January 27, 2022

The Honorable Charles Schumer, Majority Leader
The Honorable Mitch McConnell, Minority Leader
United States Senate
Washington, DC

Re: US Agriculture Urges Senate Ocean Shipping Legislation

Dear Senators Schumer and McConnell,

The US agriculture industry is encouraged that the Senate may consider a bill being drafted by Senators Klobuchar and Thune, with input from the Committee on Commerce, Science and Transportation, to address unreasonable ocean carrier practices that are undermining U.S. export competitiveness. The bipartisan Ocean Shipping Reform Act of 2021 (H.R. 4996) recently and overwhelmingly passed the House of Representatives 364 – 60; it is essential the Senate also pass legislation to allow US agriculture to remain viable in global markets.

The transportation crisis for US agriculture products has become increasingly dire. Many agriculture products produced in the U.S. experience significant competition from other countries. If we cannot deliver our products dependably, our foreign customers will find alternatives to our exports. A survey recently conducted by the Agriculture Transportation Coalition (AgTC) found that, on average, 22% of US agriculture foreign sales could not be completed due to ocean carrier practices including: exorbitant freight rates; declined booking requests; unreasonable freight and demurrage/detention charges; and failure to communicate schedules in a timely manner. The damage to our farmers and processors is getting worse; we are losing customers in foreign markets.

Over the past year, intensive media reporting, House and Senate hearings, White House and other Executive Branch Roundtables, and AgTC Workshops, which have included hundreds of agriculture companies, have made clear that current law and regulation are insufficient to protect the ocean shipping interests of US exporters and importers.

We strongly support legislative initiatives to gain reasonable and fair ocean carrier practices consistent with the Federal Maritime Commission’s excellent, but still unenforced, Interpretive Rule on Demurrage and Detention. We ask that the Senate bill, like the House bill, establish an obligation for carriers to self-police compliance with that Rule. In addition, the bill should address the ocean carriers’ responsibility to carry U.S. export cargo to the extent they can do so safely. We also ask that legislation provide the FMC with additional enforcement tools to address injurious ocean carrier practices.

We request that the Senate advance this legislation, so that following a conference with the House, a final bill can be sent to the President’s desk as soon as possible. US agriculture is depending upon it.

Sincerely, attached list of companies and trade associations

Copy: Senator Maria Cantwell, Chair, Committee on Commerce, Science & Transportation
Senator Roger Wicker, Ranking Member
Senator Amy Klobuchar
Senator John Thune
United States Senate