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