



Commissioner Daniel B. Maffei
Federal Maritime Commission
Washington, D.C.

A lot can change in a couple decades ...



THEN...



And NOW

THEN...



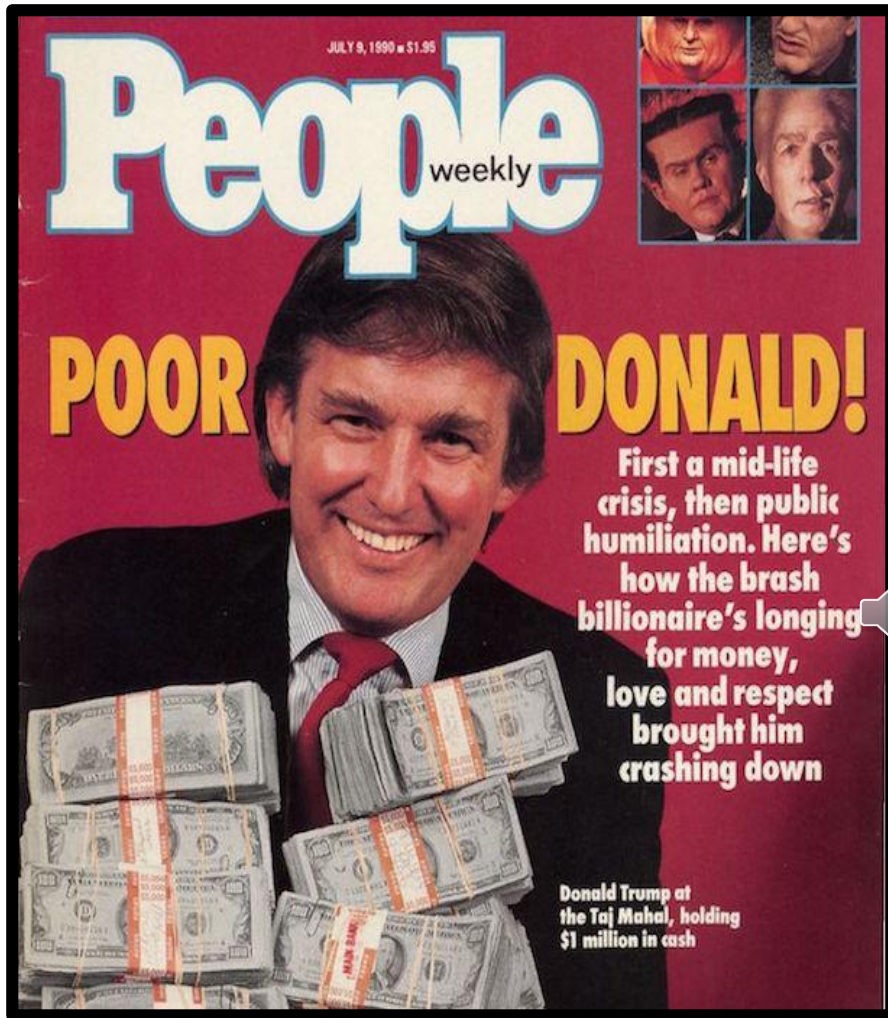
And NOW



THEN ...



And NOW

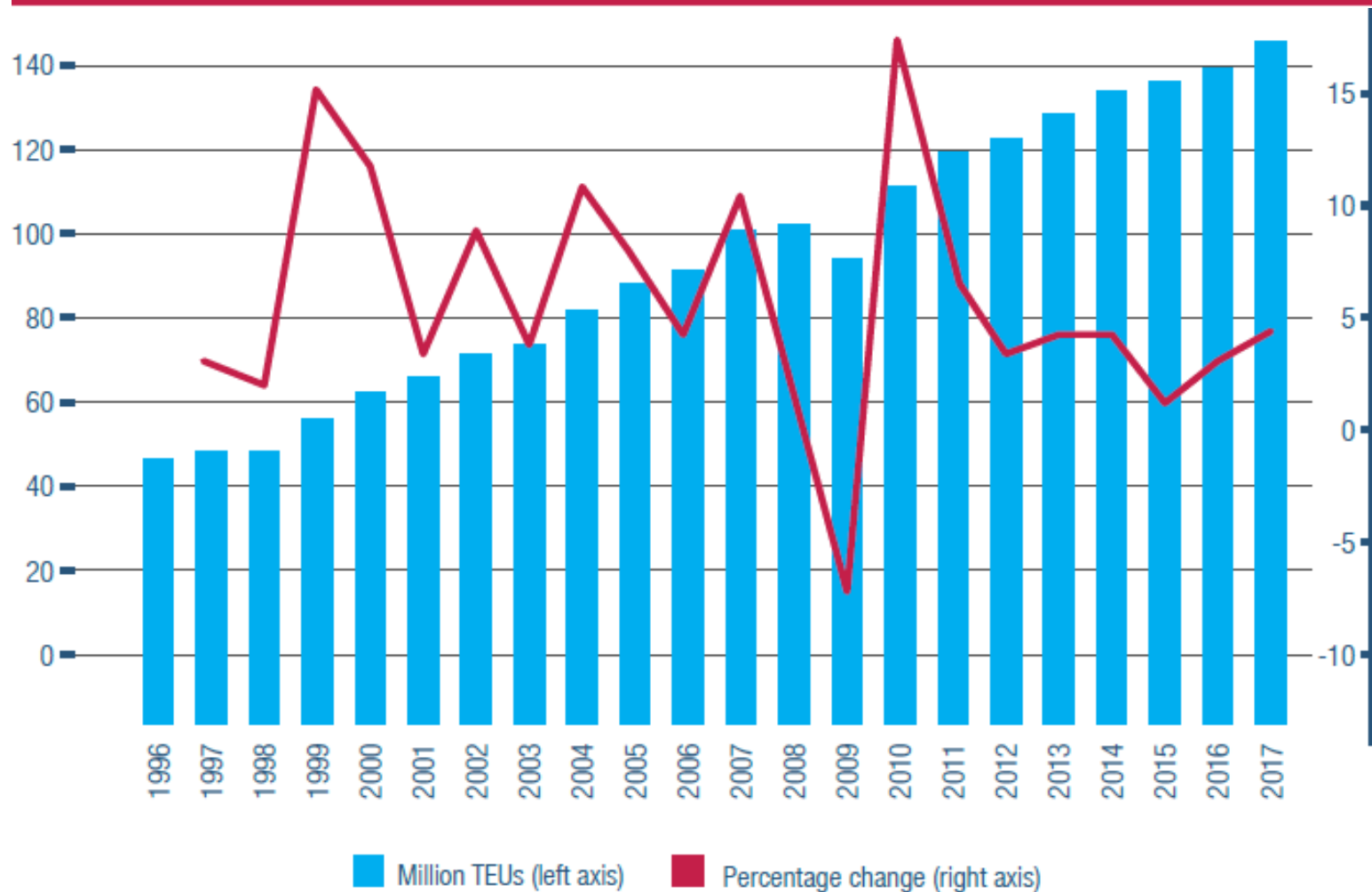


THEN ...



And NOW

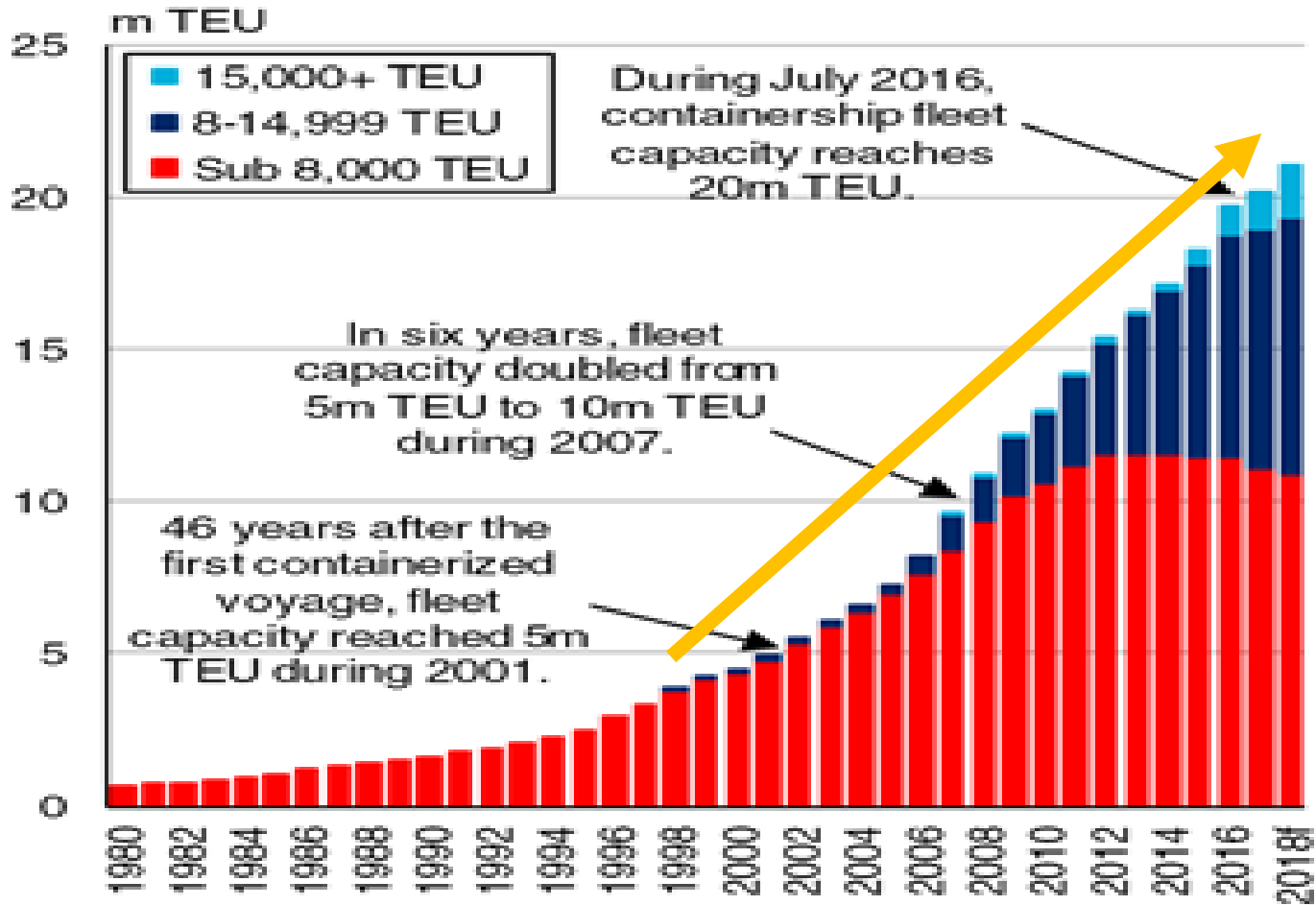
Global containerized trade, 1996–2017 (Million 20-foot equivalent units and annual percentage change)



Source: UNCTAD secretariat calculations, based on data from MDS Transmodal, 2017.

Note: Data for 2017 are projected figures.

Growth in Ocean Container Fleet Capacity



Source : Clarksons Research

Two decades of increasing container ship capacities ...



MOL Triumph

A large blue and white container ship, the MOL Triumph, is docked at a port. The ship is heavily loaded with colorful shipping containers in shades of green, orange, and red. Several red gantry cranes are visible on the pier, some with the name 'BURCHARDKAI' on them. The ship's name 'MOL TRIUMPH' is written in white on the blue hull, and 'MOL' is written in large white letters on the side. The sky is overcast and grey.

Delivered from Samsung Heavy Industries on March 27, 2017

Owner: Mitsui O.S.K. Lines

Length: 400 meters

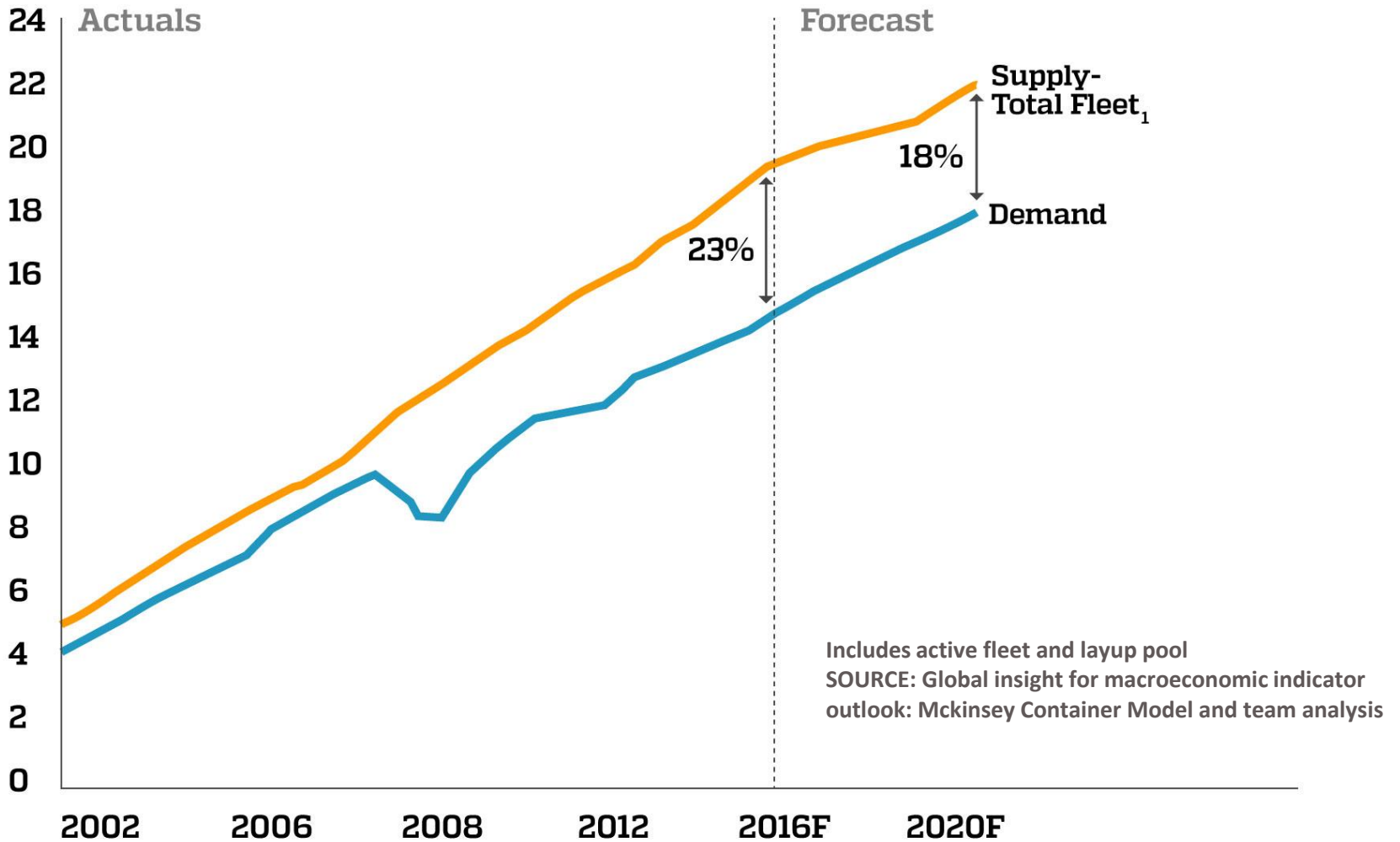
Breadth: 58.8 meters

Depth: 32.8 meters

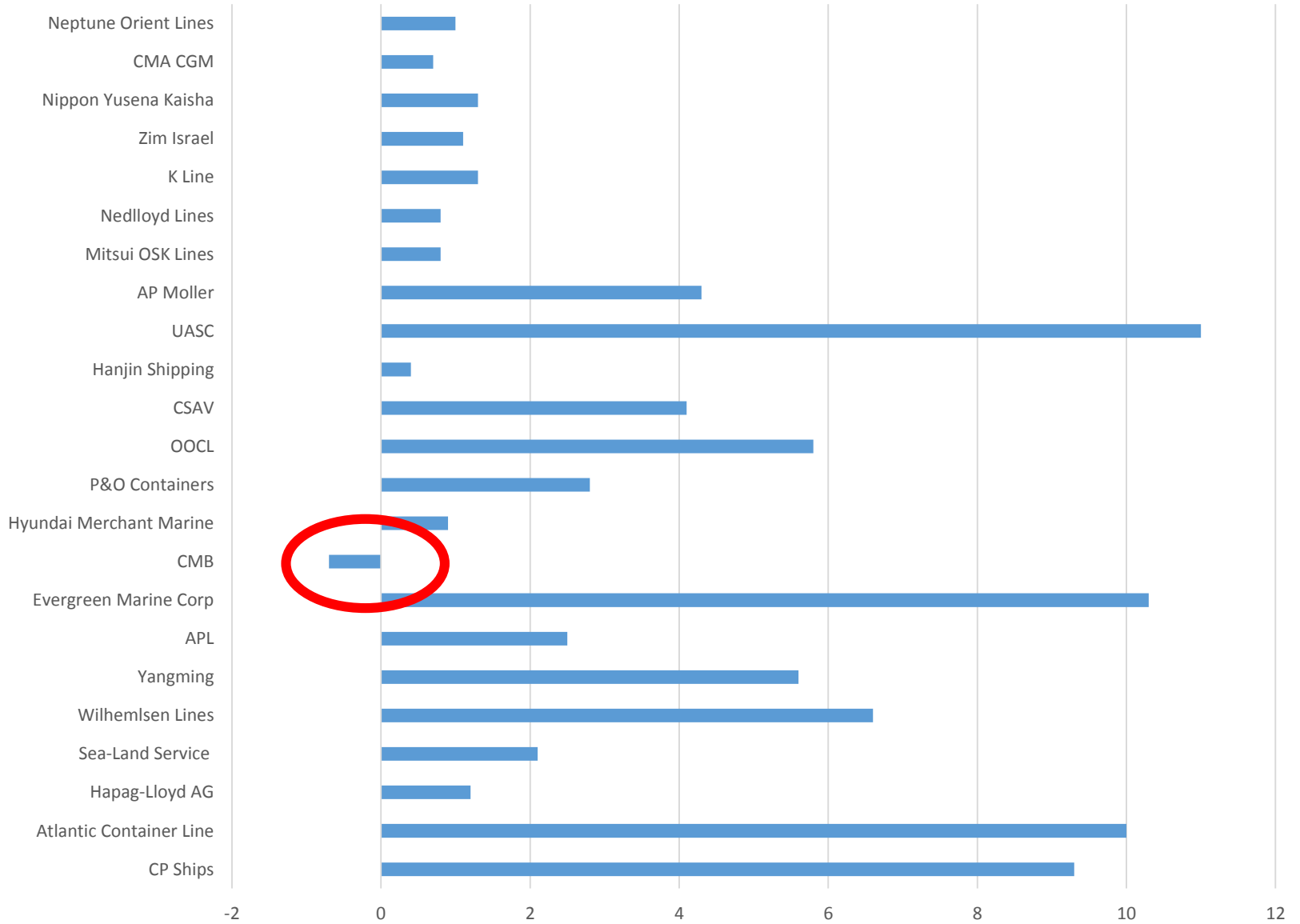
Capacity: 20,170 TEU

Global Container Shipping Volume

TEU m Standing Slots



1996 Net Profit Margins



2016 Net Profit Margins

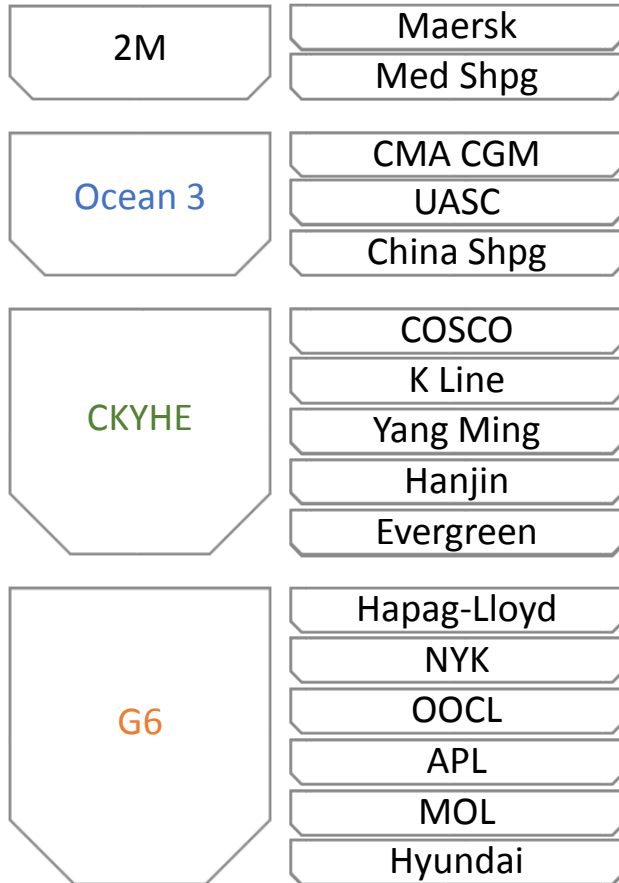


Trend towards consolidation of carrier lines and alliances

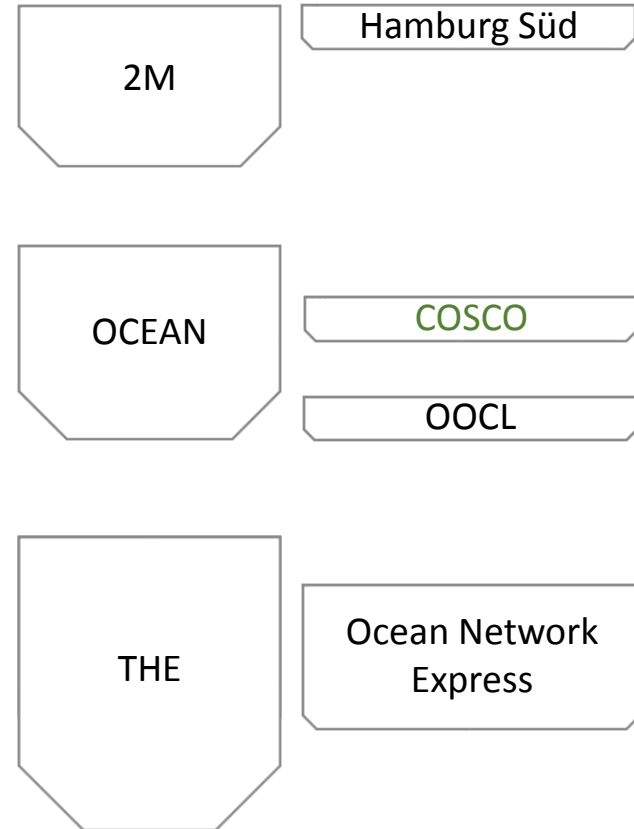


Recent Mergers and Reshuffling of Alliances

Four-Alliance Structure

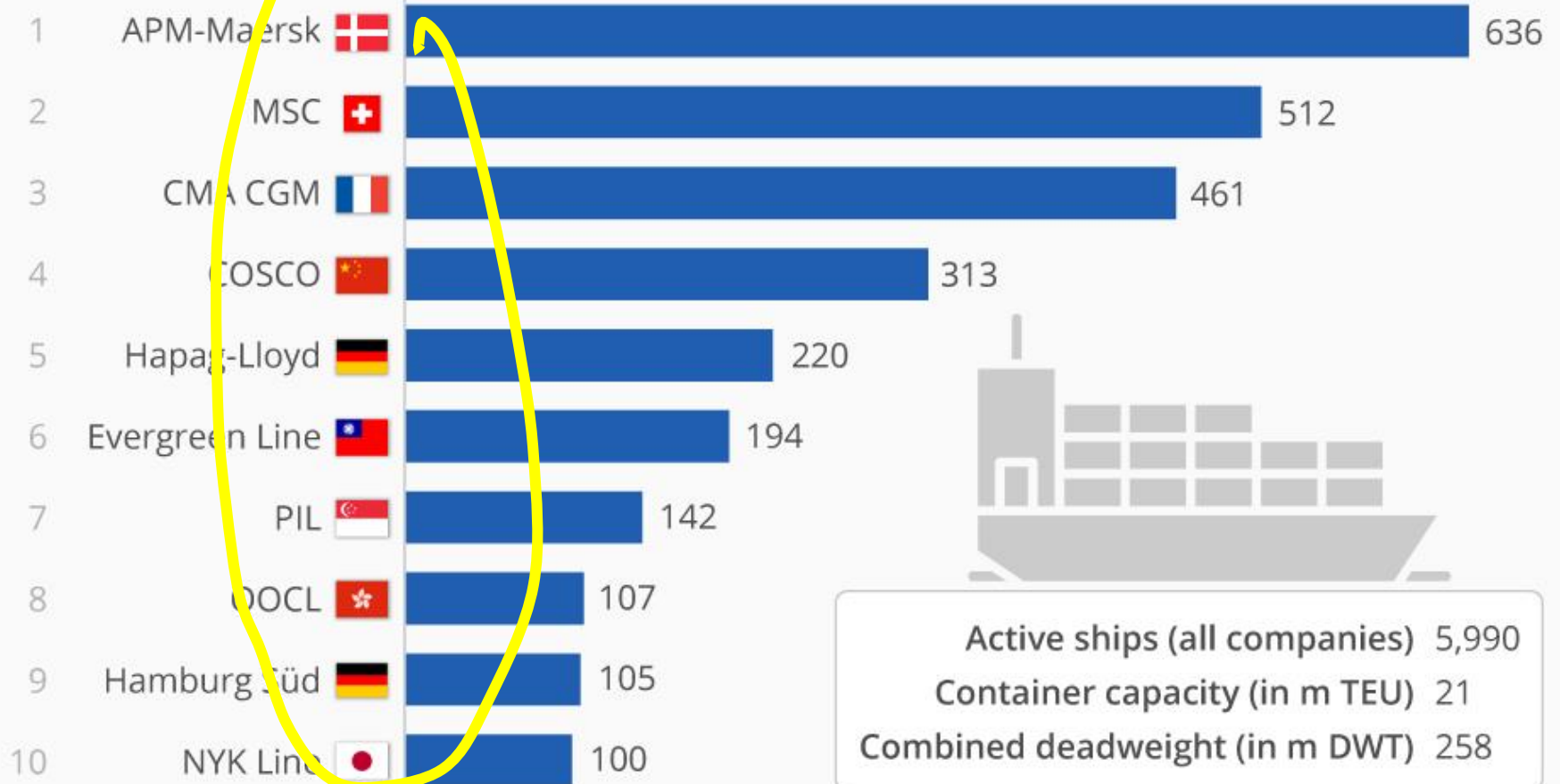


Three-Alliance Structure

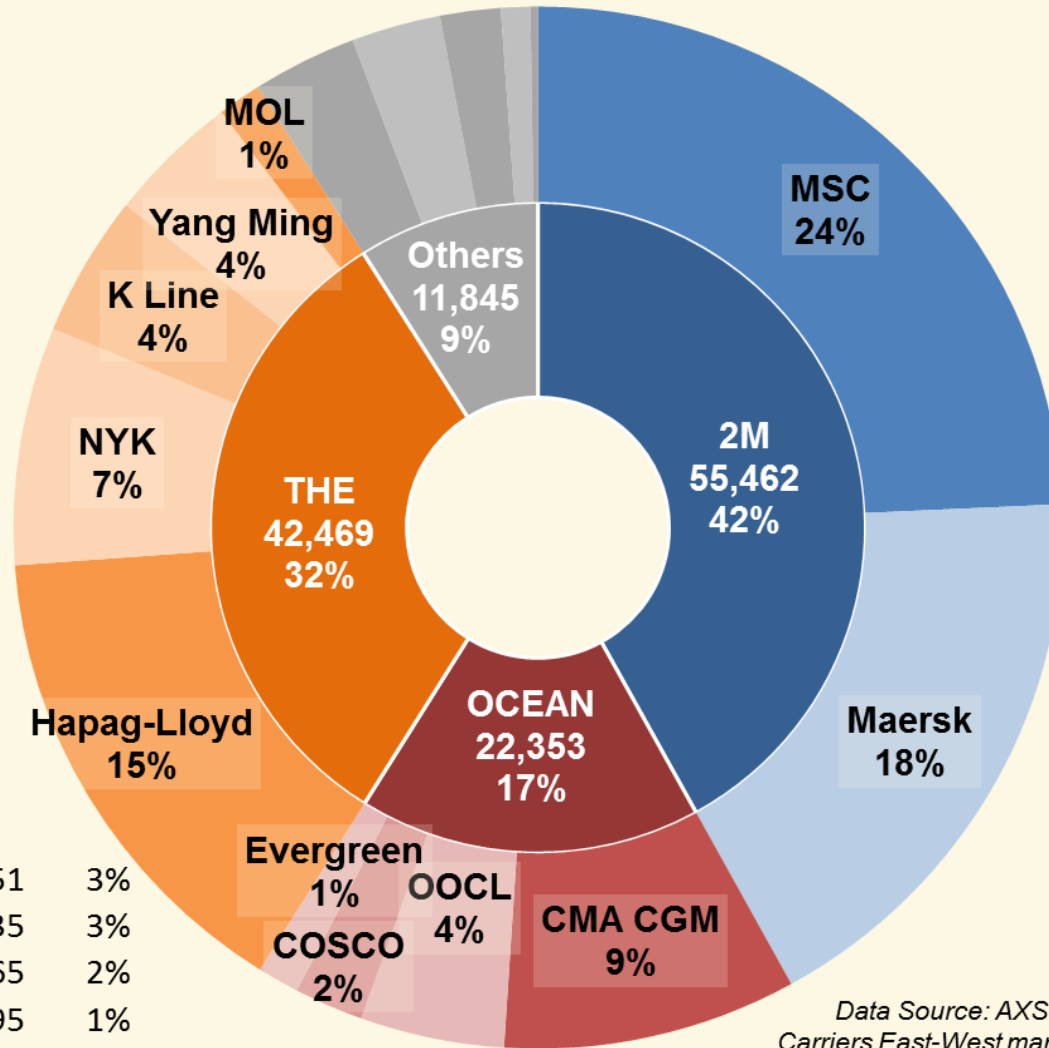


The Largest Container Ship Fleets

Leading container shipping companies worldwide based on number of ships



Weekly Transatlantic Capacity

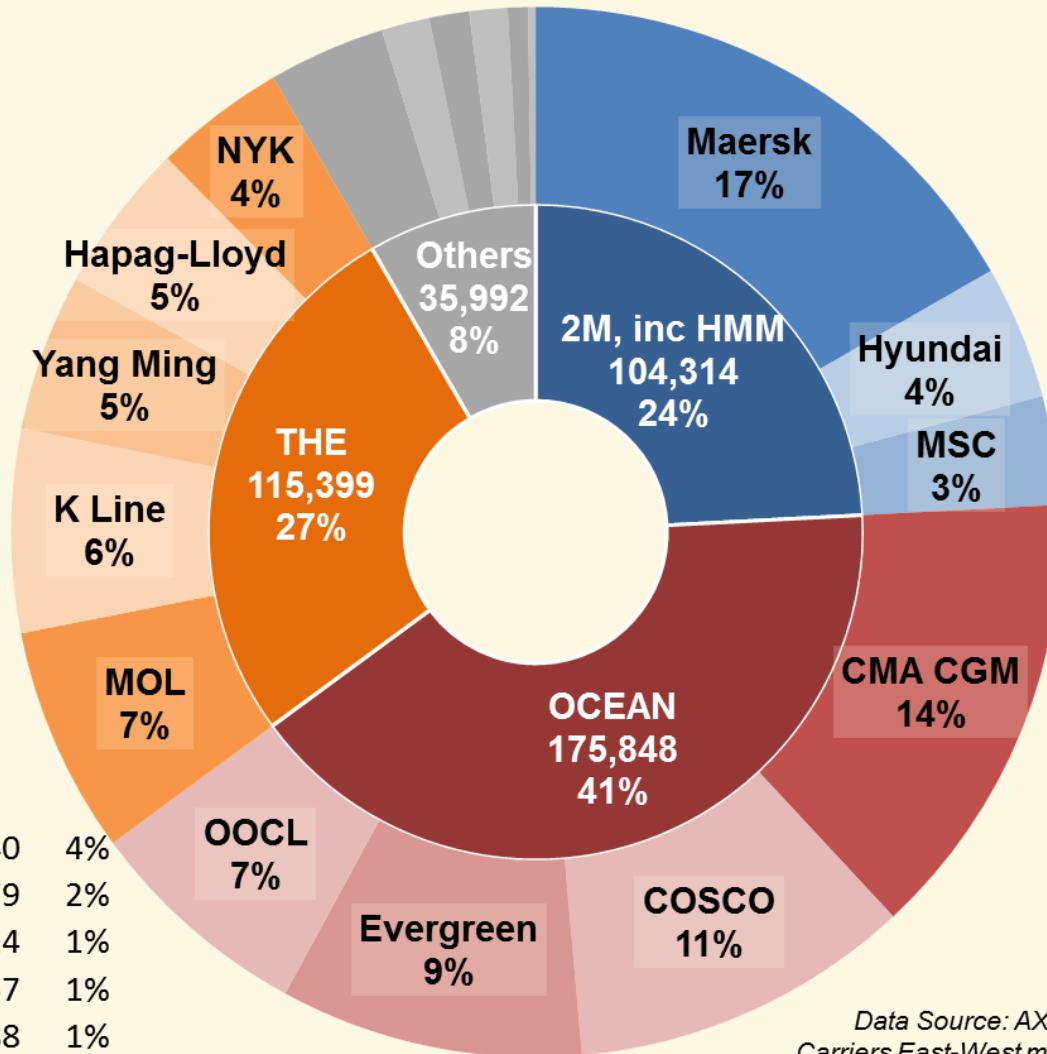


OTHERS:

Zim	4,251	3%
Grimaldi	3,635	3%
ICL	2,465	2%
Turkon	1,195	1%
NileDutch	299	<1%

Data Source: AXS-Alphaliner,
Carriers East-West market shares,
04-May-2017

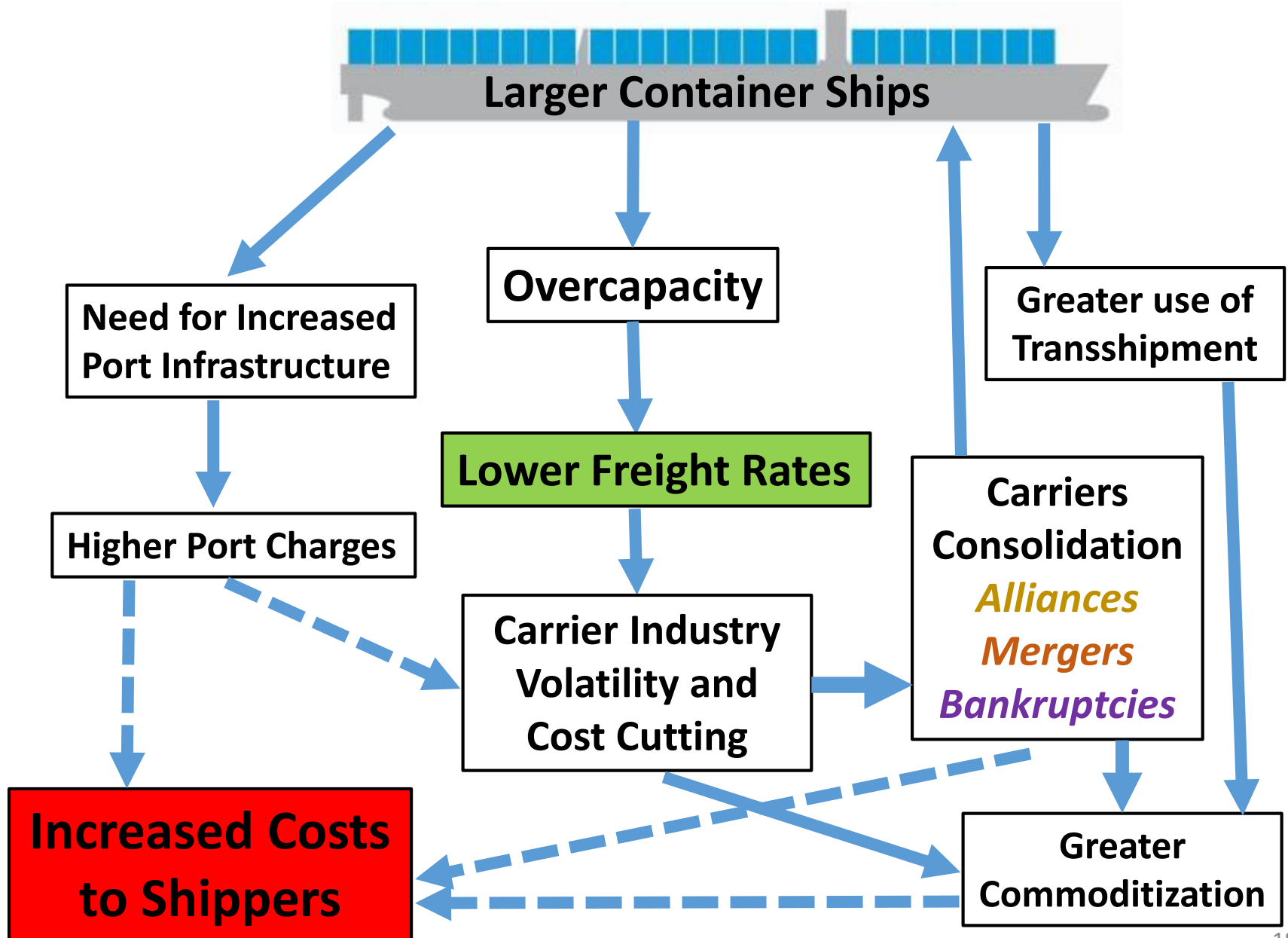
Weekly Transpacific Capacity



OTHERS:

Zim	15,540	4%
PIL	6,379	2%
SM Line	5,324	1%
Wan Hai	5,057	1%
Matson	2,688	1%
Westwood	1,004	<1%

Data Source: AXS-Alphaliner,
Carriers East-West market shares,
04-May-2017



Most of U.S. international
maritime law dates back
34 years ago
to Shipping Act of 1984

Last substantial changes made
20 years ago
With Ocean Shipping Reform Act in 1998

Federal Maritime Commission



1) Review Alliance Agreements

2) Supply Chain Innovation Initiative

3) Proposed Rulemaking to Decrease Requirements for NSAs and NRAs

4) Consideration of Petition P4-16 (Shippers' Detention & Demurrage petition)

5) Provide assistance (CADRS)

Supply Chain Innovation Initiative

- Two teams – import and export
- Both teams identified the unmet critical information needs – must be accurate, timely, and available
- Conclusion:

*Increase visibility of critical information
through introduction of
a National Seaport Information Portal*

National Seaport Information Portal

SHIPPERS

Import

- Estimated time of discharge
- Notification that import container is available for pickup
- Issues preventing container release
- Available free time

Export

- Forecasts of empty container availability and location
- Earliest time at which an export container could be delivered to terminal and other cutoffs
- Terminal gate hours

TRUCKING COMPANIES

Import

- Cargo availability for pickup
- Availability of roadworthy chassis
- Terminal gate schedules

Export

- Empty container location
- Chassis information
- Terminal gate schedules



MARINE TERMINAL OPERATORS

Import

- "Hot" v. "dwell" import containers
- Forecasts of changes in street dwell times
- Estimated truck arrival time for container pickup

Export

- Estimated time of container to terminal
- Forecasts of vessel arrival and departure

CHASSIS PROVIDERS

Forecasts of ocean carrier chassis needs

Advance gate hours

Forecasts of local chassis v. inland port intermodal (IPI)

Proposed Rule: NVOCC Service Arrangements (NSAs) and Negotiated Rate Arrangements (NRAs)

- On November 27, 2017, the FMC issued a Notice of Proposed Rulemaking relating to NSAs and NRAs
- One of the biggest steps towards deregulation ever
- Three key changes in the proposed rule:
 - Remove the filing and publication of essential terms requirement from NSAs;
 - Permit NVOCCs and shippers to amend NRAs (including after the shipment is received); and,
 - Allows the act of booking cargo to be considered acceptance of a rate under the terms of an NRA.
- The FMC invited comments on whether we should also amend NRA rules to allow inclusion of non-economic terms

Detention and Demurrage Petition

- Mega ships, vessel bunching, and deficiencies in infrastructure contribute to port congestion (May result in detention, demurrage, and/or per diem charges)
- Some shippers claim that fewer alliances, consolidations among carriers, and their changing relationships with terminal operators have made it more challenging to negotiate a fair deal on these charges.

Detention and Demurrage Petition

- The Coalition for Fair Port Practices filed a petition with the Commission regarding current demurrage and detention practices
Petition requests the Commission provide guidance regarding what are just and reasonable detention and demurrage rules and practices
- The Commission recently held two days of hearings on the petition

Detention and Demurrage Petition

- Petition supporters included shippers of all sizes, NVOCCs, and truckers
 - Testified about situations where demurrage and detention were charged though they were not at fault, such as for government inspections
 - Presented the seemingly arbitrary manner in which detention/demurrage are assessed, and challenges working with carriers/terminals/ports

Detention and Demurrage Petition

- Petition opposition included carriers, terminal operators, and ports
 - Say problems are less common and more limited to specific issues such as the LALB slowdown in 2015
 - Argue against a one size fits all remedy
 - Pointed out often they are also not at fault and frequency with which detention/demurrage are waived

Detention and Demurrage Petition

- The official record is open until February 1 so the Commission is still gathering information for its consideration of the petition



FMC Consumer Affairs & Dispute Resolution Services

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E-mail: complaints@fmc.gov



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