

U.S. Senator Maria Cantwell

Transcript: Passing S. 3580, the Ocean Shipping Reform Act

Senate Floor Speech

March 31, 2022

VIDEO

Cantwell: I would like to come to the floor and thank my colleagues from the upper Midwest for their great work on this legislation. The ocean shipping reform act of 2022.

Our colleagues from the upper Midwest know how important agricultural products are and they know how important it is for them to reach their destination. And the fact that Senator Thune was the previous Chair of the Commerce Committee knows all too well about how products can get boxed out because of other products on the rails. My colleague from Minnesota knows all too importantly about exports and has been a big supporter of our export economy in general and represents a state that is very robust on the global economy. So her leadership on a very tough issue has been very, very appreciated.

I'd like to thank from the Commerce Committee staff a variety of people and from Senator Wicker's staff and Senator Thune's. A lot of people worked on this but Nikky Teutschel, Alex Gutierrez, Dave Stewart, Grace Bloom, Charles Vickery, Eric Vryheid, Michael Davison, Matt Filpi and Megan Thompson. From Senator Wicker's staff, Andrew Neely, Fern Gibbons, Brendan Gavin, Paul Wasik, Kyle Fields. From Senator Kobuchar's staff, Baz Selassie, couldn't do it without his hard work, the guy behind it and Senator Thune's staff Chance Costello and Rob Hickman from Senator Schumer's staff.

So today, Madam President, the passage of this bipartisan legislation couldn't come at a more important time for our growers and producers and exporters. That is today we're saying that American farmers matter and their survival matters more than the exorbitant profit of international shipping companies.

That's what we really try to tackle in this legislation, as our two colleagues brought forth this legislation in record time. It was passed in the house of It was passed in the House of Representatives, led by Congressman Garamendi and Johnson, and the two of those passed that in December, and our colleagues got this bill here in the Senate in February, and we were able to pass it now here at the very end of March. I thank, again, our two colleagues, Senator Klobuchar for her leadership and Senator Thune, for getting this done so quickly. Literally, introduced in February, passed in March. I hope it's an example what we can do on other legislation affecting our supply chain.

Our economy is built on trading goods in a timely manner and our partnerships from all over the world, as the C.E.O. Of Anderson Hay and Grain in Washington said, "the agricultural economy in our region does not work if we don't have competitive access to world markets."

Right now, the supply chain isn't working. Our ports have been clogged, shipping companies have struggled to keep up with demand, and the cost of American exporters, who are trying to get hay, milk, and apples to the global market, have gone through the roof.

It is hurting our consumers here at home as I see prices increase, and hurting our exporters when they're looking at products they are trying to get to market. American exporters are being charged more and more for containers and due to shipping delays really out of their control. To not increase these costs, but basically consumers are paying more, and our exporters are having a tough time getting their products to market.

According to the freight index, by December 2021, shipping container had gone from \$1300 a container to \$11,000 a container so reports and news articles about how that's affected our supply chain, that there have been increase in costs on consumer electronics, like computers and other equipment, furniture and apparel, all seeing increases, because of increase in our shipping costs.

So the Federal Maritime Commission found that between July and September of 2021 American businesses were charged \$2.2 billion in fees in addition to freight rates. That's a 50% increase compared to the three prior months. And getting overcharged is only part of the problem. Some of our businesses can't even get their containers on the ship. During 2021, there was a 24% drop in full shipping containers leaving from the ports of Seattle and Tacoma. That drop increased to 30% in January and February of this year. That means 30% containers -- 30% less leaving to international markets that aren't full of American products.

American exporters and their products are being left on the docks, and that's why we wanted to act quickly, because the American farmer, with growing season upon us, can't afford to wait another minute for the Federal Maritime Commission to do its job and help police this market and make sure our products and farmers are not being overcharged or left on the dock.

The Washington state Potato Commission reported 11% decrease in exports from 2020 to 2019, and according to dairy gold, American dairy producers lost \$ 1.5 billion last year due to poor congestion and related challenges.

So all of this means that getting this legislation on to the president's desk could not be more important. That's why we acted fast in moving this legislation today to give the first reforms to the Federal Maritime Commission in two decades. Those new tools, given to the Commission, are to increase the rules, to prevent American products from being left on the docks, increasing transparency, so that the fees that shippers are charged are known and can't be overcharged, and three, preventing the shipping companies from retaliating against our local American businesses.

These three changes are significant changes to the authority, and the Committee made sure in the changes to the legislation that these new rules need to be in place in the next few months. We cannot continue to wait for those rules to take place until next year. They need to be done now.

That is why the Commerce Committee, I'm sure will work in a bipartisan fashion to see the implementation of this law and to make sure that the Commission is aggressive in going after the exorbitant fees that are being charged by these international shipping companies.

It's a huge task. The commission is charged with regulating a \$14 trillion international shipping industry, but this industry has done nothing but become more concentrated in the last several decades.

So as the supply chain challenges unfolded it's clear that the Commission is left trying to rein in the practices of five very large international companies.

That's why we had to act fast, and we had to be aggressive at making sure the Federal Maritime Commission would work to put rules in place that will help American exporters and help protect consumers.

Again, I thank my colleagues for their great work on this legislation. The State of Washington desperately needed to see the Federal Maritime Commission reform.

I'm proud to say that we were able to get a new Federal Maritime Commissioner, Max Vekich, who I think will officially be sworn in soon, from the State of Washington, who's been working on the docks for 40 years. He knows what it takes to move product. But he also knows that we need aggressive action by the Federal Maritime Commission to protect all of us from these exorbitant shipping costs and to help us in making sure that products, like good American exporters, like our apples and hay and wheat, are not left on any dock, but reach their destination to foreign markets.

I thank the president, and I yield the floor.