERD) application based on the empty pickup date. While this approach aligns seamlessly with live-loading shippers, for many shippers who pull containers up to two weeks in advance through pool bookings, it poses a considerable challenge in negotiations with steamship lines. We suggest that a more pragmatic approach might be to redefine the standard time horizon for pool-released empty containers, perhaps by basing the applicable ERD on the last known ERD at five business days before the designated date.

**Specific Comments**

CONTAINER RETURN PROPOSAL

AAEI’s exporters agree with the proposal to require that containers must be returned to the terminal of the original pickup, facilitating the pickup of a new load. Additionally, AAEI members agree with the proposal that any requirement for an appointment at a new receiving terminal must be waived.

EARLY RETURN DATE PROPOSAL

AAEI’s exporters agree with the proposal to make the Earliest Return Date (ERD) applicable for the shipment will be the one in effect at the time the empty container has been picked up from the terminal.

NOTICE OF CONTAINER AVAILABILITY FOR PICKUP PROPOSAL

AAEI members agree with the proposal to require that ocean carriers and marine terminals (MTOs) must coordinate information to provide shippers with an electronic notice that a container is available for pickup. The additional proposals, including proposed rules around “free time” and the definition of “availability” also meet with AAEI members’ approval.

A long-term solution is needed in the United States. U.S. importers and exporters strive to drive improvement, but their capabilities are limited to initiatives within their own operations. To drive a step-change in world competitiveness, there needs to be a focused effort to build effective supply chains to drive insights and accelerate our U.S. goods to world markets.

We look forward to working with the FMC to address supply chain improvements. If you have any questions or requirement any clarification of our comments, please contact my staff lead Mitchell Hart at Mitchell.hart@aaei.org.

Sincerely,



Eugene C. Laney

President & CEO