

6-20-22-ShippingReform

SPEAKERS

John Herath, Travis Arp

John Herath

President Biden this past week signed into law the Ocean Shipping Reform Act. Travis Arp, the U.S. Meat Export Federation, assistant vice president of export services, explains how the legislation addresses practices by shipping companies that put U.S. exporters at a disadvantage.

Travis Arp

The Ocean Shipping Reform Act was a bipartisan piece of legislation that was put forth the end of 2021 with the goal of trying to curb some of the actions by the shipping industry that we had seen play out over the pandemic where they were carrying empty containers in lieu of U.S. exported products. They were charging extremely high freight and cargo prices, and were charging a lot on detention and demurrage fees to exporters for those containers that they were actually denying access to the ships for.

John Herath

Arp says Congress is sending a clear signal to shippers to prioritize U.S. ag exports,

Travis Arp

The shipping companies really do need to respond to this. The legislation itself is not going to fundamentally change how they have to operate. But again, I think is a signal to them that the commercial practices that they've been enacting are discriminatory towards U.S. exporters, and we need them to step up and understand that they need to prioritize U.S. exports.

John Herath

The act was approved through strong congressional support and a united front by ag groups.

Travis Arp

Not only was there bipartisan support within Congress to move this forward, but there was very strong support from the agriculture industry. The ag industry is really excited about the opportunity that this is going to move forward and the potential changes that this could make for the export industry in the future.

John Herath

Arp notes it will take time for the Federal Maritime Commission to complete rulemaking and start enforcement of the acts provisions. For more, visit [USMEF.org](https://usmef.org). For the U.S. Meat Export Federation. I'm John Herath.