



March 11, 2022

The Honorable Laura Friedman  
California State Assembly  
1021 O St., Room 6310  
Sacramento, CA 95814

**RE: AB 2406 (Aguiar Curry) – SUPPORT**

Dear Assemblymember Friedman:

The undersigned organizations are proud to **SUPPORT** Assembly Bill 2406, which will update existing California law to better protect its economy from unfair supply chain fees.

The undersigned organizations represent nearly the entirety of California's agricultural export, retail, manufacturing and logistics industry.

As the leading exporter of agricultural products to international markets and as the primary national gateway for imported goods, the global supply chain crisis uniquely impacts California's economy. California businesses such as agricultural exporters, manufacturers, retailers and truckers contract ocean carriers for use of shipping containers to import and export commodities to and from global markets. As with any rental company, ocean carriers set timeframes for the prompt pick-up and return of equipment. Late pickups & returns past the grace period are charged daily fees known as detention and demurrage.

Under ordinary circumstances, these fees are designed to encourage the efficient use of containers. However, during our recent and ongoing port congestion crisis, late charges have been imposed on California businesses by international ocean carriers even when containers cannot be returned due to circumstances not within the control of the importer, exporter or trucker. While detention and demurrage fees have increased across the globe, ocean carriers are charging two to ten times the fees in Los Angeles and Long Beach versus other major ports worldwide.

Agricultural exporters are losing global market share while absorbing unfair fees. California manufacturers and retailers are already facing unprecedented cost increases for imports on top of paying the highest detention/demurrage rates in the world. All of these costs ultimately increase the price of goods and services for Californians.

In 2005, California adopted SB 45 (Alarcon) which prohibited levying of these fees against truckers when the delayed pickup or return of a container is not within the control of California businesses. However, the industry has evolved since this law was adopted and it needs to be modernized. AB 2406 would update existing law to fit today's operating environment and continue the existing policy of protecting California trade from unfair fees.

For the reasons outlined in this letter, the undersigned organizations are proud to SUPPORT AB 2406.

Sincerely,

African American Farmers of California  
Agricultural Council of California  
Agriculture Transportation Coalition – AgTC  
Air-Conditioning, Heating and Refrigeration  
Institute  
Almond Alliance of California  
American Chemistry Alliance  
American Forest & Paper Association  
American Home Furnishings Alliance  
American Lighting Association  
American Pistachio Growers  
American Trucking Associations'  
Agricultural Food Transporters Conference  
and Intermodal Motor Carrier Conference  
Association of Food Industries  
Association of Home Appliance  
Manufacturers  
Auto Care Association  
California Apple Commission  
California Blueberry Association  
California Blueberry Commission  
California Citrus Mutual  
California Cotton Growers and Ginners  
Association  
California Farm Bureau  
California Fresh Fruit Association  
California Manufacturers and Technology  
Association  
California Olive Oil Council  
California Retailers Association  
California Rice Commission  
California Trucking Association  
California Walnut Commission  
Capay Canyon Ranch  
CAWA - Representing the Automotive Parts  
Industry  
Far West Equipment Dealers Association  
Fashion Jewelry and Accessories Trade  
Association  
Fashion Accessories Shippers Association  
Foreign Trade Association  
Gemini Shippers Association  
Green Coffee Association  
Harbor Trucking Association  
International Housewares Association  
International Warehouse Logistics  
Association  
Leather and Hide Council of America

Los Angeles Customs Brokers and Freight  
Forwarders Association  
Meat Import Council of America  
National Confectioners Association  
National Hay Association  
National Milk Producers Federation  
National Onion Association  
Nisei Farmers League  
North American Meat Institute  
Northern California Customs Brokers and  
Freight Forwarders Association  
Pacific Coast Council of Customs Brokers  
and Freight Forwarders Association  
Pet Food Institute  
Plumbing Manufacturers International  
Promotional Products Association  
International  
Olive Growers Council of California  
Retail Industry Leaders Association  
San Diego Customs Brokers and  
Forwarders Association  
Specialty Crop Trade Council  
Sports & Fitness Industry Association  
Truck & Engine Manufacturers Association  
U.S. Dairy Export Council  
U.S. Forage Export Council  
Western Agricultural Processors  
Association  
Western Growers Association  
Western Plant Health Association  
Western States Trucking Association