

May 19, 2023

The Honorable Brian Schatz
Chairman
Senate Subcommittee on Transportation-
HUD Appropriations
184 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Cindy Hyde-Smith
Ranking Member
Senate Subcommittee on Transportation-
HUD Appropriations
184 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Schatz and Ranking Member Hyde-Smith:

Since the beginning of the COVID pandemic in early 2020, American shippers, agriculture producers and exporters have navigated unprecedented challenges in the supply chain and ocean freight transportation. Throughout that time, we have worked closely with the Federal Maritime Commission (FMC) which has confronted the issues presented by the pandemic head-on.

Though the initial shock of the pandemic has subsided, and the condition of the supply chain and ocean shipping has improved, ripple effects continue to strain components of those networks. The FMC's work in addressing the problems that American shippers still face and preparing for future crises is critical and warrants a budget that will allow the commission to meet that task. FMC Chairman Daniel Maffei recently testified at a hearing before the House Committee on Transportation & Infrastructure's Coast Guard and Maritime Transportation Subcommittee that the FMC's consumer affairs office is now handling more than 100 requests for help per month and needs to hire a third judge to process more than two dozen active cases.

We support the President's budget request of \$43,720,000 for the FMC for FY 2024 and urge Congress to provide that level of funding for the commission. The increase in funding of 14.25% will allow the FMC to hire approximately 22 new staff members to continue effectively implementing the Ocean Shipping Reform Act of 2022 (OSRA) and developing and issuing the congressionally directed rulemakings. Among the activities that OSRA requires the commission to undertake are increasing oversight and enforcement activities that have been focused on addressing detention and demurrage fees, audits of the ocean carriers, and other items of importance to American agriculture exporters and other shippers.

In their Congressional Budget Justification for FY 2024, the FMC notes that the vast majority of the funding, \$33.4 million, is for salaries and expenses to support full time and fulltime equivalent positions. The budget justification also states that "increased supply chain challenges and new Commission regulatory responsibilities require additional resources to continue effective industry oversight, to provide enhanced enforcement, improved service to shippers and consumers, and prompt implementation of [OSRA]". Further, this funding level is consistent with the authorized levels set by Congress in the Ocean Shipping Reform Act.

We appreciate the funding increase that Congress provided in FY 2023, however we believe that as the FMC's significant new legislative mandates and the ongoing implementation of the regulations and additional institutional capacity necessitated by OSRA require further resources to ensure that the FMC continues to be an effective regulator for a critical segment of the supply chain that impacts the competitiveness of so many American businesses.

While the worst of the pandemic's impacts on the supply chain are hopefully over, government and private stakeholders must continue to position ourselves strongly to respond to the challenges that continue and prepare for the future.

The President and the FMC have requested a fair budget for FY 2024 that would best enable the FMC to fulfill its mission of facilitating commerce and protecting American shippers and we hope that Congress agrees and will enact the requested funding levels in this year's appropriations process.

Thank you for your consideration.

Sincerely,

National Milk Producers Federation
U.S. Dairy Export Council
Agricultural and Food Transporters Conference
of the American Trucking Associations
Agricultural Retailers Association
Almond Alliance
American Chemistry Council
American Cotton Shippers Association
American Farm Bureau Federation
American Feed Industry Association
Consumer Brands Association
International Fresh Produce Association
National Associations of State Departments of Agriculture
National Conference of Farmer Cooperatives
National Potato Council
Pet Food Institute
Sunkist Growers
USA Dry Pea and Lentil Council
USA Rice