

Executive Session
March 22, 2022
Chair Maria Cantwell – Opening Remarks

VIDEO

Welcome to today's Commerce Committee executive session on a number of items – I think 12 different items – and I want to start by thanking our teams on both sides of the aisle who worked very hard on this markup. Nikky Teuschel, Dave Stewart, Melissa Porter, among some of the team, and thanks to the rest of the team for working so hard to get us where we are today on these important bills that are sponsored by various members, as well as Coast Guard nominations.

First, I want to thank Senator Klobuchar and Senator Thune for their work on the bipartisan Ocean Shipping Reform Act.

I know, for me, the growers in my state are wondering how successful this season is going to be. Because even if the crop yield is high, increased shipping costs and long shipping delays threaten Washington farmers and their ability to get goods to market and make ends meet.

Anderson Hay & Grain is based in Ellensburg, in Central Washington, and they've built an international business over the past 60 years. They've been exporting hay since the 1970s to Japan.

Their CEO, Mark Anderson, told me: "The agriculture economy in our region does not work if we don't have competitive access to world markets."

And right now, the supply chain isn't working and that's hurting American exporters trying to get hay, milk, apples and wheat to global markets.

It's also hurting consumers here at home who are seeing higher prices on every day products.

During 2021, there was a 24 percent drop in full containers being exported from the ports of Seattle and Tacoma.

That drop increased to 30 percent in January and February of this year. That means our exports are being left at the dock.

The Washington State Potato Commission reported they had an 11 percent decrease in exports in 2020 from 2019. According to Darigold, American dairy producers lost \$1.5 BILLION dollars last year due to port congestion and related challenges.

I want to thank the Biden Administration for their pop-up ag sites which are allowing ag growers to pre-position their products on the docks so they won't be left behind. It's an innovative tool and we're happy to participate with the USDA deputy and thank USDA Administrator Vilsack as well.

We also know here, in the Committee, that these ocean shipping companies are making record profits. They have made \$150 billion dollars in profits in 2021, and ocean import volume for the first quarter of this year is forecast to increase by more than 30 percent.

Our farmers don't want special treatment. They just don't want to be exploited for the sake of record profits.

We know from a 2020 freight index, that the container charge went from \$1,300 a container to \$11,000. These are exorbitant fees, and I think we need a Federal Maritime Commission looking at these issues.

We see these issues in other aspects of our committee and hopefully we'll deal with them in the future, but right now we need to take action on this important legislation.

The Ocean Shipping Reform Act helps the Federal Maritime Commission which is in charge of protecting the interests of U.S. shippers.

The Commission has broad authority to oversee the practices of ports and terminal operators, as well as carriers.

For example, in May of 2020 the Commission issued a rule to clarify what is reasonable for the daily fee charges by carriers for boxes stored at port.

That rule on detention and demurrage is an improvement, but has not been fully realized due to the challenges in accessing actionable, and enforceable, information from large foreign carriers. That is what changes in the underlying bill by our colleagues Senator Klobuchar and Senator Thune.

This bill strengthens the Commission's authority regarding these daily fees, called detention and demurrage, by shifting the burden of proof from the shippers to the carriers.

It requires the Commission to determine what fees are unreasonable so that we can crack down on the extra costs that are facing our farmers and growers.

Our substitute amendment raises the bar even further by requiring ocean carriers to submit additional detailed data and cost information to the Commission to certify that they are complying with law, each and every time for what they charge shippers for detention and demurrage.

Having that information at the commission's fingertips will help us boost enforcement and cut down on extraneous fees and charges.

And the bill includes two additional rulemakings to strengthen the Commission's authority:

- First, the bill would prohibit ocean carriers from unreasonably declining U.S. cargo. This is the top ask by American exporters whose products have been left on the docks.
- Second, the bill would amend the prohibitions in the Shipping Act to make it unlawful to retaliate against shippers or even threaten the denial of American cargo.

As we tried to strengthen this bill in Committee I could already tell that some of these companies were definitely threatening retaliation on growers. So I hope that by the time we get to the floor, with the help of our colleagues here, we can strengthen this bill even more.

As the pandemic related supply chain challenges unfolded, it became crystal clear that the Commission lacked the resources and tools to enforce U.S. law and keep our exporters and importers competitive and that I why the substitute amendment addresses the resources that are needed at the Commission. So again, I want to thank Senators Klobuchar and Thune for working on this important issue and encourage my colleagues to vote for this legislation.

Also on today's agenda is the Duckworth's legislation, the Martha Wright-Reed Just and Reasonable Communications Act. I thank her for her leadership.

The Next Generation Telecommunications Act which is co-sponsored by Senators Cortez-Masto, Wicker, Thune and Lujan would create the Next Generation Telecommunications Council to advise [5]G.

Also, Sen. Wicker's FREIGHT Act and I appreciate his willingness to work with us. We've been about to improve that legislation and join him as a cosponsor.

Next, we have legislation from Senators Rosen and Cornyn, the TSA Reaching Across Nationalities, Societies, and Languages to Advance Traveler Education Act.

The Blunt, Wyden, Klobuchar, and Fisher bill, the Low Power Protection Act.

The legislation by Senators Peters and Capito, the Strengthening Support for American Manufacturing Act. A GAO report identified 58 programs across 11 federal agencies that support U.S. manufacturing.

A Preventing PFAS Runoff at Airports Act, by Senators Peters, Moran, Klobuchar, Duckworth, Capito, and Lummis.

And the Right Whale Coexistence Act of 2022, by Senators Booker, Carper, Blumenthal, and Whitehouse.

And finally, Senator Wicker's FAA Leadership Veterans Status Act that would amend U.S. code to eliminate the restriction on the ability of retired and former military servicemembers to serve in both the FAA Administrator and Deputy Administrator positions.

This is a very important legislation. NOAA needs to have more ability. We see how weather is impacting us all. This Weather Research and Forecasting Innovation Act of 2017 to update our current tornado rating and systems. I think will improve communications to the public.

With that, I'll turn to Senator Wicker for his opening statement.