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House overwhelmingly passes bill to strengthen US shipping supply chain

US House of Representatives passes Ocean Shipping Reform Act by 364 votes to 60

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by **Eric Watkins**
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World Shipping Council says the bill had been passed ‘without proper debate or committee process’



THE OCEAN SHIPPING REFORM ACT NOW GOES TO THE SENATE FOR A VOTE. Source: Richard Cummins / Alamy Stock Photo

The [Ocean Shipping Reform Act](#) has been passed by the House of Representatives in an overwhelming bipartisan vote of 364 to 60, endorsing a bill that has been lobbied for by hundreds of US businesses.

Democrat Congressman John Garamendi, who co-sponsored the bill with Republican Congressman Dusty Johnson, said the result brings “us one step closer to protecting American consumers and businesses from price gouging by foreign-flagged ocean carriers.”

Mr Garamendi said the proposed Act has [several main aims](#), including the establishment of “reciprocal trade” to promote US exports as part of the Federal Maritime Commission’s mission.

It will also require ocean carriers to adhere to “minimum service standards” that meet the public interest, reflecting “best practices” in the global shipping industry.

The legislation, which now moves to a vote in the Senate, will also require ocean carriers or marine terminal operators to certify that any detention and demurrage charges comply with federal regulations or face penalties.

It will shift the burden of proof regarding the reasonableness of detention or demurrage charges from the invoiced party to the ocean carrier.

Under the bill, ocean carriers will be prohibited from declining opportunities for US exports “unreasonably” as determined by the FMC under newly required federal rule-making. Ocean common carriers will also report to the FMC each calendar quarter on total import/export tonnage as well as loaded and empty teu per vessel that makes port in the US.

The World Shipping Council said the bill had been passed “without proper debate or committee process.” It was a “political statement of frustration with supply chain challenges — frustrations that ocean carriers share,” said chief executive John Butler, who added that it is not designed “to fix the end-to-end supply chain congestion that the world is experiencing, and it will not and cannot fix that congestion.”

He said his organisation would continue to work with Congress to seek “real solutions” that further strengthen the ocean transportation system that has “supported the US economy” throughout the pandemic.

Peter Friedmann, executive director of the Agriculture Transportation Coalition, told Lloyd’s List the act would “rein in” ocean carrier practices which “threaten our nation’s agriculture and forest products’ global competitiveness.”

The National Retail Federation also endorsed the vote, saying the legislation would provide “critical updates” to the international maritime transportation system, which has been “severely impacted” by the coronavirus pandemic.

“These improvements could not come at a more critical time, as the amplification from the pandemic has been severe,” said David French, the federation’s senior vice-president of government relations, who urged the Senate to “follow suit” in voting for the measure.

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