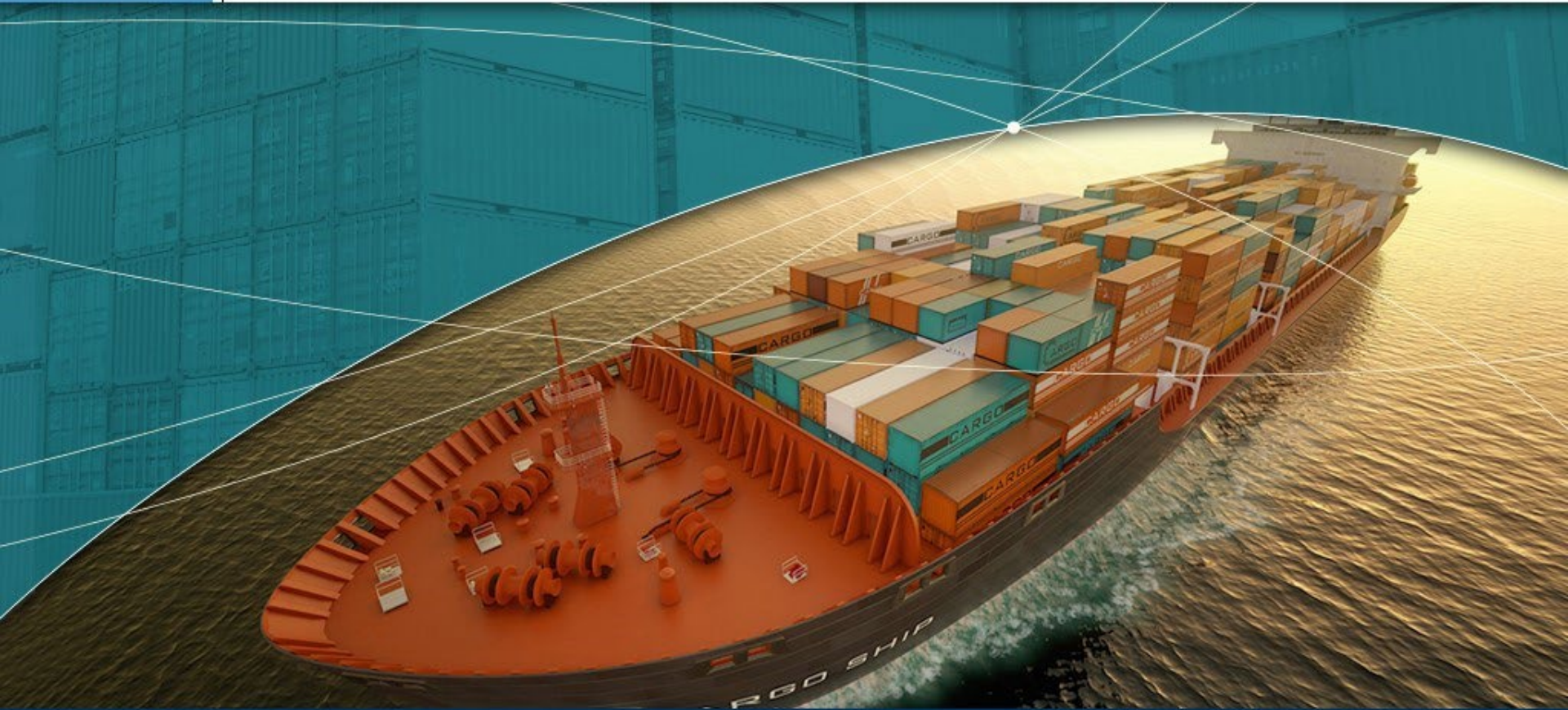


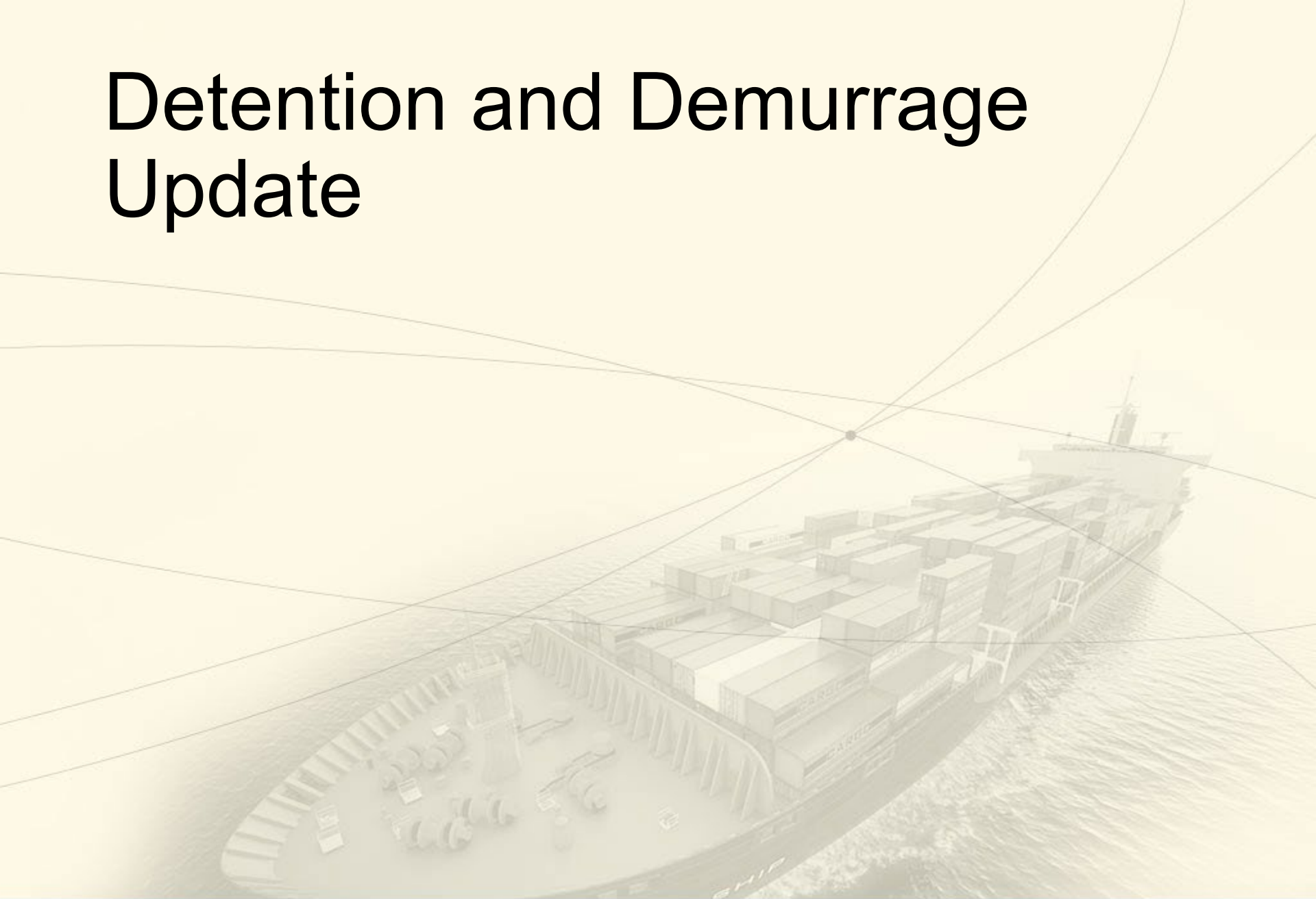


VOCC Audit Update

Briefing to the Commission, May 2022



Detention and Demurrage Update





Progress on Achieving Detention and Demurrage Best Practices

- Most carriers have developed internal documentation on processes and practices and have updated the audit team on a continuous basis; we also check in with the quarterly data call and regularly scheduled meetings.
- Two carriers still appear to lack internal documentation on processes and practices. We have requested a timeline for carrier action/improvements.

Data Overview





Data Highlights

- Calendar Year 2021
 - Total D/D Billed \$5.3 billion
 - Total D/D Collected \$4 billion
 - Total D/D Waived \$646.7 million





Smaller Carrier Detention and Demurrage Assessment Update

- VOCC Audit initially focused on website content related to definitions, charges, dispute policies and procedures
- Activities and Outcomes
 - Concentrated on a subset of smaller carriers who are active in the transpacific and transatlantic trades.
 - Discussed in meetings and sent letters to carriers.
 - Nearly all have updated their websites to achieve best practices.

Export Meetings Update





Export Meetings

- 11 carriers
- FMC provided PIERS data on exports from 2019-2021 to each carrier in advance
 - By broad commodity group
 - By port
- Questions for carriers
 - Main factor/challenges leading to export decline (if relevant)
 - Follow up specific to agricultural exports
 - Does the carrier have an export strategy
 - Was the shift in exports by port driven by market factors or the carrier's export strategy
 - Challenges in containerized agricultural commodities
 - Recommendations for FMC regarding exports



Export Meetings, Key Themes

- Most carriers have strategies for serving exports
 - Rudimentary: use to cover cost of moving equipment back to origin
 - Sophisticated: targeted commodities and partners with committed equipment repositioning and growth strategies
- Some market shocks outside of the pandemic impacted exports
- Export analysis is nuanced since products are heterogeneous, even within HS codes
- Economics of moving exports are complex