



We Make Global Trade Happen

Federal Maritime Commission  
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Dear Chairman Maffei,

On behalf of the American Association of Exporters and Importers (“AAEI”) and its members, we are voicing our concerns with the reported practices of certain vessel-operating common carriers (VOCCs) and terminal operations that are related to the current movement of US exports to the world markets. The results are an economic threat, especially to small and medium-size enterprises (SMEs), and hurt millions of producers across the nation by preventing them from competing in overseas markets.

At issue are the current business practices at US ports of equipment shortages, old infrastructure, and non-automated systems combined with other factors, including the increase in volume as a result of the global pandemic. We support the Federal Maritime Commission’s current efforts to investigate these reports and call on the Commission to quickly resolve this critical issue.

AAEI has been a national voice for the international trade community in the United States since 1921. AAEI represents the entire spectrum of the international trade community across all industry sectors. Our members include manufacturers, importers, exporters, wholesalers, retailers and service providers to the industry, which is comprised of customs brokers, freight forwarders, trade advisors, insurers, security providers, transportation interests and ports. Many of these enterprises are small businesses seeking to export to foreign markets. AAEI promotes fair and open trade policy. We advocate for companies engaged in international trade, supply chain security, export controls, non-tariff barriers, import safety and other movement of goods issues.



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Ports across the United States are experiencing unprecedented congestion and record container volumes, which pose significant challenges for exporters seeking to deliver their products to foreign markets affordably and dependably. In the midst of this challenge, we have reports that certain Vessel Operating Common Carriers (VOCCs) are returning with empty containers rather than accepting U.S. exports. This practice greatly exacerbates the problem and potentially violates the Shipping Act as unjust and unreasonable. The time it takes to obtain sailing confirmation for an export order has increased from one week to as many as five weeks. This results in delayed shipments and lost orders because customers are unable or unwilling to wait extended periods to receive U.S. goods.

The issue of VOCCs returning with empty containers is the primary cause of these delays. Ports may not have enough space to accept empty containers. Some ports have attempted ad hoc solutions, but long-term solutions are needed. Additionally, many terminals have appointment systems which do not address the current challenges and lead to long waiting times. Truckers often get frustrated upon being turned away because the terminal cannot get to the container to release it to the trucker.

We understand that in March 2020, the Commission initiated Fact-Finding No. 29, led by Commissioner Rebecca Dye, and expanded it in November 2020 to investigate reports of potentially unjust and unreasonable practices by certain VOCCs as discussed above. We support this investigative effort, and in the event that unjust or unreasonable practices by certain VOCCs are discovered, we urge the Commission to take appropriate and timely enforcement actions under the Shipping Act to put an end to these costly practices.

The need is urgent, especially with record container volumes at the nation's major ports. These volumes, and the resulting congestion, will only grow as the global economy recovers from the coronavirus pandemic. Port problems will continue due to the broad and systemic issues causing this congestion, some of which are operational in nature. Other causes can be attributed to infrastructure, workforce and similar challenges. Producers rely on competitive access to foreign markets, and the reported actions by certain VOCCs to undermine this access pose significant consequences for exporters and the trade industry at large. The hope for post-pandemic economic recovery is at serious risk when goods cannot get to market. This is true for finished goods which are exported, but also the raw materials and components which need to be imported to make those export goods.

A long-term solution is needed in the United States. Individual manufacturing companies strive to drive improvement, but their capabilities are limited to initiatives within their own operations. To drive a step-change in world competitiveness, there needs to be a focused effort to build effective supply chains to drive insights and accelerate our U.S. goods to world markets.

AAEI is the premier national trade organization representing those immediately engaged in and directly impacted by developments pertaining to international trade. We are recognized as the technical experts regarding the day-to-day facilitation of trade, including the administration of and compliance with the import and export laws and regulations of the United States.

We look forward to reviewing the findings of Fact-Finding No. 29 and other related FMC proceedings, and to working with the Commission to address this growing problem.



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Sincerely,

Eugene C. Laney  
American Association of Exporters and Importers  
President and CEO