

May 28, 2015

Federal Maritime Commission
800 North Capitol Street, N.W.
Washington, D.C. 20573



Dear Commissioners Cordero, Doyle, Dye, Khouri and Lidinsky:

As the representative for U.S. exporters who are continuing to expand their footprint in foreign markets and increase employment here in the United States, the National Pork Producers Council (NPPC) asks you for assistance in removing a barrier to U.S. export growth – past and future financial penalties imposed by ocean carriers during times of port congestion.

NPPC is an association of 43 state pork producer organizations that serves as the global voice for the nation's pork producers. The U.S. pork industry represents a significant value-added activity in the agriculture and overall U.S. economy. Economists Daniel Otto, Lee Schulz and Mark Imerman at Iowa State University estimate that the U.S. pork industry is directly responsible for the creation of nearly 35,000 full-time equivalent pork producing jobs and generates about 128,000 jobs in the rest of agriculture. All told, the U.S. pork industry supports more than 550,000 mostly rural jobs in the United States. In 2014, U.S. pork exports totaled a record \$6.7 billion, representing 26.5 percent of production and resulting in an increased value of \$62.45 on each pig sold. And those exports generated about 110,000 U.S. pork industry jobs.

Thank you for your efforts in discouraging ocean carriers last fall from imposing congestion surcharges during the West Coast port crisis. You recognized at the time that exporters were losing millions of dollars each day in foreign sales and were simply in no position to absorb new revenue-raising measures the carriers sought to impose.

Nonetheless, the same carriers have been imposing per diem fees for the inability to return containers during the allotted free time, even though exporters were unable to do so because of port congestion. There were many causes of the port congestion, but all agree that one of the causes was the introduction by the carriers of massive new ships carrying unprecedented volumes of containers that the terminals were unprepared to handle. Imposing per diem fees for the inability to return containers because of the congestion, which exporters did not cause, is unconscionable. In fact, quite a few carriers are voluntarily waiving the per diem fees because their local sales representatives are acutely aware of the difficulties that the congestion imposed, the tremendous financial losses and, most importantly, the fact that exporters were not intentionally holding back containers but that terminals could not or would not allow truckers to enter the gates to return containers in a timely fashion.

NPPC urges you to intervene with the ocean carriers to strongly encourage them to waive per diem fees for detention of containers during the period November 2014 through April 2015 and to move

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expeditiously to adopt new policies or rules that would prevent carriers from engaging in such activity during future periods of port congestion.

Thank you for your leadership and for recognizing that the proper role of the Federal Maritime Commission is to protect and enhance the interests of the United States consumers of ocean transportation services.

Sincerely,

A handwritten signature in black ink that reads "Ron Prestage". The signature is written in a cursive style with a large, looped initial "R".

Dr. Ron Prestage, DVM
President
National Pork Producers Council

cc: Senator Thune, Chairman, Senate Committee on Commerce, Science and Transportation
Senator Nelson, Ranking, Senate Committee on Commerce, Science and Transportation
Congressman Shuster, Chairman, House Committee on Transportation and Infrastructure
Congressman DeFazio, Ranking, House Committee on Transportation and Infrastructure

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