

**Testimony of**  
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**Before the U.S. House of Representatives**  
**Committee on Transportation and Infrastructure**  
**Subcommittee on Coast Guard and Maritime Transportation**  
**Hearing Titled “*Maritime Transportation Supply Chain Issues*”**  
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Chairman Webster, Ranking Member Carbajal, and Members of the Subcommittee, thank you for holding this hearing. I am honored to have the opportunity to contribute my testimony and the perspective of the American Cotton Shippers Association (ACSA).

ACSA is a trade association primarily made up of cotton merchants founded in 1924. Our members handle the vast majority of U.S. cotton and foreign growths of cotton traded globally. Our services consist of merchandising, delivery logistics, and risk management. Simply put, we buy cotton from producers, sell, and deliver it to yarn spinners in the U.S. and around the world. We harmonize our customers’ very different needs while managing many of their risks such as price, time, transportation, currency, geopolitics, and quality. With approximately 85% of U.S. cotton exported in a containerized and non-fungible manner, a functional and reliable intermodal supply chain that provides adequate service to exporters is mandatory to support overall risk management and U.S. competitiveness in the global marketplace.

During the supply chain crisis stemming from the COVID-19 pandemic, our members experienced unprecedented challenges and risks. Cotton is produced and concentrated in our country’s interior and moved intermodally to domestic mills or ports of export. Efficient performance requires harmony in sequencing and executing appointments with warehousemen, equipment providers, draymen, rail providers, ocean shippers, and terminal operators. Challenges at each point within our industry’s procedures created collective dysfunction.

Our industry has enjoyed a long and fruitful relationship with ocean carriers, and we are not here to assign blame to any single party for these events. We must work together to develop practical solutions. We believe that meaningful structural changes must be made to prevent similar dysfunction from recurring. Our view is that current relief in our supply chain is based on a global economic downturn that curtailed consumption of goods and related volumes of inbound cargo. Inundation has been replaced with elasticity in the supply chain. This reprieve is temporary. Our economy will strengthen, and cargo volumes will

increase. We must capitalize on this opportunity to prepare for renewed cargo saturation within our supply chain.

ACSA applauds Congress and the Federal Maritime Commission (FMC) for the passage and aggressive implementation of the Ocean Shipping Reform Act (OSRA). Key elements of ACSA policy positions are addressed in OSRA, including the categorical denial of service to exporters, reasonableness when levying fees, and choice in the procurement of chassis.

The results of OSRA's implementation, related rulemaking, and administrative processes are pending and appear, in our opinion, of varying value. We believe that OSRA will likely fall short of providing the needed assurance exporters seek concerning the availability of service when economic conditions favor empty sailings and imports.

Concerning detention and demurrage, we find tremendous value in the documentation regime created by the FMC, although we request further establishment of causation in these submissions.

ACSA is supportive of FMC's recent decision that denial of choice in chassis procurement for merchant haulage is unreasonable and in violation of the Shipping Act, a decision that has been broadly advocated for by an extensive coalition of importers, exporters, and their service providers. We also want to flag the importance of the OSRA's prescribed study on best practices for chassis. This should be done in a comprehensive manner.

ACSA was a proponent of creating the National Shipper Advisory Committee (NSAC) and is supportive of their recommendations to the FMC. Specifically, we endorse measures to bring clarity to jurisdictional questions and expanded oversight to FMC throughout the entirety of maritime bills of lading, the establishment of uniform and reasonable terms concerning cargo receiving, and active steps to enhance data visibility and integrity.

In addition to the reform in commercial practices outlined in my testimony, I would like to acknowledge ACSA's commitment to the development of a modernized culture in containerized shipping. One that embraces digitalization and the utility of a blockchain ledger to streamline data management and expand opportunities for global cotton merchandising.

In conclusion, I would be remised not to acknowledge how valuable our experience working with the FMC has been in recent years. Given their size and resources, they have been asked to punch above their weight class throughout this process. I am pleased to report that they are doing so while maintaining active engagement with stakeholders and seeking equitable outcomes that will promote a sound supply chain. We hope that this will be taken into consideration as FMC appeals for critical resources to manage their expanding scope.

Mr. Chairman, thank you for this opportunity to offer my testimony. I look forward to answering your questions.