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## **Bipartisan Lawmakers Address Unfair Shipping Practices**

*by Dana Lee Cole  
Hardwood Federation, Executive Director*

As lawmakers juggle multiple priorities this fall, a bipartisan group of House lawmakers have begun to move legislation that would protect U.S. exporters, including the hardwood industry, from unfair ocean shipping practices that hinder the movement of products to overseas markets.

In August, Reps. John Garamendi (D-CA) and Dusty Johnson (R-SD) introduced the industry-supported “Ocean Shipping Reform Act of 2021” (H.R. 4996). This important bill would make long overdue updates to the federal “Shipping Act;” institute remedies for unfair shipping practices that exacerbate global supply chain disruptions caused by the pandemic; and specifically empower the Federal Maritime Commission (FMC) to prevent ocean carriers from declining export cargo, if the containers can be loaded safely and within a reasonable time frame. The bill would also:

Establish reciprocal trade to promote U.S. exports as part of the FMC’s mission.

- Require ocean carriers to adhere to minimum service standards to reflect best practices in the global shipping industry.
- Require ocean carriers, or marine terminal operators, to certify that any late fees—known in maritime parlance as “detention and demurrage” charges—comply with federal regulations, or face penalties.
- Shift the burden of proof regarding the reasonableness of “detention or demurrage” charges from the invoiced party to the ocean carrier or marine terminal operator.
- Prohibit ocean carriers from declining opportunities for U.S. exports unreasonably, as determined by the FMC in a new, required rulemaking.
- Require ocean common carriers to report to the FMC, each calendar quarter, on total import/export tonnage and 20-foot equivalent units (loaded/empty) per vessel that makes port in the U.S.

Back in September, the Hardwood Federation signed on to a letter—including more than 100 agriculture associations—in support of the legislation. Additionally, the Hardwood Federation and its coalition partners—ranging from the American Farm Bureau Federation to the American Chemistry Council—are campaigning to increase the number of bill co-sponsors to give H.R. 4996 momentum, moving forward.

So far, dozens of House lawmakers—including Democrats and Republicans—have signed up as co-sponsors of the bill. And while the likelihood for a stand-alone vote

this year remains uncertain, lawmakers could fold the legislation into other vehicles, including Coast Guard reauthorization legislation.

The Hardwood Federation will continue to signal our support of H.R. 4996 to the Administration and Congress. And as always, we will keep you updated on the situation.