

# New Bill May Offer Relief for Supply Chain Disruptions



If passed into law, the [Ocean Shipping Reform Act of 2021](#) will be the first major update for laws governing U.S. maritime port operations in over two decades.

A new bipartisan bill that's already been passed by the House and that is now being reviewed by the Senate could bring some much-needed relief for organizations that spent much of 2021 grappling with ongoing supply chain disruptions and transportation snarls.

The [Ocean Shipping Reform Act of 2021](#) (H.R. 4996), revises provisions related to ocean shipping policies and was introduced to help support the growth and development of U.S. exports and promote reciprocal trade. Introduced by Reps. John Garamendi (D-Cal.) and Dusty Johnson (R-S.D.), the bill sets forth requirements for operating a shipping exchange involving ocean transportation in the foreign commerce of the U.S.

It also prohibits ocean common carriers and marine terminal operators from retaliating or discriminating against shippers because such shippers have patronized another carrier, or filed a complaint; and requires the Federal Maritime Commission (FMC) to publish and annually update its findings regarding false certifications by ocean common carriers or marine terminal operators (and all penalties assessed against such carriers or operators).

The Ocean Shipping Reform Act also:

- Requires ocean common carriers to adhere to minimum service standards that meet the public interest.
- Directs the FMC to establish rules prohibiting ocean common carriers and marine terminal operators from adopting and applying unjust and unreasonable demurrage and detention fees.

- Requires ocean common carriers to report to the FMC each calendar quarter on total import and export tonnage and the total loaded and empty 20-ft. equivalent units per vessel that makes port in the U.S.
- Authorizes the FMC to initiate investigations of an ocean common carrier's fees or charges and apply enforcement measures, as appropriate.
- Revises annual reporting requirements for the FMC on foreign laws and practices to include practices by ocean common carriers.

The bill's passage by the House came just weeks after it passed the Build Back Better Act, which included \$5 billion for addressing supply chain issues that have caused consumer prices to rise and raised concerns about product inventories during the holiday shopping season, according to [The Well](#).

"This is just one of several bills that we will pass that build on the success of the bipartisan infrastructure law," Speaker Nancy Pelosi pointed out during a recent press conference. "In there are billions of dollars—\$17 billion, in fact—for ports and waterways, and for commerce to run more smoothly."

## First Update in 20-Plus Years

In assessing the potential impacts of the bill, should it be passed into law, transportation publication [Overdrive](#) said that it will be the first major update for laws governing U.S. maritime port operations in over two decades.

"If it becomes law, the FMC rulemaking would be required to establish definitions for demurrage, detention, cargo availability for retrieval and associated free time, and more," Over-

drives points out, noting that the American Trucking Associations (ATA) sees the legislation as necessary to ending “abusive practices imposed on American trucking companies at U.S. maritime ports by ocean carriers, most of which are foreign-owned.”

“Ensuring fair practices at our ports is critical to ensuring goods get from docks to warehouses and store shelves,” ATA’s Jon Eisen told Overdrive. “House passage of the Ocean Shipping Reform Act is a major step toward modernizing regulations to reflect the commercial realities of ocean freight and their impact on our domestic transportation networks. ATA welcomes the improvements in this bill and a vigorous debate over these issues.”

### **Fixing the Supply Chain**

From the ocean carrier perspective, the new bill may also help boost transparency in the industry. “What it does is open up things like transparency and information sharing, and the requirements on service levels that may have been lacking in some people’s eyes so far,” the Port of Los Angeles’ Gene Seroka told [Bloomberg](#).

Right now, Seroka said fulfilling consumer demand in the U.S. has become a major issue for U.S. ports. Other transportation hubs and carriers are feeling similar strains. “All those in the supply chain are stressed,” he added, “from factory orders that are a little bit behind to the vessels that are trying to get the cargo through 10 lanes of freeway down into five [lanes] through the U.S. domestic supply chain.”