VOCC Audit Update
Briefing to the Commission, January 2022
Scope of Information Collected from 9 Largest Carriers

Combination of Qualitative and Quantitative Information

• Detention and Demurrage (D/D) Policies and Practices
  • Checklist of external and internal documentation of policies and practices
  • Changes to policies and practices since March 2021
  • Changes to billing policies and practices since March 2021

• Data: quarterly from 2020 Q2 through 2021 Q3
  • Total D/D billed, waived/refunded, collected; number of D/D disputes, number of denials of access due to D/D
  • Details on D/D billed, waived, collected for top 10 shippers on major trade lanes
Best Practices

• Definitions and charges for detention and demurrage easily found on carrier’s website, and in an accessible format;

• Dispute resolution
  • Have a clearly defined policy that is accessible on carrier’s website
  • State what information should be included in disputes
  • Clearly delineated contact person/email/system to send disputes

• Invoices and notifications
  • Smart use of space and color to draw attention to important information and demarcate sections
  • Invoices include information on contact for dispute resolution
  • Send regular notices on cargo availability which contain information on remaining free time and warning about demurrage
  • Set up automated notification system with customers able to set preferences for notifications
Activities, October 2021-January 2022

• Letter sharing best practices with 25 carriers and World Shipping Council
• Interpretive rule briefings for all 9 carriers
• Follow up meetings to discuss
  • Carrier policies vis-à-vis FMC-identified best practices
  • Trends in carrier-reported data
• Staff evaluation of D/D best practices for carriers with smaller market shares
Trends in Detention and Demurrage (from 8 carriers)
Data Update, through Q3 2021

- Note that these data are from 8 of the 9 carriers
- Detention and demurrage billed and collected rose to $1.3 billion and $920 million, respectively
  - 53.7% and 49.7% increases
  - Similar trend for TEU-adjusted figures: increase of 61% and 56.7%, respectively
- TEUs trended down slightly, but remain elevated from early 2020 levels
- Disputes filed increased 7.1%, while those resolved decreased 5.6%
  - Slight decrease in resolved disputes may be due to timing