



September 15, 2022

William Cody, Secretary  
Federal Maritime Commission  
800 North Capitol Street, N.W.  
Washington, D.C. 20573

Re Docket No. 22–19, Request for Information: Congestion of the Carriage of Goods

Dear Secretary Cody,

The American Association of Exporters and Importers (AAEI) has been a national voice for the international trade community in the United States since 1921. AAEI represents the entire spectrum of the international trade community across all industry sectors. Our members include manufacturers, importers, exporters, wholesalers, retailers, and service providers to the industry, which is comprised of customs brokers, freight forwarders, trade advisors, insurers, security providers, transportation interests, and ports. Many of these enterprises are small businesses seeking to export to foreign markets. AAEI promotes a fair and open trade policy. We advocate for companies engaged in international trade, supply chain security, export controls, non-tariff barriers, import safety, and other movement of good's issues.

AAEI supports the Federal Maritime Commission's (FMC) expanded authority granted by the Ocean Shipping Reform Act of 2022 (OSRA 2022) to address the causes and resulting conditions of America's port congestion problems. The resiliency of the U.S. economy depends on having a reliable, competitive ocean shipping industry to support the viability of U.S. business which need efficient access to foreign markets.

AAEI supports the issuance of an emergency order requiring common carriers and marine terminal operators to share key information with shippers, truckers, and railroads. The lack of adequate information sharing has created an emergency that is adversely affecting the efficient movement of freight. An eight-month emergency order issued by the FMC would help alleviate this situation.

The following comments are AAEL members' experiences and positions regarding the above referenced docket number.

**1. Whether congestion of the carriage of goods has created an emergency of a magnitude such that there exists a substantial, adverse effect on the competitiveness and reliability of the international ocean transportation supply system.**

- Yes, U.S. importers and exporters agree that congestion at U.S. ports and access to supporting infrastructure has created an emergency that has damaged U.S. business competitiveness and the reliability of the international ocean transportation supply system.
- Currently, AAEL's importers and exporters are dealing with gridlock at the Port of New York/New Jersey, backups at the Port of Savannah, and congestion problems at Gulf Coast ports, especially in Houston, that rival those recently seen at the ports of Los Angeles/Long Beach. In general, port congestion on the East and Gulf Coasts has become a critical impediment to the ability to move goods in a timely manner.
- These situations are spreading across the country, in part, because shippers are making their "best guesses" as to which ports of entry will create the least friction on a future date and may be working with unreliable, inconsistent, or faulty data. Key data points, such as dates, need to be operationally reliable. Better information will lead to better business decision-making.
- There were recently as many as 31 idle vessels at the Port of Houston due to congestion, and there have been ongoing port omissions by carriers between the Port of New Orleans and the Port of Mobile.
- Global demands depend upon schedule reliability. Port calls should be planned and firm with minimal changes within 45 days of arrival at the first port that would allow AAEL importers and exporters to forecast when ports are susceptible to vessel delays and congestion.
- Combined, these issues cause U.S. businesses to carry excess inventory to meet U.S. customer demand, and increased logistics costs to mitigate transportation delays.

**2. Whether an emergency order pursuant to Section 18 of OSRA 2022 would alleviate or improve such an emergency.**

- Yes, U.S. importers and exporters agree that an emergency order requiring any common carrier or marine terminal operator to share certain information with shippers and other specified entities pursuant to Section 18 of OSRA 2022 would improve the current emergency at U.S. ports in that it would allow importers and exporters to make timelier, more effective decisions in routing their goods.
- Good business decisions can only be made based upon good data. A competitive advantage of U.S. commodity exporters has historically been reliable and dependable delivery times. The loss of this competitive advantage in commodities has driven, and continues to drive, international customers from U.S. products, a situation which is only further undermined by increased costs associated with these delays.

- The sharing of critical data with sufficient lead time for international shipments will enable more accurate planning.

**3. The appropriate scope (duration and geographic) of such an emergency order if the Commission were to issue such an order and the basis for that scope.**

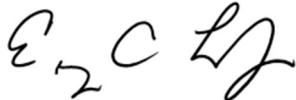
- AAEI members believe that port congestion is a national, indeed a global, supply chain crisis. For shippers, the current situation is far from perfect. Challenges stemming from on-going supply chain delays continue to press suppliers to the limit. To meet the end-buyer demand that typically surges during the holiday season, there needs to be certainty and transparency. If the FMC issued an emergency order requiring information sharing, it should be on a national scale and remain through the holiday season or, more directly, in place for at least eight months and should include a mechanism for extension or renewal.

We believe that the FMC has a valuable and established resource in their National Shipper Advisory Committee. In addition to the comments provided here, the FMC should seek their expert perspective and comments on these issues.

A long-term solution is needed to resolve port congestion in the United States. U.S. importers and exporters strive to drive improvement, but their capabilities are limited to initiatives within their own operations. To drive a step-change in world competitiveness, there needs to be a focused effort to build an effective and efficient supply chains, which accelerates our U.S. goods to world markets.

Please advise if you have any questions or require any clarification of our comments.

Sincerely,



Eugene C. Laney  
American Association of Exporters and Importers  
President and CEO