

September 13, 2021

President Joseph R. Biden
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

Dear President Biden:

Our organizations represent thousands of exporters of agricultural and related products, as well as the many U.S. entities that facilitate the movement of those goods. As you know, these American businesses have faced significant difficulties in obtaining fair and reliable ocean transport of their goods, owing both to an imbalance in the ocean container shipment system as well as unreasonable practices by ocean carriers, virtually all of which are foreign-based companies. The increased costs and delays our members face as they struggle to export their products are affecting their competitiveness, growth, job creation, and on a broader level, drag down our trade balance and national economic recovery.

We are grateful to you and your administration for steps that have been taken to address this challenge, but U.S. agriculture exporters need relief now in order to be competitive or the problems will get worse. We appreciated that your recent Executive Order (EO) on Promoting Competition in the American Economy included important guidance to the Federal Maritime Commission (FMC) to “vigorously enforce the prohibition of unjust and unreasonable practices” and to “consider further rulemaking to improve detention and demurrage practices and enforcement of related Shipping Act prohibitions.”

We also welcomed the comprehensive Roundtable involving stakeholders engaged in all aspects of the export challenge that Secretary of Transportation Buttigieg held following the issuance of the EO to hear perspectives and to identify further constructive ideas. Finally, we are pleased with some of the initiatives undertaken by the FMC to investigate current carrier practices, and proposals to gain ocean carrier compliance with its thus-far disregarded Interpretive Rule on Demurrage and Detention. We support the Commission’s proposals to expand its authorities to effectively address unreasonable ocean carrier practices. We are hopeful that the newly constituted National Shipper Advisory Committee, will promptly generate specific near-term solutions.

However, despite these positive steps, the problem not only persists, but is becoming even more dire. Carriers are increasingly declining or cancelling export cargo bookings, while frequent ship delays and cancellations with little or no notice to our exporters, is delaying shipments by weeks or even months. The resulting inability of shippers to deliver their products on schedule affects the reliability of American exports, and subsequently decreases export values and market share. The cost to ship a container has increased between 300 and 500 percent in the past 2 years; U.S. producers are losing from 10-40 percent of their export value to these added costs; an informal survey suggests that U.S. agriculture exporters’ inability to perform is leading to a loss of 22% of their sales.

We realize that the challenges our agriculture exporters face will not change overnight. But with the holiday import surges soon upon us, the challenge is growing. Regulatory action and enforcement steps take time to be implemented, and while those important processes need to move ahead, we call on you and your administration to take effective steps to gain immediate relief. Recognizing that relief may be incremental, it must begin very soon.

The White House Supply Chain Task Force has been meeting with food and agriculture industry stakeholders to identify near-term solutions to supply chain problems. To that end, there are several steps the Administration can take, including:

- Support legislation, including the bipartisan Ocean Shipping Reform Act, HR 4996, to address the unfair practices that are currently damaging U.S. agriculture exports;
- Direct the Department of Justice to review the existing Shipping Act law to determine if the enforcement tools in that Act can be activated to gain compliance with the other provisions of the Act setting forth reasonable practices;
- Establish an inter-agency working group focused on facilitating agriculture exports;
- Sponsor initiatives to increase operational tempo, including increasing gate operations, to include port authorities, terminal operators, labor, ocean carriers, shippers, truckers;
- Provide Federal support for deployment of port and national data-sharing portals, such as already developed by the Port of Los Angeles;
- Incentivize ocean carriers to increase export flows, by fully utilizing their existing capacity;
- Increase coordination between the FMC and the Surface Transportation Board on oversight of multi-modal container shipments to assure that the FMC and the Shipping Act apply to the complete international transit of goods from origin to destination; and
- Provide public support for and any necessary resources towards the activities the FMC is undertaking on this issue, including the Interpretive Rule on Demurrage and Detention and other enforcement and administrative actions.

The steps you have taken demonstrate your appreciation of this. However, it is vital to the American economic recovery that additional steps be taken to relieve the crisis facing American exports.

Thank you for your consideration.

Sincerely,

1. Agriculture Transportation Coalition
2. African-American Farmers of California
3. Agricultural & Food Transporters Conference of ATA (American Trucking Association)
4. Almond Alliance of California
5. American Farm Bureau Federation
6. American Feed Industry Association
7. American Forest & Paper Association
8. American Potato Trade Alliance
9. American Pulse Association
10. American Seed Trade Association
11. California Cotton Ginners and Growers Association
12. California Farm Bureau Federation
13. California Fresh Fruit Association
14. California Prune Board
15. California Rice Commission
16. California Table Grape Commission
17. California Trucking Association
18. California Walnut Commission

19. Cascade Shippers Association
20. Colorado Corn Growers Association
21. Consumer Brands Association
22. Corn Refiners Association
23. DairyAmerica Inc.
24. Dairy Farmers of America
25. DARIGOLD, INC.
26. Harbor Trucking Association
27. Hardwood Federation
28. Idaho Potato Commission
29. Intermodal Motor Carriers Conference of ATA
30. International Association of Refrigerated Warehouses
31. International Dairy Foods Association
32. Leather and Hide Council of America
33. Meat Import Council of America
34. National Association of Egg Farmers
35. National Chicken Council
36. National Cotton Council
37. National Council of Farmer Cooperatives
38. National Fisheries Institute
39. National Hay Association
40. National Milk Producers Federation
41. National Onion Association
42. National Pork Producers Council
43. National Turkey Federation
44. Nisei Farmers League
45. Northarvest Bean Growers Association
46. North American Blueberry Council
47. North American Meat Institute
48. North American Renderers Association
49. North Dakota Grain Growers Association
50. Oregon Potato Commission
51. Oregon Seed Association
52. Pacific Coast Council of Customs Brokers & Freight Forwarders Associations
53. Pacific Northwest Asia Shippers Association
54. Pet Food Institute
55. Potato Growers of Michigan, Inc.
56. Potato Growers of Washington, Inc.
57. Produce Marketing Association
58. Specialty Crop Trade Council
59. Specialty Soya & Grains Alliance
60. U.S. Apple Association
61. U.S. Dairy Export Council
62. U.S. Meat Export Federation
63. U.S. Pea and Lentil Trade Association
64. United Fresh Produce Association
65. United States Cattlemen's Association
66. US Forage Export Council

67. USA Dry Pea and Lentil Council
68. USA Poultry & Egg Export Council
69. USA Rice
70. Washington Association of Wheat Growers
71. Washington Farm Bureau
72. Washington State Hay Growers Association
73. Washington State Potato Commission
74. Western Agricultural Processors Association
75. Western Growers
76. Wine and Spirits Shippers Association
77. Wisconsin Potato & Vegetable Growers Association

cc: Attorney General, U.S. Department of Justice, Merrick Garland
Secretary, U.S. Department of Agriculture, Thomas Vilsack
Secretary, U.S. Department of Transportation, Peter Buttigieg
Chair, Council of Economic Advisors, Cecilia Rouse
Chair, Federal Maritime Commission, Daniel Maffei

