



United States Department of Agriculture

Office of the Secretary
Washington D.C. 20250

NOV 12 2020

The Honorable Michael Khouri
Chairman
Federal Maritime Commission
800 North Capitol Street, N.W
Washington, D.C. 20573

Dear Chairman Khouri:

Thank you for your leadership on behalf of the United States' export community and, specifically, the United States' agricultural export industry. The global pandemic and volatile trade patterns this year have forced shippers and carriers to make tough decisions in order to stay in business and reduce costs. However, some recent decisions by the ocean carriers are impacting the ability of agricultural exporters to serve their overseas partners effectively.

Pressure on the ocean shipping industry to meet the surge in imports has caused some carriers to reduce or restrict capacity for agricultural exporters at some inland locations and increase rates across the board. As import traffic increases for the peak import shipping season, the United States agricultural exporters are experiencing canceled bookings, shifting vessel schedules, and an insufficient number of containers at inland locations and even at some port locations.

Agricultural exporters would like to know:

- How are ocean carriers planning to serve agricultural exporters during this unprecedented surge in import traffic?
- Are the carrier Alliances currently improving or reducing the competitive nature of the market?
- Are carriers providing too much free time to importers causing shortage conditions during peak surges in volume?

The U.S. Department of Agriculture (USDA) stands with the United States agricultural exporters as they face these unexpected logistical challenges. It is important that ocean carriers serve the full spectrum of United States' trade adequately. In support of Federal Maritime Commission's (FMC) mission to ensure that neither the activities of liner shipping groups nor foreign government laws or regulations impose unfair costs on American exporters, USDA requests the Chairman contact the top overseas executives for each ocean carrier that serves the United States' import and export trade, in support of the United States agricultural exports.

The Honorable Michael Khouri

Page 2

USDA appreciates the actions FMC has taken to mitigate non-competitive actions by the carriers and asks for a broader discussion with the carriers to ensure agricultural exporters can conduct business in a fair and efficient manner.

Sincerely,

A handwritten signature in cursive script, appearing to read "Greg Ibach".

Greg Ibach
Under Secretary
Marketing and Regulatory Programs