



Federal Maritime Commission

Area Representative Bruce Johnson











IFFCBANO

- n State of the Industry
- n Cargo Capacity
- n Household Goods Shipments
- n National Export Initiative
- n Export Idea Case Study



State of the Industry

- n Late 2008 – Late 2009 worst 12 month period in 45 year history of the International Container Shipping Industry
- n 2010 overall growth of 11% that barely matched 2009 declines



State of the Industry

- n In 2009, 575 containerships or 12% of worldwide capacity was idle.
- n By the end of 2010 Load Factors increased and only 2% of containerships were idle.
- n New ship orders are still down 60% from 2 years ago
- n Port volume rebounded in 2010



State of the Industry

2010 Issues

- n Cancelled Bookings
- n Cargo Rolled
- n Surcharges & Price Increases
- n Equipment Shortages
- n Slow Steaming



Managing Sufficient Cargo Space to Equally Serve All Shippers



Capacity Survey

- n Fact Finding 26 begun in 2010
- n 170 Interviews Conducted
- n Rapid Response Teams Formed for Disputes
- n 16 Ocean Carriers named Liaisons to cooperate with the RRT
- n Increased Monitoring of Vessel Capacity changes
- n Service Contract Improvement Recommendation
 - Identifying FMC CADRS Mediated Resolution

Capacity Survey



n FMC Working Groups

- Transportation WG – booking cancellations, cargo rolling, capacity forecasting
- Intermodal Container WG – locating and obtaining Shipping Containers

n Inter-Agency Work with Dept of Agriculture and International Trade Administration (DOC) on Container Shortages.

n FMC role was best determined to be Facilitator between shipper and ocean carrier without enforcement actions, fines or new rulemaking

Capacity Survey



- n Problem of Box Shortages in 2009, 2010 increased by sales of old or stored boxes combined with new box order cancellations due to the recession and price of steel
- n Box and chassis supply is currently meeting demand
- n Recently, Box availability was tight a few weeks ago, but another short-fall is not expected this year



Capacity

- n A number of web based companies are now offering logistics support to locate and track empty containers as they unload and re-dispatch prior to returning to the carrier yard
- n Saves number of trips, lifts & down time prior to receiving container



Household Goods Personal Effects Shipments



Household Goods Shipments

n Substantial Complaint area

- 2500 Complaints between 2005 – 2009
- Failure to Deliver
- Damage, Delay, Shipment Loss
- Inflated Rates at Arrival
- Insurance paid for, but not in force



Household Goods Shipments

FF# 27 Recommendations

- n Educate the consumer
 - Using all media, website, social media
- n Improve the Consumer Experience
 - Best Practices, Model Forms, Guidance Letters
- n Protect the Consumer
 - ADR, Expedited Enforcement, Rulemaking



National Export Initiative (NEI)

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Double exports by 2014

- n Expand Trade Advocacy

 - .. In 2010, 20 trade missions to 25 countries

- n Expand Access to Credit

 - .. EX-IM Bank

- n Bring more U.S. Sellers and Foreign Buyers together

National Export Initiative (NEI)



- n Remove Trade Barriers
 - Trade Agreements
- n Focus on Small & Medium sized Enterprises
- n Assistance from U.S. Embassies and DOS
 - Trade Missions
 - Business VISA Assistance
- n Enforce Trade Rules

NEI U.S. Government Resources



State Department

www.state.gov/e/eeb/cba

Commerce Department

www.export.gov

1-800-USA-Trade

Small Business Administration

www.sba.gov

800-827-5722

NEI U.S. Government Resources



Export-Import Bank

www.exim.gov

800-565-3946

Overseas Private Investment Corporation

www.opic.gov

202-336-8799

Trade & Development Agency

www.ustda.gov

703-875-4357

NEI U.S. Government Resources



VISA Assistance for Business Partners

www.businessvisa@state.gov

202-663-3198



Export Idea Case Study

Export Idea Case Study



- n Use What you Know
- n Think Outside the Box!
- n Hobby – Auction
- n Auction Sales held Monthly



Export Idea Case Study

- n Classic Cars, Trucks, RVs, Heavy Construction machinery, Farm Equipment
- n Live Internet Bidders from:
 - Saudi Arabia, Qatar,
 - Malaysia, Vietnam
 - South Africa
 - Venezuela, Panama, Brazil

Export Idea Case Study



- n No NVOCC links on Auction booklets or Web Ads
- n Partner with Shipping Rate Quote Websites (uShip)
- n Tables were setup by Trucking Companies but no NVOCC, OFF

Current Export Seasonal Issues



- n River was closed temporarily near Natchez north due to high river conditions
- n Temp closures due to break-away barges
- n Caused delays for barges of export grain to be processed in Reserve area.
- n Even with high water conditions terminal operators were processing shipments as quick as possible.



CADRS

Office of Consumer Affairs & Dispute Resolution Services

866-448-9586

- n Chairman Lidinsky has urged that all service contracts include a clause providing that CADRS assist in resolving conflicts.
- n 641 CADRS cases are expected this year, mainly dealing with cargo issues



ADR Processes

- n Mediation
- n Ombudsman services
- n Arbitration
- n Facilitation



ADR Advantages

- n Faster, Easier, Informal Process,
- n Less Litigation
- n Less Costly
- n Confidential
- n Creative, Practical Solutions
- n Better for On-going Relationships
- n Minimize Risk
- n Parties Retain Control of Outcome
- n Little to Lose



Ombudsman

Types of Shipping Disputes

- n Cargo release/Overcharge/Billing issues
- n Claims settlements
- n Demurrage & Detention disputes
- n Co-loading issues
- n Booking problems
- n Personal effects & household goods shipments
- n Cruise passenger disputes



50th Anniversary

- n June 1961 origin from predecessor agency
 - United States Maritime Service
- n Historical Annual Reports 1917 – 1999 are available on the FMC Website



New Offices

- n Completion of the Customs House Renovations on Canal Street
- n Moving this weekend to Rm 309R
- n Currently Telephone and Internet Lines are Down
- n Expect to be fully operation in a week
- n Same Telephone Number and Email Address



Contact Information

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