

October 7, 2019

CANADA Daily News and Updates

Ocean Updates

U.S. Federal Maritime Commission Invites Public Comments on Proposed Rule on Demurrage and Detention

On September 17, 2019, in the [Federal Register](#), the U.S. Federal Maritime Commission issued a Notice of Proposed Rule-Making and Request for Comments concerning a proposed rule on how the Commission will interpret the Shipping Act's requirement that ocean transportation entities maintain "just and reasonable regulations and practices" in connection with demurrage and detention charges.

The Commission is inviting public comment on the proposed rule, with comments due by October 31, 2019.

The focus of the proposed rule is on the "incentive principle" – the extent to which demurrage and detention charges are serving their intended purpose of promoting freight fluidity, meaning the timely retrieval of cargo from terminals and ocean carriers. The proposed rule would have the Commission consider the extent to which demurrage practices relate to the actual availability of cargo for retrieval, the accessibility of demurrage and detention policies, and the transparency of terminology, among other factors.

If approved, the following items would have significant implications for the industry:

- **Cargo Availability:** The Commission may consider in the reasonableness analysis the extent to which demurrage practices and regulations relate demurrage or free time to cargo availability for retrieval. The more a demurrage practice is tailored to cargo availability, the less likely the practice is to be found unreasonable.
- **Empty Container Return:** Absent extenuating circumstances, practices and regulations that provide for imposition of detention when it does not serve its incentivizing purposes, such as when empty containers cannot be returned, are likely to be found unreasonable. If the marine terminal designated by an ocean carrier refuses to accept empty containers, no amount of detention can incentivize the return of those containers. Absent extenuating circumstances, assessing detention in such situations, or declining to pause the free time or detention clock, would likely be unreasonable.

- **Notice of Cargo Availability:** Additionally, the Commission would clarify that in assessing the reasonableness of demurrage practices and regulations, it may consider whether and how regulated entities provide notice to cargo interests that cargo is available for retrieval. The Commission would consider the type of notice, to whom notice is provided, the format of notice, method of distribution of notice, the timing of notice, and the effect of the notice.
 - **Government Inspections:** The Commission is still considering its guidance related to government inspections of cargo. In the absence of extenuating circumstances, demurrage and detention practices and regulations that provide for the escalation of demurrage or detention while cargo is undergoing government inspection are likely to be found unreasonable. In the absence of extenuating circumstances, demurrage and detention practices and regulations that do not provide for mitigation of demurrage or detention while cargo is undergoing government inspection, such as by waiver or extension of free time, are likely to be found unreasonable.
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International Business/Government

Dover Faces 60% Drop in Trade Under No-Deal Brexit

The value of trade through the Port of Dover will drop by around £1 billion a week if the UK leaves the European Union without a withdrawal deal, port chief executive Doug Bannister has said.

Transport minister George Freeman confirmed the government is working on the assumption that a no-deal Brexit would cut traffic through Britain's main port for trade with continental Europe by a likely range of 40% to 60% for the first three months.

Dover handles 17% of the UK's trade in goods, representing £122bn by value, on what is the shortest sea crossing between the UK and the trading bloc. The port has 120 ferry movements a day with, 12 ferries carrying up to 110 miles of lorries between them, which it says represents more than all the other UK ports combined.

Read more in an [article from Lloyd's Loading List](#).

Malaysian Imports Just Slumped by the Most in a Decade

Malaysian imports fell by the most since 2009 in August as demand for capital goods waned, suggesting the nation's economic growth will cool in the months ahead.

Imports slid 12.5% in August from a year ago, trailing the 8% drop forecast by economists in a Bloomberg survey, according to official data released Friday. Exports shrank 0.8%, missing analysts' estimates for a 2.7% gain.

The data could signal that the U.S.-China trade war is taking a mounting toll on Malaysia's economy.

Read more in an [article from the American Journal of Transportation](#).

Other Business

First Standards for Smart Container Data Exchange Published

Smart container developer Traxens has created the first standards for smart container data exchange published by the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) business requirements specifications (BRS).

Although many smart containers are already in use, there are no global standards in place to capture and communicate consistently and multimodally the array of data they generate. Initiated in October 2017, the Smart Containers BRS project aims to provide clear global standards for the exchange of data to ensure interoperability and easy integration within different systems. Data will be generated once and shared between multiple stakeholders, platforms and systems, improving data exchange, automated workflow and alert generation.

These new standards will be the basis for API development, bringing technology into every aspect of the supply chain and providing powerful and innovative tools.

Read more in an [article from Splash](#).



Freight Forwarders: Helping Canadians Do Business With The World