

September 13, 2022

Federal Maritime Commission
secretary@fmc.gov

RE: Docket No. 22-19 – FMC Request for Information on Whether Current Shipping Crisis Requires Emergency Order

To Whom it May Concern:

On behalf of the American Apparel & Footwear Association (AAFA), the national association of the apparel, footwear, and related products industries, I am writing to urge the Federal Maritime Commission (FMC) to use its authority to issue an emergency order on information sharing to address congestion in the carriage of goods.

With 98% of all apparel, footwear, and travel goods sold in the U.S. today being imported, our industry's 3 million American workers depend on a smooth supply chain. However, over the last two years, we have paid 3-5X more to experience a severe deterioration of service and an explosion of unjust and exorbitant fees.

While spot rates have fallen recently, they are still 2-3X what they were only two years ago. And many importers have not benefitted from the decline because they negotiated contracts last spring locking in those high rates, before rates started to decline this summer. Further, the decline in rates have been more than made up for by the imposition of multiple new fees and the continued excessive use of detention and demurrage fees, charged even when the importer is physically unable to remove the loaded container or return the empty container because of congestion.

Further, as noted in the FMC's request for information, while the backlog of ships at the Ports of LA/Long Beach have declined, the backlog of ships at alternate ports on the East, Gulf, and West Coasts have surged. Meanwhile, importers' continued inability to access their loaded containers or return their empty containers means congestion still reigns at the Ports of LA/Long Beach, with the daily detention and demurrage fees to go with them.

And now, as if the deterioration of service the last two years wasn't enough, because of declining spot rates, carriers have announced a series of blank sailings on key routes for September and October, worsening congestion and delays at a time when we can least afford it as we head into the all-important holiday season.

The steady, and growing, number of complaints filed with the FMC bear these facts out.

The supply chain crisis of the last two years has been particularly challenging for our industry, leading to severe delays, empty store shelves, and rising prices at the cash register, all of which have contributed to inflation on basic necessities like clothes and shoes that has exacerbated the growing inflation that has permeated the entire U.S. economy.

As we approach the critical holiday shopping season, an emergency order from the FMC requiring information sharing would enable the FMC to establish and implement data standards and data sharing to provide full, real time transparency for what is happening at the ports to all stakeholders and provide all stakeholders the data necessary to compare data in an apples to apples format. That information could help importers, our members, make better, more informed decisions to mitigate the impact of port congestion on their shipments.

Therefore, we again urge the FMC to issue an emergency order to address the ongoing congestion at the ports.

Thank you for your time and consideration in this matter. Please contact Nate Herman of my staff at nherman@aafaglobal.org or 301-775-7633 if you have any questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Lamar". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Steve Lamar
President & CEO