



News Release

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For Immediate Release

NCBFAA VSA Comments to FMC Note Potential Port Congestion Concerns

Washington, DC: The National Customs Brokers & Forwarders Association Of America, Inc. (NCBFAA) [filed comments today](#) in response to an Advanced Notice of Proposed Rulemaking (ANPRM) from the Federal Maritime Commission (FMC) regarding Discussion Agreements and vessel sharing agreements (VSAs). In its ANPRM, the FMC wants the carriers to provide monthly before and after data concerning their utilization of approved Agreements, what if any operational changes have been made and the effect of those changes.

Although the NCBFAA generally endorsed the Commission's proposal, the Association asked the agency to require additional data in the hope that the Commission would be able to take a closer look at VSAs' involvement of mega-ships and the potential effect on port congestion. In fact, the FMC should require the carriers to demonstrate that VSA approval will not lead to severe congestion that ends up putting the burden of significant demurrage and detention costs on shippers and OTIs.

Because recent economic discussions hint at diminishing cost savings from use of these mega-ships, the NCBFAA is asking the FMC to consider whether using these mega-ships will increase port congestion and how any costs that are generated due to that congestion are to be allocated.

Accordingly, the NCBFAA suggested a non-exhaustive laundry list of preconditions the Commission require for obtaining approval of VSAs. These would address vessel coordination, chassis availability, efficiency of chassis pools, chassis contractual restrictions, drayage availability, effect on dwell times, container turnaround times, and procedures to avoid imposition of unfounded/unfair demurrage or detention costs on customers.

In conclusion, the NCBFAA asked the Commission to require carriers seeking approval of any agreement to provide the FMC with their contingency plans for handling the cargo when they can't access the port of destination. In that way, instead of trying to find the information within the carriers, OTIs and other parties would be able to access that information from the Commission.

Headquartered in Washington, DC, the NCBFAA represents more than 1,000 member companies with 100,000 employees in international trade - the nation's leading freight forwarders, customs brokers, ocean transportation intermediaries (OTIs), NVOCCs and air cargo agents, serving more than 250,000 importers and exporters. Established in 1897 in New York, NCBFAA is considered the national voice of the industry. Through its various committees, counsel and representatives, the Association maintains a close watch over legislative and regulatory issues that affect its members. It keeps them informed of these and other related issues through its weekly Monday Morning eBriefing and various meetings as well as conferences throughout the year.

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