

June 21, 2022

The Honorable Brian Schatz
Chairman
Senate Subcommittee on Transportation-
HUD Appropriations
184 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Susan Collins
Ranking Member
Senate Subcommittee on Transportation-
HUD Appropriations
184 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Schatz and Ranking Member Collins:

Our organizations have been working to deal with unprecedented ocean freight transportation challenges during the past 18 months. Unfortunately, the challenges our shipper members have faced with international ocean shipping carriers remain significant and continue to affect the cost and reliability of shipping American goods to export markets. In our quest to address these shipping issues, we appreciate the important work of the Federal Maritime Commission (FMC), which has done a commendable job confronting these extraordinary challenges. Based on the critical nature of the FMC's work and the likelihood the agency will have significant new legislative mandates in the year ahead, we respectfully urge the House and Senate to provide a robust funding increase to the FMC in Fiscal Year 2023.

The international ocean shipping system became initially imbalanced at the outset of the COVID crisis, with sharp increases in online shopping that resulted in a surge of imported goods to the United States. As ocean carriers worked to address these challenges, they began to implement business practices that greatly disadvantaged export shippers, including cancelled or delayed vessel bookings, the export of empty containers at the expense of loaded export shipments, broken service contracts, unreasonable fee increases and new charges, among other affronts. As a result of these practices, many of our members have lost out on foreign market opportunities or have faced significant cost increases necessary to deliver their goods in a timely and reliable fashion. All of these impact the success of their businesses, hiring opportunities and competitiveness in foreign markets.

The Federal Maritime Commission has responded by implementing a number of important measures. This has included establishing the National Shipper Advisory Committee; implementing the Vessel-Operating Common Carrier Audit Program; pursuing more aggressive oversight activities, including initiating Fact Finding 29 - International Ocean Transportation Supply Chain Engagement; commencing the FMC Data Initiative to explore information-sharing arrangements between shipper stakeholders; augmenting its Consumer Assistance and Dispute Resolution programs; among other steps. Furthermore, the President recently signed into law the *Ocean Shipping Reform Act*, which requires the FMC to conduct numerous new rulemaking activities in the year following enactment, increases the Commission's public reporting, and broadens its oversight and enforcement responsibilities. To effectively accomplish all these missions, the FMC is hiring new personnel and will likely need to continue to grow and replenish its workforce.

We appreciate the funding increase that you provided for the Federal Maritime Commission for Fiscal Year 2022, as well as the 5.2 percent increase included in the President's FY23 budget request. However, we believe that the requirements before the FMC for FY23 and beyond necessitate a higher level of funding and would appreciate your consideration of funding the FMC up to the level of \$38,260,000, as was included in the *Ocean Shipping Reform Act*, S. 3580, which passed the Senate unanimously.

As Chairman Maffei stated in a March hearing before the Senate Commerce, Science and Transportation Committee, "there's no question that we need more resources ... let me just say, there are cases that we could pursue more, we pursue the best ones we can. There are cases that we could pursue more but we simply don't have enough." More recently, during a hearing before the House Transportation and Infrastructure Committee, Chairman Maffei further stated that:

"A significant demand for Commission services already exists and if legislation pending before Congress is enacted into law, our workload will certainly escalate significantly. This is the right time to invest in the ability of the Commission to meet the needs of our regulated community and we appreciate the support we are receiving from both the Congress and the Administration to grow our capabilities."

We concur with Chairman Maffei that now is the time to invest in the Federal Maritime Commission. Our members are counting on the FMC to address these anti-competitive, unfair and unreasonable ocean shipping challenges, that threaten their businesses, jobs and market opportunities. An effective and capable FMC is necessary to address these challenges and to implement the *Ocean Shipping Reform Act*. For these reasons, we encourage you to provide a robust funding increase for the Commission in FY2023.

Thank you for your consideration.

Sincerely,

National Milk Producers Federation
US Dairy Export Council
Agriculture Transportation Coalition
Agriculture & Food Transporters Conference of the American Trucking Association
Agricultural Retailers Association
Almond Alliance
American Chemistry Council
American Cotton Shippers Association
American Farm Bureau Federation
American Feed Industry Association
California Farm Bureau
Consumer Brands Association

Intermodal Carriers Conference of the American Trucking Association
International Fresh Produce Association
Leather and Hide Council of America
Meat Import Council of America
National Association of Chemical Distributors
National Association of State Departments of Agriculture
National Council of Farmer Cooperatives
National Potato Council
North American Meat Institute
Pet Food Institute
Specialty Soya and Grains Alliance
Sunkist Growers
U.S. Pea and Lentil Trade Association
United Dairymen of Arizona
USA Dry Pea and Lentil Council
USA Rice
Western Growers