

February 23, 2022

The Honorable Amy Klobuchar
United States Senate
425 Dirksen Senate Office Building
Washington, DC 20510

The Honorable John Thune
United States Senate
511 Dirksen Senate Office Building
Washington, DC 20510

Dear Senators Klobuchar and Thune,

On behalf of the undersigned companies and trade associations representing U.S. importers, exporters, transportation providers and other supply chain stakeholders, we are writing to express our strong support for the Ocean Shipping Reform Act of 2022 (OSRA22) (S. 3580) which you have introduced. We believe the reforms included in OSRA22 will help address longstanding, systemic supply chain and port disruption issues which have been further exacerbated by the COVID-19 pandemic. The bill enjoys strong bipartisan support. We encourage the Senate to act quickly to pass the bill and reconcile the differences with the House version.

Many experts agree that the supply chain disruptions that the nation's exporters and importers have been facing will continue throughout 2022. This continues to have a significant effect on inflation and the ongoing economic recovery. While the supply chain has been stretched from end-to-end with disruptions at every stage, there are systemic issues that need to be addressed in the maritime cargo environment. OSRA22 as introduced will address several of these issues.

One of the biggest issues facing cargo owners and other supply chain stakeholders has been the issue of detention and demurrage. The ongoing port congestion has led to a significant increase in these fees for cargo owners and truckers, many times due to issues beyond their control. We certainly welcomed the Interpretive Rule on Detention and Demurrage as published by the Federal Maritime Commission, but we need more than just "guidance" that is not being followed by ocean carriers or marine terminals. This has led to hundreds of millions of dollars in unfair penalties against US shippers and their transportation partners throughout the pandemic. The legislation seeks to formalize this rule and truly define the parameters for these charges.

The legislation also seeks to update key provisions of the Shipping Act, which hasn't been updated in over two decades. The maritime transportation system has changed significantly during those decades. While some changes have been a positive for the industry overall, we need to ensure the regulations remain applicable to today's market reality. With the creation of the carrier alliances, contraction of the number of carriers in the market, changes to chassis management and others, we believe the time is right for these important reforms. It is especially important for Congress to strengthen the role of the FMC to regulate perceived unfair business practices.

We thank you for your strong leadership on this issue to ensure that the ongoing supply chain disruption and port congestion issues are addressed. We applaud the bipartisan support of the bill and encourage Senators to sign on as original co-sponsors and support the bill when it

comes to the Senate floor. Passage of OSRA22 will help ensure U.S. competitiveness and continued economic recovery. We look forward to working with you to ensure passage of this important legislation.

Sincerely

1. Accessories Council
2. Agricultural Retailers Association
3. American Apparel & Footwear Association (AAFA)
4. American Bridal and Prom Industry Association (ABPIA)
5. American Forest & Paper Association
6. American Lighting Association
7. American Pyrotechnics Association
8. American Seed Trade Association
9. American Spice Trade Association
10. Association of Bi-State Motor Carriers
11. Auto Care Association
12. Can Manufacturers Institute
13. CAWA – Representing the Automotive Parts Industry
14. Color Pigments Manufacturers Association
15. Council of Fashion Designers of America (CFDA)
16. Experiential Designers and Producers Association (EDPA)
17. Footwear Distributors & Retailers of America (FDRA)
18. Greeting Card Association
19. Harbor Truckers Association
20. Hardwood Federation
21. Institute of Scrap Recycling Industries, Inc.
22. International Association of Movers (IAM)
23. International Housewares Association
24. International Warehouse Logistics Association
25. ISSA – The Worldwide Cleaning Industry Association
26. Juvenile Products Manufacturers Association ~ JPMA
27. Motor & Equipment Manufacturers Association (MEMA)
28. National Association of Chemical Distributors (NACD)
29. National Industrial Transportation League (NITLeague)
30. National Marine Manufacturers Association
31. National Milk Producers Federation
32. National Pork Producers Council
33. National Retail Federation
34. National Ski & Snowboard Retailers Association (NSSRA)
35. National Sporting Goods Association (NSGA)
36. New Jersey Motor Truck Association
37. North American Association of Food Equipment Manufacturers (NAFEM)
38. Outdoor Industry Association
39. Pet Industry Joint Advisory Council
40. Plumbing Manufacturers International

41. Retail Industry Leaders Association
42. Sports & Fitness Industry Association (SFIA)
43. The Fashion, Jewelry and Accessories Trade Association (FJATA)
44. Travel Goods Association (TGA)
45. U.S. Dairy Export Council

CC: Members of the Senate