



Harbor
Trucking
Association

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*****Harbor Trucking Association Responds to Federal Maritime Commission Action on Detention and Demurrage Billing*****

Long Beach, CA - On February 23, the Federal Maritime Commission (FMC) released final language of a new rule aimed at improving the accuracy and transparency of demurrage and detention invoicing practices in the maritime industry.

The rule, which was developed in response to concerns raised by shippers, motor carriers, and other stakeholders, seeks to ensure that invoices for demurrage and detention charges are properly issued and sent to the appropriate parties.

Under the new rule, demurrage and detention invoices must be issued by the party that has a contractual relationship with the billed party for the carriage or storage of goods.

This requirement is intended to ensure that the party receiving the invoice has first-hand knowledge of the terms of the contract and is in the best position to understand and dispute any charges if necessary.

The rule also prohibits billing parties from issuing invoices to persons with whom they do not have a contractual relationship. This provision is designed to protect third parties, such as motor carriers who do not have a contractual relationship with the ocean carrier from unfair billing practices. It ensures that invoices are only sent to parties who have a direct contractual relationship with the billing party, thereby reducing confusion and disputes over payment responsibility.

“This is a great step forward the industry” says Matt Schrap, CEO of the Harbor Trucking Association.

Schrap believes that the implementation of this rule will lead to more accurate and transparent demurrage and detention invoicing practices, benefiting all stakeholders in the maritime industry. It will provide greater clarity on who is responsible for payment and promote a more efficient and reliable freight delivery system.

“Standardized billing practices will only serve to drive efficiency gains. And most importantly, once fully implemented, the rule will ultimately eliminate the rampant extortion of motor carriers through unjust and unreasonable per diem and detention charges.”

About HTA: *The Harbor Trucking Association is the nation’s leading drayage-specific trade association actively serving America’s supply-chain professionals. Our mission is to represent the interests of and provide services to intermodal and drayage companies and related entities by advocating, educating, and promoting strategies with other goods movement stakeholders and policy makers that will sustain emission reductions, provide a dialog for intermodal truck efficiency, and protect the economic vitality of cargo and jobs.*

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