

NEWS FLASH: West Coast terminals shelve chassis fee

However, individual terminals at the ports of Los Angeles and Long Beach will negotiate directly with chassis leasing companies over compensation for storing chassis and providing services to lessors.

BY **CHRIS DUPIN** | TUESDAY, AUGUST 23, 2016

The West Coast Marine Terminal Operators Agreement (WCMTOA) said it has shelved plans to introduce a chassis services fee, and that its 13 individual marine terminals will negotiate directly with chassis leasing companies over hosting agreements.

WCMTOA said its member terminals will, however, "affirm their right to seek compensation for the costly services they provide to chassis leasing companies at the ports of Los Angeles and Long Beach. It costs terminals more than \$200,000 per acre per year to lease land from the ports, and the terminals each have many acres stacked with chassis. This land could otherwise generate income for terminals by letting them process more containers, and would also let them manage containers more efficiently."

In addition, WCMTOA said, "Terminals have also been covering the cost of ILWU labor needed to stack, unstack and move the chassis, and the cost of the personnel, hardware and software needed to provide chassis usage data to the leasing companies."

In June, WCMTOA had announced plans to impose a \$5 fee on chassis carrying full or empty containers as they move on and off their terminals. The fee was originally going to be imposed Aug. 1, but was later postponed to Sept. 1.

WCMTOA said the fee was proposed "after two years of providing chassis management and storage to the leasing companies without reimbursement,"

The leasing companies filed a petition Aug. 9 for an order to show cause with the Federal Maritime Commission, claiming the fee violated the Shipping Act.

Last week, the FMC asked interested parties to submit their views or arguments related to the petition by Aug. 26.

While it has shelved plans for the fee, WCMTOA said it plans to submit its views this week and "vigorously defend its position in its response to the petition."

"WCMTOA members strongly believe the chassis owners must be responsible for covering the land, labor and technology costs the terminals incur on their behalf," it explained.