



September 9, 2022

William Cody
Secretary
Federal Maritime Commission
800 North Capitol Street NW
Washington, DC 20573-0001

Re: Docket No. 22-19; Request for Information - Whether congestion of the carriage of goods has created an emergency situation causing a substantial, adverse effect on the competitiveness and reliability of the international ocean transportation supply system.

Dear Secretary Cody:

This statement is filed on behalf of the Meat Import Council of America, Inc. (MICA) and the North American Meat Institute (NAMI or the Meat Institute) pursuant to the invitation for comments published in the Federal Register concerning the *Request for Information - Whether congestion of the carriage of goods has created an emergency situation causing a substantial, adverse effect on the competitiveness and reliability of the international ocean transportation supply system* (Docket No. 22-19). Thank you for the opportunity to comment on this important issue.

MICA is an incorporated trade association representing the U.S. industry that imports fresh, chilled and frozen beef and sheep meat into the United States. MICA's regular members are importers who account for most of the non-North American imports of this product as well as port authorities, refrigerated warehouses, customhouse brokers, truckers and draymen, etc. who provide services in connection with this imported product.

The Meat Institute is the United States' oldest and largest trade association representing packers and processors of beef, pork, lamb, veal, turkey, and processed meat products, and NAMI member companies account for more than 95 percent of U.S. output of these products. The Meat Institute provides legislative, regulatory, international affairs, public relations, technical, scientific, and educational services to the meat and poultry packing and processing industry.

MICA and NAMI strongly believe the Federal Maritime Commission (FMC) should declare an emergency order under Section 18 of the Ocean Shipping Reform Act (OSRA) of 2022 to require common carriers or marine terminal operators to share certain information with shippers and other specified entities in order to help alleviate unprecedented congestion. The high congestion levels,

which have impeded the carriage of goods at U.S. ports since 2020, have created an emergency situation of a magnitude such that there exists a substantial, adverse effect on the competitiveness and reliability of the international transportation supply system. The adverse effect has been especially acute for our industries, given the temperature controlled, highly regulated, and relatively short time until expiration for this specific commodity. Time is quite literally of the essence for meat and poultry imports and exports, where congestion and delays may result in substantial product losses.

Meat imports and exports, along with other perishable commodities, are unique in that they have inherent and unavoidable risks and burdens on their supply chains such as product spoilage and heightened governmental oversight that may not apply to other shipped goods. Indeed, due to the nature of these products, we believe the meat industry has been a primary victim of this congestion to date, forced to pay exorbitant detention and demurrage fees due to no fault of its own resulting from excess congestion, while also forced to discard product whose shelf life has expired or downgrade higher-value products to lower-value products. The costs, in terms of punitive fees assessed on shippers and lost revenue resulting from spoiled and downgraded products, that have been generated in this situation, alone, run in the millions of dollars for the industry and have rendered the trade nearly impossible for many companies. For example, in some cases, the uncertainty of the detention and demurrage fees accrued during congestion were so high, importers were forced to cancel supply contracts, reducing the available supply of meat on the domestic market during critical shortages experienced during the same time period.

MICA and NAMI believe an emergency order under Section 18 would help to alleviate such an emergency situation, especially as the peak shipping season arrives in late 2022 and early 2023. By compelling common carriers and marine terminal operators (MTOs) to share critical information with shippers, warehouses, and other interested parties along the supply chain, plans can be made to accommodate and mitigate expected bottlenecks in the system in advance. In order to effectively address a bottleneck, the supply chain must have the relevant data available to it in order to identify these challenges ahead of time. Without this data, the supply chain and its primary entities are essentially operating blind, unable to plan for any future problems that may arise and permanently stuck in a reactionary footing.

This is especially the case for cold storage warehouses located near ports which accept imported meat containers and provide the venues for U.S. Department of Agriculture (USDA) food safety inspection activities to take place. All imported meat products must be inspected and passed by USDA inspection personnel located at warehouses near the port of entry prior to being released into commerce. Therefore, it is critical for cold storage facilities located near ports of entry to have the data necessary to plan for import volume surges ahead of time. USDA government inspectors have natural capacity limitations as to the number and amount of meat containers they can inspect on a daily basis, and therefore it is critical that this essential government regulatory activity be closely managed and adequately distributed based on real time data and analytics. Neither the USDA inspectors nor the cold storage warehouses that provide the venue for their operations should be forced to operate blindly with regard to the number and type of incoming cargo at a given port of entry.

Similarly, the U.S. meat industry's reputation as a reliable supplier of high-quality meat and poultry products to markets around the world has been undermined by insufficient information sharing by ocean carriers and MTOs. Often, information relating to cargo throughput and

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availability is either inaccurate or nonexistent making it extremely difficult, if not impossible, for exporters and their partners along the supply chain to anticipate congestion challenges at a given port or to respond in a timely, cost-efficient manner to these impediments. This dearth of transparent, prompt information unduly burdens U.S. shippers who must contend with the often cost-prohibitive and logistically perilous decision of shifting product to alternate ports, when possible, or seek ever-shrinking cold storage accommodations while their product awaits shipment. The rise in blank sailings, provided with almost no notice, and the inability of meat exporters to access reliable data regarding container availability, port capacity, and other essential indicators, leaves product idling, sometimes for weeks or months, collecting punitive fees and, increasingly, spoiling. To fill the void vacated by U.S. exports in key markets, particularly in Asia, once-dependable U.S. customers are now sourcing products from Europe, Australia, and elsewhere, further demonstrating the serious, detrimental consequences for the competitiveness of U.S. products stemming from incomplete ocean carrier and MTO information.

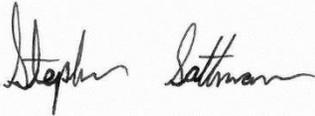
The scope of the emergency order should be adequate to not only address the cargo surges expected in late 2022 and early 2023, but also to enable supply chain actors to proactively plan for future surges in subsequent years. To that end, MICA and NAMI believe it is appropriate for the FMC to declare an emergency order for the duration of the legal authority under the OSRA 2022 legislation while also setting the precedent and framework for future actions.

MICA and NAMI also believe the emergency order should apply to all primary U.S. ports of interest, but for the purposes of the meat industry, the following ports would be the most important to address: Ports of Philadelphia, Los Angeles, Long Beach, Houston, Savannah, Seattle, Tacoma, and Oakland.

For the above stated reasons, the FMC should proceed with its declaration of an emergency order under Section 18 of the Ocean Shipping Reform Act of 2022.

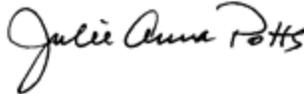
Respectfully submitted,

MEAT IMPORT COUNCIL of
AMERICA, INC



Stephen Sothmann
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