

US FMC launches ocean carriers audit program



Kim Biggar • July 21, 2021 • 1,242 1 minute read



The US Federal Maritime Commission has established an audit program, with a dedicated audit team, to assess carrier compliance with the agency's rule on detention and demurrage as authorities in Washington DC take action to cool down the nation's overheated logistics sector. The Vessel-Operating Common Carrier Audit Program will be led by Lucille Marvin, the commission's managing director.

The program will begin with an information request to the top nine carriers by market share to enable establishment of a database of quarterly reports. Responses will be followed by interviews with each of the carriers. The audit team will then analyze the data for compliance with the commission rule interpreting 46 USC 41102(c) as it applies to detention and demurrage practices in the US. The commission will work with the carriers to address their application of the rule, and may develop industry best practices based on information supplied by the carriers.

The program may also review practices related to billing, appeals procedures, penalties assessed by the lines, and other restrictive practices.

"The Federal Maritime Commission is committed to making certain the law is followed and that shippers do not suffer from unfair disadvantages," said chairman Daniel Maffei. "The work of the audit team will enable the commission to monitor trends in demurrage and detention practices and revenue, as well as to establish ongoing dialogue between staff and carriers on challenges facing the supply chain. Of course, if the audit team uncovers prohibited activities, the commission will take appropriate action. Furthermore, the information gathered by the audit process might lead to changes in FMC regulations and industry guidance if warranted."

#United States

Comments



Phil Mortimer

July 21, 2021 at 7:04 pm

This will be about as effective as throwing mushy peas at a Tiger tank.. The whole system (shiprs, ports, terminals, rail and road operations and inland terminals is under immense stress for now well identified reasons. A bureaucratic review will achieve very little by way o meaningful and actionable results.

Reply

