



Advocacy Alert: Victory on Ocean Shipping Reform

THE ISSUE

Since the onset of the COVID-19 pandemic, ocean shipping costs have skyrocketed, burdening U.S. manufacturers and consumers alike. The business practices of ocean common carriers have come under scrutiny for charging unreasonable demurrage rates and other fees. Additionally, AFS members, as well as their suppliers and customers, have faced supply chain disruptions and congestion at U.S. ports.

AFS ADVOCACY

AFS-backed legislation, the Ocean Shipping Reform Act (OSRA) of 2022, would strengthen the Federal Maritime Commission (FMC) authorities to protect better American shippers and manufacturers from unfair or unreasonable anticompetitive actions by foreign-owned ocean carriers is an association priority issue. During the 2022 Government Affairs Fly-In on Capitol Hill in June, AFS members advocated in support of the measure during meetings with legislators and their staff. Additionally, AFS and its members for the past year sent letters to members of Congress urging their support of legislation to fix problems at U.S. ports.

THE POSITIVE OUTCOME

The bipartisan OSRA was signed into law by President Biden in June 2022. The law boosts the investigatory authority of the FMC allowing it to probe ocean common carriers' business practices, and expands FMC's enforcement powers. It provides the FMC with new tools to address concerns about unreasonable fees and a lack of transparency in ocean shipping. It also sets standards for surcharge invoices assessed against shippers or motor carriers, provides a way to challenge unfair surcharges, and offers greater protection for shippers and truckers.