

ARTICLE

Demurrage and Detention Charges: Bad When They're Not Good

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Not all demurrage and detention charges are bad: some do incentivise efficient cargo movement and freight fluidity, but U.S. shippers are being driven hopping mad by the other kind—those that serve no purpose, that have mushroomed in the darkness of opaque billing practices and impossible burdens of proof.

Under current rules, shippers are guilty until proven innocent. They owe the demurrage charges unless they can show the charges did not incentivise cargo movement or promote freight fluidity.

Much of the time, cargo owners have no way of knowing just how and when the delays occur, but because of the carriers' lien, they are often left with no way out but to pay the ransom to get their cargo back.

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