THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

October 16, 2023

Hon. William Cody
Secretary
Federal Maritime Commission
800 N. Capitol Street, NW
Washington, D.C. 20573

Re: NITL Response to FMC's Request for Information, 88 Fed. Reg. 55697 (Aug. 16, 2023), Docket No. FMC-2023-0016

Dear Secretary Cody:

The National Industrial Transportation League ("NITL") provides its responses to the Federal Maritime Commission's ("FMC") Request for Information ("RFI") in Docket No. FMC-2023-0016. The RFI concerns data challenges in the ocean cargo supply chain network that have been examined as part of the Maritime Transportation Data Initiative ("MTDI") led by Commissioner Carl W. Bentzel.[1] The Commission seeks additional information from stakeholders in the shipping industry to expand the information gathered from the MTDI sessions and address additional topics related to data availability, accuracy, transmission, and exchange.

NITL is a trade association representing shippers across truck, rail, intermodal, ocean, and barge. NITL members represent a wide variety of commodities and businesses who rely on efficient, competitive, and safe marine transportation to meet their supply chain requirements and the needs of their customers. NITL is encouraged by and supports the FMC's objective to gather additional public comment on questions regarding maritime data transmission, accessibility, and accuracy.

To that end, NITL provides the following responses from its members to the questions posed by the FMC specific to importers and exporters:

1. What data points during the shipping process are least likely to be available/accurate?

NITL members tend to agree that, generally, the least accurate data points are estimated and projected dates for vessel schedules and for the dropping and retrieval of loaded containers. Specifically, NITL members identified the following data points as the least available and/or as the most inaccurate either because the information is not provided timely and/or because information updates when changes occur are not reliable: estimated time of vessel departure and

[1] *See* MTDI Report available at *https://www.fmc.gov/wp-content/uploads/2023/04/MTDIReportandViews.pdf*

arrival, earliest receiving (return) date for exports, container availability data at port of discharge or inland container yard for imports, transshipment data, feeder line data, and documentation cutoff dates. Many of these, if they change, have an upstream effect on the accuracy of multiple other data points in the shipping process such as port cutoff, document cutoff, and early return date. Further, NITL members reported challenges due to conflicts between ocean carrier and terminal data, including terminal free time, and the lack of data standardization within port and terminal systems.

2. What are the most accurate and visible data points?

NITL members agree that the most accurate and visible data points are the "actual" dates regarding container movement that are available after delivery of the shipment. Also, the port authority's begin receiving date and end receiving date, and the "load at port of origin" generally an accurate data point as it relates to the vessel's actual time of departure. One NITL member reported that the main line vessel's estimated times of departure and arrival are generally available and accurate.

3. What data points are the most important to have accurate and in advance to facilitate planning of service?

NITL members recognize early and latest return dates, estimated time of arrival (during the booking stage), port and document cutoff dates, origin load, ocean carrier estimated times of departure and arrival, and cargo availability date for imports as the most important data points to have accurate and in advance to facilitate planning of service. With respect to the export receiving windows such as earliest return date and cutoffs, it was recognized that this is more of a procedural issue that permits untimely changes.

4. How often do you receive them [the data points] accurately and in advance? How are changes communicated to you?

The estimated time of arrival is correct approximately half the time reported one NITL member, and usually off by one day early or late. This member acknowledged that cutoff and early return dates are more difficult to measure but can move significantly with a lower error rate at the point of execution but a higher error rate on a planning basis. For another NITL member, the accuracy of these data points is around 70% and changes are usually communicated via email.

Other members recognized that US import availability is never given in advance and that it is only estimated. However, a commitment to an availability date based on the vessel and terminal operation schedules (i.e., activities within the control of the ocean carrier and their agents) should be highly possible. When the shared projected values change, some carriers push this information out but the information becomes less effective during the final days and hours. Usually, it is known by reviewing the website of the carrier or multimodal transport operator.

5. What is the best way for you to receive data from carriers/MTOs/etc. (e.g., EDI, API, email)?

For larger companies who ship higher volumes, API and EDI are more useful because it is more real time and provides greater reporting functionality. As the industry is becoming more digital, standardization in the area of API communications would be beneficial and increase data quality. However, smaller and lower volume companies use email preferring its practicality. One member reported that the ultimate answer to this question depends on how the organization intends to leverage this data. If the organization plans to build the data structures into SAP, EDI may be more ideal. However, if the organization plans to build the data into reporting tools that exist outside of SAP (e.g., PBI, Tableau, or SQL), the organization may prefer API data transmission.

6. How do you currently receive data from carriers/MTOs/etc., (e.g., EDI, API, email)?

For larger NITL members that have higher volumes, third party tools are used to provide estimates for key data using industry information. This is done because of the low data quality that this member receives from ocean carriers. Other members receive data via email. NITL members must regularly review the websites of the carriers, MTOs, and multimodal transport operators to obtain relevant data which is an inefficient process and sometimes results in inconsistent information which takes time to resolve.

7. What share of containers do you believe to be available when you attempt to pick them up, they are not available?

This is not a common problem among NITL members, but members certainly expect 100% of the containers to be available for pick up unless told otherwise in advance. One member has an approximately 90% success rate when empty containers available for pickup by its dray carriers.

8. What is the cost impact of these delays?

The cost impact of these delays is the value of paying the dray carriers for a dry run and additional labor costs in the plants being idle or having to work overtime. Of course, customer dissatisfaction and possible loss of sales are also a cost impact for these delays. Moreover, additional costs can accrue if a chassis needs to be held until the container is available or if it is returned and recollected once the container becomes available. This does not account for the opportunity cost of missing inventory for cargo that is unexpectedly delayed.

9. What share of containers could you have picked up earlier if you had been notified that they were available earlier?

Generally, NITL members try to collect all containers within the allotted free time. Containers that are sitting on docks are still in the organization’s inventory and represents working capital.

As such, organizations prefer to put it to work as soon as possible. Knowing the availability date sooner will start the pickup process sooner. That is, a container that is collected on day two or day three may have been picked up on day one or day two if advanced notification were provided. One member reported that the issue is loaded container movement and data visibility to the dates that dictate these movements.

10. What is the cost impact of these delays?

The cost impact largely depends on whether the organization is primarily importing or exporting. For a containerized exporter, the direct loss on empty containers is negligible. However, the cost for delays in shipping loaded containers could be tens of millions of dollars per year.

One member's lost opportunity cost for a container valued at $100,000 is approximately $2000 per week, not accounting for value creation.

According to others, there is little indication from carriers on what is available at any given moment. When there are container shortages, customers experience inefficiencies and delays by drivers being turned away with a wasted trip which, in turn, increases costs. Concerns were expressed regarding related inefficiencies and a lack of velocity in the network.

Conclusion

NITL and its members thank the Commission for initiating this Request for Information and greatly appreciate the opportunity to submit these comments.

Sincerely,

E. Nancy O'Liddy

Nancy O'Liddy, Executive Director
The National Industrial Transportation League