

National Shipper Advisory Committee
1st Committee Meeting
October 27, 2021
1:00-4:00 pm Eastern Time

Meeting Minutes

The National Shipper Advisory Committee was convened for its first meeting and was held via video conference. In accordance with the Federal Advisory Committee Act (FACA) (P.L. 92-463; 5 U.S.C. App.), the meeting was open to the public.

Meeting Attendees

NSAC Members

Michael Brock (Walmart)
Brian Bumpass (Brenntag North America, Inc.)
Justin Cauley (CHS, Inc.)
Bob Connor (Mallory Alexander International Logistics, LLC)
Chris Crutchfield (American Commodity Company)
Rick DiMaio (Office Depot)
Scott Fremont (Target)
Sean Healy (The Scoular Company)
Steven Hughes (MEMA/Auto Care Association)
Alexis Jacobson (BOSSCO Trading LLC)
Fernando Lagonell (DuPont)
Alison Leavitt (Wine and Spirits Shippers Association)
Daniel Miller (Cargill Incorporated)
Debb Minsky (IKEA)
Jennifer Morrissey (Ocean Spray Cranberries, Inc.)
Kenneth O'Brien (Gemini Shippers Group)
Adnan Qadri (Amazon)
Richard Roche (Mohawk Global Logistics)
Gabriel Rodriguez (A Customs Brokerage, Inc.)
Randy Strait (Tyson Foods)
Mike Symonanis (Louis Dreyfus)
Joshua Woods (Blue Diamond Growers)
Colin Yankee (Tractor Supply Company)

Federal Maritime Commissioners and Staff

Chairman Daniel Maffei
Commissioner Rebecca Dye
Commissioner Carl Bentzel
Commissioner Michael Khouri
Dylan Richmond, Designated Federal Officer

Introductory Comments

Dylan Richmond, the Designated Federal Officer (DFO), welcomed everyone to the first National Shipper Advisory Committee (NSAC), and mentioned the timeliness of the meeting given current circumstances.

FMC Commissioner Remarks

- Commissioner Rebecca Dye: Commissioner Dye noted that she is looking forward to the Committee's work and also stated that she would like to recommend forming a similar advisory committee composed of ocean carriers, MTOs, and ports. Suggested some subcommittees may wish to work with this board if formed.
- Commissioner Carl Bentzel: Commissioner Bentzel thanked shippers on the advisory committee for their participation given the important matters requiring discussion. He stated his hopes that this committee will produce some recommendations showing the industry a way forward and urged them to consider the broader views of the shipping community at large in developing any recommendations.
- Commissioner Michael Khouri: Commissioner Khouri provided written remarks, which have been included as an attachment.
- Chairman Daniel Maffei: Chairman Maffei thanked Commissioner Dye for recommending the formation of this committee during Fact Finding 28. He noted that he would like for the Committee to have an honest conversation on fees, particularly regarding detention and demurrage.

Designated Federal Officer Remarks

Dylan Richmond stated that he has been designated the Designated Federal Officer (DFO) for the National Shipper Advisory Committee as required under the Federal Advisory Committee Act. The DFO is primarily an administrative role, but it does include key responsibilities. The DFO is responsible for calling meetings of the Committee, approving the agenda before committee meetings, and must attend all full Committee meetings. If the committee chooses to form subcommittees, they must be approved by the DFO. However, the members of the Committee are responsible for their work on the Committee and any recommendations that arise.

Committee Introductions

Each committee member provided a brief introduction of themselves, their interest serving on the Committee, and what they hope to see the Committee accomplish.

Election of Chair/Vice Chair

The DFO announced the outcome of the vote for the positions of Chair and Vice Chair of the Committee: the members of the Committee voted to elect Brian Bumpass as Chair, and Mike Symonanis as Vice Chair.

Roundtable Discussion

The FMC requested the Committee's feedback on the below-mentioned items, but noted that the Committee is not limited to discussion of these topics alone.

a. Information sharing and transparency among supply chain actors

The Committee identified several information sharing and transparency issues within the industry contributing to the current supply chain disruptions, including: a lack of reliable Estimated Time of Arrivals (ETAs) and Earliest Return Dates (ERDs) for containers, and of comprehensive data providing insight on different parts of the supply chain in general. Committee members also noted an absence of common agreement on definitions of terms and methods of calculation for certain metrics.

Some proposed solutions to these issues included creating consensus on the definition of terms, helping ports upgrade their data systems, standardizing means of collecting and sharing data, and developing good data governance principles. Technology, such as the blockchain, were noted as providing possible benefits in alleviating some of these problems, but the timeline for their availability to the industry is unknown.

Multiple members of the Committee noted that these issues, while exacerbated by conditions under COVID, have been present in the industry much longer and require long-term planning to prevent future disruptions. It was asked what the FMC can do to solve these problems, particularly in regards to mandating information sharing.

b. Cargo fees

Many Committee members argued that detention and demurrage charges do not incentivize the fluid movement of cargo – particularly in the current environment – but in fact act as a penalty to shippers who are sometime unable to move cargo due to no fault of their own. They questioned the practice of passing on these costs to shippers in light of the fact that other entities along the supply chain may be responsible for the inability to move containers.

Members noted that developing good data collection and transparency practices are a possible solution to determining whether these fees are reasonable and what effect they have on the movement of cargo. Furthermore, according to Committee members, the changes required to address the larger issues within the supply chain require government coordination on efforts that may fall outside of the FMC's jurisdiction.

c. Current observations on the supply chain

Many Committee members agreed there is a shortage of both truckers and chassis, that shippers are often notified of non-availability of space for containers with little notice, and that simply charging more fees will not solve the problem of slow-moving

cargo and indeed could make it worse. There was general agreement that current data practices in the industry leave much to be desired, with many gaps, inaccuracies, and an unwillingness of many entities to share data that would be beneficial to ensuring timely movement of containers throughout the supply chain.

Members posited that short-term solutions can be devised to alleviate some problems, but a longer-term solution is required to prevent future problems, and this will require careful planning. The Vice Chair echoed these sentiments and stated that the Committee needs to avoid being reactionary.

Public Comment

The DFO advised that the public has an opportunity to submit written comments to the Committee. He announced that no written comments were received from the public prior to the meeting (the Notice announcing the meeting solicited written comments from the public).

Adjournment

The meeting adjourned at 3:50 P.M. Eastern Time.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.

Brian Bumpass
Chair
National Shipper Advisory Committee