



March 23, 2020

Open Letter to Ocean Carriers

Request for Emergency Reprieve on Container Demurrage and Detention Charges

Last month, we sent you an Open Letter, seeking reprieve from demurrage detention charges for containers stuck on the docks in China, when that country's terminals and supply chain were severely disrupted due to the coronavirus outbreak and steps to contain it in China.

Now, the coronavirus (COVID-19) has migrated to the US and beyond, and is severely disrupting many aspects of our US agriculture supply chain: production, processing, storage and transport. As the infection spreads, this disruption is increasing. Such disruption is already visible at various ports and terminals. Globally, warehouses have been forced to reduce or eliminate their hours of operation. Spread of coronavirus has begun to impact dock workers, truckers, company management, further stressing supply chain capacity and velocity.

Major ports, such as Ports of Houston and Miami, have had to temporarily suspend due to viral outbreaks and other disruption. All ports are grappling with measures to prevent coronavirus spread. Numerous state governments have ordered "non-essential" workers to stay home – without providing clear definition of what constitutes an "essential" or non-essential worker, or essential or non-essential cargoes. This has already led to closures of distribution facilities.

At this time of massive losses of business resulting from the coronavirus, it is imperative that ocean carriers cease imposition of demurrage and detention (per diem) charges upon the agriculture and forest products exporters and importers, along with our truckers and freight forwarders. By imposing demurrage and detention charges during this time, you would only be putting further financial strain on our agriculture and forest products industries that generate most of the export volumes from US ports. Thus the negative impact would be felt by your own vessel operations.

We hereby request carriers, ports, and terminal operators participate in the survival of the cargo flow upon which we all depend, by granting agriculture and forest products exporters a temporary full waiver of demurrage and per diem charges.

Respectfully,

Peter Friedmann
Executive Director
Agriculture Transportation Coalition