Earliest Return Date: Survey of Exporters

Wednesday, October 2, 2020
Context

We heard from many of our members that the costs and disruption related to ERD are presenting special challenges to our already embattled industry.

We conducted this survey to gauge the scope, effect, and cost of ERD and to understand if our members believed that this issue merited industry-wide attention.

Thank you to our member TradeLanes.co — a software platform that makes global commodity trade paperless, faster, and more profitable — who brought their experts in ERD to create and run this survey.
Executive Summary

- 92% of respondents want to pursue industry action.
- Over 75% report that their carrier bookings do not always have a listed ERD.
- 78% of respondents report their shipments are incurring extra costs due to ERD changes.
- Most respondents report that since COVID-19, more than 25% of their shipments had ERD changes.
- 36% report ERD changes on more than 50% of shipments.
- 8% of respondents say 50% or more of their shipments incur extra costs due to ERD change!
Executive Summary (con’t)

• 7% of respondents incurred additional costs of $1000 or more per shipment due to ERD changes
• 87% incurred more than $100.
• 55% of respondents were not able to get carriers or terminals to waive additional charges due to changes in ERD

Based upon the results of this ERD survey, AgTC is moving forward to develop solutions to eliminate or reduce disruption and costs incurred by exporters due to ERD changes.

Following slides provide details of the AgTC-TradeLanes ERD Survey
Q1: How many ocean export containers do you ship per year?
Q2: Do all of your carrier booking confirmations have a listed ERD?
Q3: If not, what approximate percentage are missing a listed ERD?
Q4: Prior to the COVID-19 period, what approximate percentage of your bookings have had ERD changes?
Q5: During the COVID-19 period, what approximate percentage of your bookings have had ERD changes?
Q6: How do you learn of changes to the booking confirmation ERD date?

Most commonly, members learn about ERD date by watching the marine terminal website. They also learn of changes:

- Directly from the carrier
- Hearing from the inland rail ramp
- Lastly (and less commonly), by checking the carrier website
Q7: Are the carrier’s ERD practices a factor in selecting which carrier to contract with?
Q8: Where are you experiencing the biggest problems?

- Specific geographic...
- Specific carrier.

In partnership with AgTC and TRADELANES software to get cargo to destination, faster, more reliably, and more profitably.
Q11: How many working days prior to the ERD date does the carrier update you with an actual ERD?
“We are facing situations where we already have the containers picked up and ready to return and are not able to because of the change happening so close to ERD. Often times the fact that we cannot return the scheduled number of containers it greatly impacts our bottom line.”
Q12: Once the ERD date appears on the terminal’s website, does it match your latest booking confirmation or booking details from the ocean carrier?
Q13: What percentage of your shipments incur extra costs due to a carrier’s ERD changes?
Q14: On average, when the ERD is, say 3 days prior to cargo cut, how many days does this actually provide to turn in containers, given the terminals may not be open daily?
Q15: On average, how much time does it take to manage a shipment when the ERD changes less than 5 business days before sailing?

![Bar chart showing the time it takes to manage a shipment when the ERD changes less than 5 business days before sailing.]

- **<1 hour**: 10%
- **1-2 hours**: 30%
- **2-3 hours**: 20%
- **More than 3 hours**: 40%
Q16: What is the average cost per container to you due to ERD changes (including container and chassis charges, storage at trucker’s yard, re-handling)?
Q17: Please describe specifically the costs incurred due to changes in ERD;
Q18: What percentage of total charges are canceled or waived by the carrier after dispute?
Q19: Overall, do you think that issues with ERD are critical enough that it merits collective industry action?
Select representative quotes - unedited

It would be very beneficial for the terminal websites (such as SSA in Oakland) to include the cutoff day additionally to the ERD. This way, we get the most accurate ERD date from the terminal but often times the ocean carrier still reflects the old cutoff because they have not updated their ERD yet. This creates a lot of confusion.

terminals are moving to, and enforcing, an appointment system for export container deliveries. we constantly run into "no available appointment" issues when the ERD moves out and compresses the days between ERD and cutoff. we have to beg and plead with the terminal to open up more appointments because the ERD moved and now the vessel is only allowing 2 days to return containers - but the terminal is already booked, and there are no available appointments for those days. Having a minimum number of days between ERD and Port Cutoff (as suggested in #20 above) would help alleviate the problem of not being able to obtain an appointment to deliver the loaded container.

With the amount of information that is provided - from the Ports, Rails and Terminals - the use of EDI and auto booking notification could assist in reducing the errors in regards to these changes.
Select representative quotes - unedited

We do not receive our booking confirmations from the carrier, but from our freight forwarder. The freight forward will list a ERD, we assume as listed from the carrier confirmation, and it typically changes from there depending on the terminal. Many of the changes that occur happen very last minute because of the distance from POL and POD and can be very frustrating.

How is this being handled worldwide? Is there somewhere that this is being handled differently to minimize loss to the shipper and can we learn from others? If there is no consequence to the ship lines this will continue to happen.

Do away with ERD and create/issue a general window for all carriers to return based on vessel and include in booking confirmations for visibility.

These invoices are automatically generated regardless of the reason - shipper's fault vs. slide in ERD. I think it would be better managed if the carrier is able to manipulate their accounting system to stop generating this type of invoice if there is any kind of schedule change with vessel and/or terminal. It would certainly cut down on the frustration. It takes an enormous amount of time to prove to the carrier that the per diem was due to a change in schedule.
Select representative quotes - unedited

All carriers should provide an ERD date on all booking confirmations. If an ERD date changes after containers have been pulled, then the carrier needs to notify shipper as soon as possible and give shipper flexibility to return containers and not let them sit on shippers’ chassis. It seems best that ERD and their changes are kept track on booking confirmations--this seems the best way to keep things in writing since they come directly from the carrier and tracking terminal websites or CY websites is difficult for record-keeping purposes.

I think to start, all carriers should work to provide visibility on the ACTUAL ERD of the terminal, not just their determined estimated guidelines. No carrier (exception of Maersk/Safmarine,ZIM) provides visibility either on wet port ERDs. This is very frustrating and creates a lot of manual work and no way of automating validation on the ERD. They also need to come up with better alert systems internally to automate updating ERDs that are changing. Because almost all carriers provide the ERD for rail returns, the carriers should start there. We often get the ERD update from the carrier on the day of the original ERD or afterwards, resulting in storage fees.

Force ocean carrier to ensure 5-7 days advance notice of the ERD change and make them ensure the terminal site matches the new ERD information on the booking confirmation before they send out the new booking confirmation with the new dates
Select representative quotes - unedited

INDUSTRY STANDARD FOR HOW MANY DAYS PRIOR TO CUT A LOAD CAN BE TURNED IN (5 FOR DRY 3 FOR REEFER) 2. DATES MUST BE PUBLISHED 7 BUSINESS DAYS PRIOR TO CUT ALLOWING TIME FOR VOLUME ACCOUNTS TO PLAN AND NOT RISK BEING STUCK WITH DOZENS OF CONTAINERS 3. ERD/CUTS CANNOT BE CHANGED AFTER BEING PUBLISHED

While carrier's generally note erd/pco or inland rco on the booking confirmations, all those to whom we are dealing, advise that we should consult the terminal's website as "it is a great deal more accurate" in terms of the parameters needed to schedule loading. Which we do. Recently had a situation, where we did just that, noting erd and returning loaded containers per terminal's posted erd. Carrier, ONE, later billed us for delivering too early. We presented them with a screenshot of the terminal's posted erd, our Pier Pass record of date/time of in gate, and still not enough to reverse the charges. None to happy about it as carrier's want shippers to consult the terminal's website but in this case, did NOT stand up to their "alternative policy" of confirming erd/pco on the terminal's website. Cost was $1800 for 7x20's that were 1-2 days prior to erd. ONE has since issued change effective 5/22/20, stipulating that shippers now have 6 "free" working days of demurrage at all terminals (LA/LGB). Prior to this incident and since this occurred, we rely solely on what the terminal posts, as it relates to erd/pco or the inland rco. Carrier's postings on their booking confirmations are taken with a grain of salt!
I appreciate AgTC looking into this issue--as it continues to be very challenging and the carrier blames the ports/terminals for the changes. The ports/terminals blame the carrier for getting "off" the vessel plan--creating the need to change the ERD. We do in a circle between the ports/terminals/rail depots and the ocean carriers. Ultimately, the charges come from our drayage carrier with the extra chassis, storage, and re-delivery fees. We need to pay the drayage company because they are "stuck" in the middle, but we would not have these charges if the ocean carriers provided timely/correct information to all of us to properly plan. We all have to "pivot" at the last minute--which creates all the additional stress/chaos/costs. Additionally, it creates a bottleneck for all the future loads...as we have all the chassis equipment loaded up with full containers that we cannot in-gate.
Scrutiny of this survey data and discussions during upcoming Workshops will provide the basis for specific steps that the AgTC will take on behalf of US Exporters to meaningfully address the changing ERD crisis.
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