

Harbor Trucking Association Comments on Federal Maritime Commission Questions Related to Maritime Data Transmission, Accessibility, and Accuracy

FEDERAL MARITIME COMMISSION (FMC)

Request for Information - RESPONSE – Harbor Trucking Association

Docket No. FMC-2023-0016-001

October 16, 2023

The Harbor Trucking Association (HTA) is a non-profit trade association representing Motor Carriers transporting marine containers to and from maritime ports on the West Coast of the United States (USWC). We are the largest non-profit trade association exclusively representing harbor drayage carriers in the nation.

HTA membership ranges from the small one or two truck operators to some of the largest fleets in North America. Collectively, these companies are responsible for most of the containerized import and export cargo movement on the USWC.

Despite our USWC focus, HTA regularly works closely with our partner organizations across the country on important policy issues that impact local drayage operators as well as the overall goods movement supply chain.

We appreciate the opportunity to comment here on questions related to maritime data transmission, accessibility, and accuracy.

Please see our responses below.

FMC-2023-0016-001 Questions and HTA Responses:

1. What are the largest barriers that currently exist that prevent you from sharing data with shippers/Beneficial Cargo Owners (BCOs)?

The largest hurdle for information sharing is typically capability of the shipper customer to interface through EDI or API. This may also hold true for Motor Carriers as described in the next section (#2) below.

Initial set up costs to facilitate EDI or API connections, as well as unfamiliarity, internal constraints (including personnel resistance or limited volumes that don't justify the investment) contribute to hesitation or aversion to automated data sharing. Increased awareness on ROI along with the potential for cost savings and efficiency improvements should ideally encourage more Shippers (and Motor Carriers) to investigate options.

2. How much effort and/or cost would it take to adapt your existing computer systems to be able to share more data with shippers/BCOs?

To facilitate an EDI or API exchange an LMC needs some type of TMS provider. If a motor carrier is not currently utilizing a TMS, one will need to be chosen. Costs to implement a TMS platform can vary. Some fleets develop their own software to manage their unique needs while others simply subscribe to plug and play systems. Once established, fleets need to manage ongoing costs for monthly or annual subscription-based plans as well as platform maintenance and support for homegrown TMS.

If an existing TMS system does not have EDI or API capability, existing software will require operational updates or may need to be supplanted. If the TMS software has EDI or API capability, there is typically a set up cost to initiate the integration. However, once connection and all protocols are established, there should be minimal further expense for that connection beyond regular updates and maintenance.

There may in fact be significant upfront costs to set up the connections if an existing TMS provider does not have the ability to integrate. Conversely, a shipper's system must also be configured to interface with the EDI or API; same subsequent challenges apply.

3. What concerns do you have about providing additional data to shippers/BCOs?

Visibility and accountability are vital to successful commercial relationships.

There is very little, if anything that HTA Motor Carrier members won't share with their Shipper partners. The relationship is symbiotic, as each party is dependent on each other, therefore, to maintain an efficient relationship, timely exchange of accurate and information is critical.

4. What are your preferred means to provide data to shippers/BCOs. (e.g., EDI, API, email)?

While EDIs tend to dominate the information exchange from Motor Carriers to Shippers and BCOs, there are hurdles to deployment on both sides of the transaction.

Once established, the connections work well, however, EDI integration can take many weeks and independent, individual integrations typically need to be developed for each specific "type" of data the parties would like to share.

Email is the default communication pathway and provides record of transaction, but it requires direct manual interface and management to deploy power to retrieve the cargo. Emerging and existing Artificial Intelligence (AI) technologies are able to scan email communications and populate integrated Motor Carrier systems with pertinent data, however, without some level of Shipper integration, it is a one-sided exchange.

Established automated processes between both Shipper and Motor Carrier limits the need to constantly monitor email traffic. Once fully integrated, these systems have the potential for tremendous cost savings and efficiency gains.

Some systems can convert shared EDI data into an API feed when direct API integration is not available due to Shipper or BCO system limitations. While APIs are advantageous for exchanging real time information in a quick and cost-effective manner, it has not yet replaced EDIs across

most existing TMS platforms. Nevertheless, it does offer another means of perhaps even more efficient, accurate and automated information exchange.

The amount of information being transferred, existing platform limitations on full integration, upfront cost and perhaps “preference” will come into play when making decisions on EDI v APIs, the current reality is that EDIs have established acceptance and will likely always be part of the supply chain data exchange ecosystem for the foreseeable future.

While EDIs may be the preferred method in the current environment, it may have more to do with what is widely available and currently accepted as opposed to what is “best”.

5. Are there innovative methods you use for transmitting information with your highest volume shippers/BCOs?

Currently, the main form of information sharing through technology platforms are conducted using EDI and some API interface.

However, when available, APIs are preferred.

For those Shippers that do not have integration capability, willingness or perhaps do not have the amount of volume that would justify such software upgrades may offer Motor Carriers a Shipper-controlled portal for real time and near-real time information sharing and visibility.

Others, some of whom are in a transitional phase to EDI or API integration may utilize shared cloud-based documents that are updated by appropriate parties as shipment status changes.

6. What can shippers/BCOs do to better predict container availability, earliest return date, etc.?

While Shippers have some control over what VOCC or NVOCC they utilize and, in some instances, what specific Marine Terminal Operator (MTO) will handle their cargo, predicting container availability is entirely reliant on information controlled by MTOs and Equipment Providers (EPs), not Shippers or Motor Carriers.

Without information from parties who are controlling the conveyance of the cargo up to and on the dock, there is no way to truly predict cargo “availability”.

Furthermore, a multitude of variables will impact the actual retrievability of cargo.

Availability, as it is currently understood, is not an appropriate description to determine if cargo can truly be retrieved by a Motor Carrier.

This is important to consider since free time (FT) commencement is directly related to cargo availability. FT will commence regardless as to whether or not a Motor Carrier can actually secure an appointment to get the cargo off the dock or covered facility despite it being “available”.

Lack of appointments, row closures or other potential unforeseen events (amongst a host of others) can significantly delay container retrieval.

In California, H&SC 22928 does not allow for the consumption of free time or assignment of demurrage or detention/per diem (DnD) if a Motor Carrier cannot pick up (or return) a container due to MTO or EP restrictions outside Motor Carrier control.

Nevertheless, not all MTOs or EPs adhere to legal standards set forth by the State of California or the Federal Government. This results in invoices being regularly challenged by Motor Carriers and Shippers, sometimes with mixed results due to the lack of compliance by covered parties and their unwillingness to recognize the jurisdictional constraints set forth by relevant governing bodies.

Regardless, the ability to predict actual “availability” needs a more appropriate definition of what correctly constitutes “availability” in the first place. At a minimum, MTOs and EPs should comply with existing laws.

This frequently at issue since cargo cannot be retrieved off dock unless demurrage or other fees have been cleared, regardless of the validity of the charges.

While legal compliance coupled with disclosure of specific and accurate information related to container status and MTO operations will no doubt assist in predicting “availability”, it may also provide specific insight into actual “retrieval” capability and prevent unfair and illegal charges from accruing in the first place.

HTA recently submitted comments in response to a series of questions proposed by Commissioner Rebecca Dye. In those comments, HTA recommended a different definition of “availability” or at least a different status descriptor that reflects the genuine reality of “retrievability” when considering free time commencement.

In our comments we proposed:

Free time commencement regarding “availability” should be coupled to the first (unrestricted) day-side appointment that is available to a trucker at least 24 hours after the container has been fully cleared of all holds and is an open and accessible area.

This change will be especially effective in clarifying when DnD is appropriate and reflective of an ability to pick up (or drop off) that cargo or empty container.

As described above, it is a constant battle with EPs and MTOs to get free time extensions or to challenge invoices after the fact for inappropriately applied DnD charges.

This is important for purposes of information sharing because setting a specific standard will encourage consistency across gateways thereby allowing for better cargo access predictability as well as a source of clear and concise information for any invoice challenges.

To facilitate this transition and to further enhance visibility, MTOs should be required to publish data (at a minimum) regarding appointment availability and row closures. This data should not only include how many appointments are made available each shift, but also follow up data on number of appointments booked and subsequently fulfilled along with a shift-by-shift breakdown of dual v. single transactions.

This information would also be helpful for EPs on when charges are eligible and justified, since lines of communication from the MTO to the EP many times never reach the billing departments of stakeholders who seem to blindly be issuing invoices, regardless of actual circumstances.

This type of information would provide an accurate source for all parties involved to observe and confirm appointment availability, restrictions, and closures amongst other operational restrictions.

There are a handful of terminals who provide data regarding released, booked, and fulfilled appointments. This includes two terminals in the Long Beach and Los Angeles Port complex who disclose specific row closures. However, these terminals are the exception and not the norm on both information sharing fronts.

Furthermore, to truly understand the dynamics of terminal operations and appreciate the challenges relative to cargo retrieval, MTOs should also be disclosing average number of appointments that are made available, booked and fulfilled for each designated row and its subsequent machine.

An additional consideration should be a requirement for MTOs to release appointments at specifically designated times and consistently comply with all state, and local established laws and standards to foster consistency allow for better cargo retrieval planning by Motor Carriers on behalf of their shipper partners.

Information regarding Estimated Time of Arrival (ETA) and Actual Time of Arrival (ATA) for vessel scheduling should also be readily available and published to terminal users as status is received and confirmed.

If Shippers and Motor Carriers had consistent visibility on when a vessel is arriving at an MTO it will better inform estimates for Motor Carrier capacity and asset allocation, thereby facilitating cargo pick up.

An additional consideration would be a requirement that MTOs electronically notify the Motor Carrier of record when a truck interchange commences and concludes. This real time exchange can also be linked into a TMS (EDI or API) interface with the Shipper customer to provide real time, accurate data on when a container was retrieved or dropped.

Currently, a paper ticket is issued at the gate and individual drivers must update status. A more efficient pathway would be to simply electronically transmit the information of ingress and egress for an unimpeachable record of when the truck entered the terminal and when the truck, container/cargo and chassis subsequently left the terminal.

The requirements for data information disclosure described above will enhance ability to predict when a container will actually be available and retrievable.

7. What data would you be willing to provide openly to the public? What would you only provide to the shipper/BCO/others in the direct supply chain for a container?

The information HTA members share with our Shipper partners is confidential and proprietary. We would not publicly disclose any confidential information on Motor Carrier or Shipper or BCO customer operations.

8. What data are collected and controlled by other parties in the supply chain that influence your business operations?

As described above, there is a tremendous amount of data that is not in the control of the Shipper or Motor Carrier, yet this data is critical to efficient operations and accurate visibility for all operators in the container supply chain. Appointment information, ERDs, vessel ETA/ATA, gate hours, row closures and other MTO activities or restrictions that impact container retrievability need to be readily available and disclosed in a timely fashion to truly drive efficiency and transparency in the supply chain.

There is a great need for accepted consistency for quality standards in data sharing to facilitate accurate, timely and reliable exchange of pertinent information between supply chain stakeholders.

While data should be easily accessible, most importantly, it needs to be accurate.

Too often stakeholders are either searching for accurate information or fighting with other stakeholder entities to prove or disprove circumstances that prevented equipment return or retrieval resulting in unfair and unreasonable charges.

Unfortunately, because of inconsistencies in how data is shared, Motor Carriers are forced into a quagmire on almost every container they move.

The reality is that if Motor Carriers are not regularly taking screen shots to account for empty return restrictions, appointment availability, row and gate closures at MTOs, container holds, shifting ERDs, ETAs and ATAs, return location changes, chassis restrictions and a massive amount of other operational constraints they have no proof or pathway to challenge inaccurate (or illegal) charges that result from EP or MTO restrictions outside Motor Carrier or Shipper control.

Subsequently, Motor Carriers and Shippers are forced into a circumstance where although faced with absolutely unreasonable and obviously illegal charges under California state law, demurrage or dwell fees must be paid prior to container release from the terminal.

Once fees have been paid, it becomes a battle with the issuing MTO or EP to have funds credited or refunded.

Ideally, having consistent and enforceable standards on data sharing and a clear definition of what truly constitutes “availability” relative to FT commencement may help alleviate many of the issues described here in our comments for container pickup.

Because these unreasonable charges described above are not limited to container pickup, additional guidelines are needed to ensure that consistent standards exist on a Federal level, similar to CA B&P Code 22928. This is necessary to clearly outline when DnD charges are applicable for both container pick up, and return.

Creating consistent standards across the country will go a long way in facilitating accurate data exchange of pertinent information.

Consistent, timely and accurate information will embolden and encourage efficiency in the supply chain. It's a “no-brainer”.

Thank you again for the opportunity to comment here.

HTA is available at any time for follow up questions or clarification.

Please contact Matt Schrap, Harbor Trucking Association, CEO, at matt@harbortruckers.org for any inquires related to this subject.
