

THOUGHT LEADERSHIP

LEGAL UPDATES

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Appeals Court Decision Reshapes Detention and Demurrage Billing Landscape for Truckers

On September 23, 2025, the U.S. Court of Appeals for the D.C. Circuit vacated a key provision of the Federal Maritime Commission's (FMC) 2024 Final Rule on detention and demurrage billing practices. The court determined that the FMC acted arbitrarily and capriciously by excluding motor carriers from the list of parties eligible to be billed for late container charges, even though motor carriers often have direct contractual relationships with ocean carriers under carrier haulage agreements.

The FMC's rule aimed to prohibit ocean carriers from forcing truckers to pay detention and demurrage fees for shipments when truckers may not know the terms. However, the court found contradictions in the rule because it allowed billing of consignees who may not have a contract with the carrier, while excluding truckers who frequently do. The court concluded that the FMC failed to justify this inconsistency and vacated the provision that limited who could be billed.

What this means to you

Other portions of the FMC's billing rule, including requirements for timely invoicing, dispute resolution, and detailed billing information, remain intact. However, this ruling may signal a significant shift in operations for motor carriers. With the rule now partially vacated, ocean carriers can resume billing truckers directly under carrier haulage agreements. This decision underscores the need for clear contractual protection and billing protocols to ensure agreements clearly define who must pay detention and demurrage charges. Trucking companies should review their haulage agreements and make sure they understand the terms governing detention and demurrage.

Contact us

If you have questions regarding the implications of this recent appeals court decision, please contact Julie Maurer, Benjamin Nashed, or your Husch Blackwell attorney.