

1 **Transportation, Documentation and Insurance Committee**  
2 **Adopted at the 98<sup>th</sup> Annual Convention**  
3 **June 24, 2022**

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6 The Transportation, Documentation and Insurance Committee recommends that ACSA:

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8 **OCEAN TRANSPORTATION:**  
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- 10 1. Continue to work with like-minded agricultural organizations to focus on maintaining U.S.  
11 cotton competitiveness, and continue to work with Agriculture Transportation Coalition  
12 (AgTC) to monitor, highlight and oppose legislative and regulatory actions, port container fees,  
13 port terminal access and fluidity, labor stability, and truck compliance, which would make U.S.  
14 cotton less competitive compared with foreign cotton growths;  
15
- 16 2. Continue to work on behalf of the membership to support the elimination of antitrust immunity  
17 for ocean carrier discussion agreements, which continues to consolidate and concentrate access  
18 to foreign market to significantly fewer options, and continue to work directly with other  
19 organizations; to provide guidance to Congress on appropriate actions for merchants to ensure  
20 competitive capacity, timely execution from the ocean transportation industry, systemic  
21 alignment, and resilience from all the ocean container transportation industry segments;  
22
- 23 3. Support local, state, and national efforts to review, prioritize and fast track port and intermodal  
24 infrastructure projects, including but not limited to terminals, roads, bridges, and other physical  
25 capacity to support interior and near port physical movement of U.S. cotton exporters;  
26
- 27 4. Support all legislative, regulatory, and administrative initiatives to enhance visibility, review  
28 and drive improvements in port labor productivity and overall daily marine terminal velocity,  
29 and help ensure future port labor stability necessary to support U.S. cotton exports;  
30
- 31 5. Noting that in the current marketing year, overall service levels are the lowest since U.S. cotton  
32 started moving in ocean containers, that service levels suffer from other serious problems  
33 including with respect to rail line haul and vessel schedule integrity; little or no notice of  
34 changes to the Cargo Receiving Window (CRW) (which is the combination of Early Return  
35 Date (ERD), Documentation Cutoff and Physical Cargo Cutoff); cargo splits and rolls; long  
36 documentation turn times; and freight invoice inaccuracy; and noting further that the need to  
37 be competitive in highly dynamic global markets, urge that:  
38
- 39 a) All members of the cotton supply chain maintain sufficient trained personnel to expedite  
40 and efficiently handle the physical logistics and documentation volumes, and expand  
41 beyond the traditional Monday to Friday operating model in place for most segments today;  
42
- 43 b) Ocean carriers must provide sufficient cargo worthy “wind and watertight” and clean  
44 containers to minimize merchants’ cargo risks and damage during transportation; and  
45 additionally, that merchant members’ overseas buyers should not be charged for cleaning  
46 and/or cosmetic repairs on wear and tear damage that does not affect the “wind and water”

1 standard;

2  
3 c) Supply chain enhancements are created to incentivize the utility of assets for shipment;

4  
5 d) Ocean carriers work with intermodal equipment providers (IEPs) and respective chassis  
6 pool managers to ensure sufficient U.S. Department of Transportation road worthy supply  
7 and efficient pick-up locations in all loading areas of the United States to meet peak  
8 shipping demand periods; and further that:

9  
10 i. Ocean carriers should not designate chassis provider for container yards (CYs)  
11 bookings;

12 ii. Shippers and their truckers should be allowed to decide where to pick up chassis; and

13 iii. When no good order chassis are available, chassis provider shall perform chassis  
14 repair within a reasonable time frame for roadability / minor repairs;

15  
16 and, that shipper choice in all key cotton markets for merchant haulage moves and the work  
17 of the Federal Maritime Commission's (FMC's) supply chain innovation teams both are  
18 supported;

19  
20 e) Ocean carriers' designated CYs must handle peak volumes and turn drivers quickly to  
21 ensure sufficient daily pickup velocity, and in further noting that in the current crop  
22 marketing year, container yards and ports remain critical choke points in key loading areas:

23  
24 i. CYs should offer extended operating hours Monday through Friday;

25 ii. CYs should offer Saturday gates;

26 iii. CYs should mount chassis in one hour or less; and,

27 iv. CYs need to communicate operational problems – container lift, system down, etc.  
28 to shipper and trucker communities quickly and consistently;

29  
30 f) Local labor and equipment should handle the increase in “live” chassis swings at rail ramps  
31 and port terminals, based upon the ocean carrier industry's movement away from own  
32 chassis fleets and shifting of chassis provisioning burden to merchant members;

33  
34 g) Rail appointment systems and capacity similar to CSX Intermodal Memphis should be in  
35 alignment with specific ocean carrier booking quantity and vessel cutoffs for the calendar  
36 day/week; noting that results in missed intermodal cutoffs since containers cannot be  
37 returned within the CRW; noting that truckers cannot rail bill container(s) to get an  
38 appointment until container(s) are loaded and the trucker is ready to head to the ramp; and  
39 noting further that failure to get same day appointment after loading results in additional  
40 and unplanned member costs including holds on trucker yards, unplanned container  
41 storage, extra trucking costs, and chassis and container usage costs (per diem);

42  
43 h) CSX Corporation, Norfolk Southern Railway, Georgia Ports Authority, and South Carolina  
44 State Ports Authority provide a dedicated full export train service and capacity to and from  
45 Memphis at some set frequency each week compared to existing service design;

46

- 1 i) CSX Corporation, Norfolk Southern, and Virginia International Terminals to determine  
2 feasibility to create a third intermodal export gateway from Memphis to Norfolk;  
3
- 4 j) Port Houston, BNSF, and Union Pacific railroads to re-establish near-dock international  
5 intermodal rail service between Dallas / Fort Worth and Houston Barbour's Cut and Bayport  
6 marine terminals;  
7
- 8 k) Ocean carriers and their designated international intermodal rail carriers maintain the  
9 integrity of containers moving together from interior ramp of receipt to port of loading to  
10 reduce splits and rolls to ensure that all containers make the interior intermodal cutoff and  
11 load their intended booked vessel with containers seals intact;  
12
- 13 l) Ocean carriers load shipments to booked vessels without splits or rolls when cargo received  
14 by port cutoffs and/or intermodal cutoffs; noting that in the event a split or roll is  
15 unavoidable, ocean carriers should offer merchants the option to combine bookings at no  
16 additional charges – administrative, equipment and terminal - to reduce collective rework,  
17 number of Original Bill of Ladings (OBLs), document sets, and Letter of Credit (LC)  
18 negotiation delays to improve overall shipper trade-to-cash cycle;  
19
- 20 m) Ocean carriers within the same alliance and at the same ports and rail ramps implement  
21 uniform and consistent standards on inland, vessel and documentation cutoffs;  
22
- 23 n) Ocean carriers recognize that changes in coastal vessel schedules and first cargo receiving  
24 days directly impact the merchants and the truckers with whom they are working, which  
25 imposes higher utilization and increasing costs; further; that ocean carriers and marine  
26 terminals find systematic ways to communicate schedule changes to merchants and the  
27 trucking community to reduce delays and dry runs; and, noting that CRW changes have  
28 increased significantly in the current crop-marketing year resulting in delays and extra  
29 costs to merchant members:  
30
- 31 i. All three (3) CRW elements must be indicated on all booking confirmations, and be  
32 standard industry practice for all ocean carriers;
- 33 ii. CRW changes need to be communicated with two (2) hours to the booking party and  
34 their trucker;
- 35 iii. No CRW should be changed within two (2) working days of the original booking  
36 confirmation CRW dates;
- 37 iv. Ocean carriers and marine terminals should allow original empty equipment release  
38 even when ERD changes to allow planned pickups to take place within two (2)  
39 working days;
- 40 v. CRW aligned between ocean carriers and the marine terminals used and shippers and  
41 their truckers should not be held accountable for demurrage and per diem charges as  
42 a result of the differences between ocean carriers and marine terminals;
- 43 vi. Ocean carrier e-business sites should always have the most recent vessel schedule  
44 information;
- 45 vii. Ocean carriers and their marine terminals commit to align data accuracy standards  
46 for vessel schedules, cargo operations, and CRW dates / times and changes; and,

- 1           viii.   Members should review CRW commitments within their ocean carriers;  
2
- 3   6.   Acknowledge that merchants need consistent and competitive pricing due to the nature of how  
4   export sales are made relative to other agricultural exports based upon:  
5
- 6       a)   Annual agreement and rates;  
7
- 8       b)   All-inclusive ocean container freight rates; acknowledging that, otherwise, there must be  
9       full transparency on underlying cost components that impact merchant member’s total  
10      landed costs to foreign market, noting that full transparency means that all applicable fees  
11      and surcharges are expressly identified on per container or per shipment basis and include  
12      the ocean carrier’s tariff and so-called “Pass Through Costs” identified tariff section and  
13      underlying charge information for which they are merely the collection agent for future  
14      review; and,  
15
- 16      c)   Minimum ninety (90) days notification of planned increases in ocean rates, bunker charges,  
17      any applicable surcharges and/or the imposition of new surcharges, noting that annual or  
18      bi-annual negotiations remain preferred since merchants bear all supply chain risks;  
19
- 20   7.   Work with the Congress and the FMC to create a permanent working group and subgroups  
21      comprised of ocean container shippers, ocean carriers, railroads, ports, truckers, chassis  
22      providers, terminal labor and other essential organizations and personnel work in collaboration  
23      with Congress and appropriate federal, state, and local departments and agencies on strategic  
24      supply chain priorities;  
25
- 26   8.   Urge merchants to review how to improve commitment visibility and forecasting with ocean  
27      carriers within the FMC service contract process to help support sufficient equipment, chassis,  
28      truck power and vessel space when needed, noting that ocean carriers should allow merchants  
29      to make bookings further forward than allowed today at least eight (8) weeks from current  
30      calendar week;  
31
- 32   9.   Work with the U.S. Coast Guard and FMC to create uniform fuel models at the alliance level;  
33
- 34   10.  Work with the FMC and the Surface Transportation Board (STB) to enforce the aims of the  
35      U.S. Shipping Act including to promote the growth and development of U.S. exports through  
36      competitive and efficient ocean transportation through market-based review of ocean carrier  
37      vessel sailing cancellations and prohibit discrimination of agricultural container exports for  
38      empty containers, which significantly impede U.S. exports. Example: American Port Access  
39      Privileges Act of 2022;  
40
- 41   11.  Oppose the imposition of harbor maintenance fees and urge Congress to fund the dredging and  
42      maintenance of U.S. rivers and harbors from the general funds of the U.S. Treasury; noting  
43      that currently harbor maintenance fees are collected on imports and funds held by the federal  
44      government;  
45
- 46   12.  Work with the U.S. Department of Agriculture (USDA) to expand the Commodity Container

1 Assistance program beyond Oakland and Seattle/Tacoma to all other cotton port gateways:  
2 Long Beach, Los Angeles, Houston, New Orleans, Mobile, Savannah, Charleston, and  
3 Norfolk;

4  
5 **MEXICO**

6  
7 **EXPORTS/TRANSPORTATION**

- 8  
9 1. Continue to support the goals of the United States-Mexico-Canada Agreement (USMCA),  
10 urging the free flow of goods between all of the signatory nations, and the elimination of  
11 trucking restrictions that impede flow or reduce industry capacity and support investments in  
12 International Bridges infrastructure;  
13  
14 2. Engage with all appropriate parties within Mexico and continue to increase the relationship  
15 with CANAINTEX to identify ways to implement a lasting enhanced security agreement to  
16 improve shipment reliability for mill deliveries at their facilities including extended receiving  
17 hours, secure drop yards and local security personnel;  
18  
19 3. Urge members to work with Mexico mill buyers and implement an industry agreed letter of  
20 understanding with compromises to provide longer receiving hours in recognition of changing  
21 traffic conditions between the border crossings and delivery locations, urging further that mill  
22 contact information include alternative secure parking for carriers arriving during and outside  
23 of receiving times;

24  
25 **DOMESTIC TRANSPORTATION**

26  
27 **TRUCKING**

- 28  
29 1. Recognize the importance of the trucking industry across all lines of business;  
30  
31 2. Urge members to continue to vigorously oppose any proposed legislation or regulatory rule  
32 changes that would effectively ban owner-operators at U.S. ports and establish a unionized  
33 port trucking regime;  
34  
35 3. Work with affiliated organizations to monitor the on-going impacts of regulatory changes for  
36 the trucking industry that will affect trucking capacity and cost, including:  
37  
38 a) Hours of Service rules and electronic logging effect on service and capacity effective  
39 January 2018; and,  
40  
41 b) Federal Motor Carrier Safety Administration (FMCSA) proposed rules against truck Driver  
42 “coercion”;  
43  
44 4. Noting the importance of timely pickup and delivery to meet customer commitments, and  
45 further noting that truck transportation is a key part of the process, and that timely pick up  
46 remains essential for ACSA members to ensure consistent service performance to meet port

1 and/or intermodal cutoffs for exports, mill delivery appointments for domestic customers and  
2 to reduce late warehouse pick up charges, expect truckers to:

- 3
- 4 a) Adhere to scheduled load dates and mill delivery dates;
- 5
- 6 b) Confirm ready date with warehouse operators via electronic portals, warehouse website  
7 and/or other digital methods at least forty-eight (48) hours in advance of scheduled pick up  
8 date;
- 9
- 10 c) Notify the shipper or warehouse of schedule changes within forty-eight (48) hours that  
11 impact planned pick up at the warehouse, and the recovery plan; and,
- 12
- 13 d) Provide equipment that is clean, free of contaminants and leakage;
- 14

15 5. Urge ACSA members to:

- 16
- 17 a) Request ready dates to be the same day as the earliest return date to the marine terminal for  
18 port bookings, sufficiently prior to intermodal cutoffs;
- 19
- 20 b) Understand that extra movements (split pickups, holding trailers, containers, chassis splits,  
21 etc.) reduce driver utilization and effective available capacity in a given location and time  
22 period to meet member needs;
- 23
- 24 c) Recognize that the overall supply of drivers in the United States continues to decline and  
25 therefore, driver recruitment and retention are key issues for trucking companies today that  
26 directly affect their ability to serve member needs;
- 27
- 28 d) Recognize and be aware of pending regional legislation that may hold importers and  
29 exporters liable for monetary damages when using trucking companies that are  
30 misclassifying drivers as independents/owner operators' rather than employees; and,
- 31
- 32 e) Recognize that access to and utility of "IsMyLoadReady" assignment should be expanded;
- 33

34 6. Recommend warehouse operators review and adjust their operating hours to accommodate  
35 trucking community service changes and impacts coming from the FMCSA's electronic driver  
36 log regulation/requirements;

37

38 7. Recommend domestic mills review and adjust their operating hours to accommodate trucking  
39 community service changes and impacts coming from the FMCSA's electronic driver log  
40 regulation/requirements;

41

42 8. Recommend all cotton warehouses purchase high security seals; apply to container(s) and  
43 report container(s) and seal(s) information to merchant members at a reasonable cost;

44

45 9. Work with other like-minded organizations to oppose ocean carrier implementation of import  
46 container "street turn" fees for members and their truckers, noting that such proposed charges

1 create increased costs despite cost and effectiveness benefits for the ocean carriers and overall  
2 export supply chain velocity;

- 3  
4 10. Noting that fuel is a concern for both shippers and truckers, advise that current weekly  
5 notification changes are sufficient;

6  
7 **RAIL (CARLOAD)**  
8

- 9 1. In light of the challenges within the trucking industry, urge merchant members to actively  
10 solicit railroads to strengthen ties with warehouses who maintain open rail sidings, to help  
11 preserve rail as a viable and competitive means of transportation;  
12  
13 2. For rail served warehouse locations, recognize that merchants need the railroads to provide the  
14 following:  
15  
16 a) Service design for the location;  
17  
18 b) Switch plan;  
19  
20 c) Equipment availability and lead time;  
21  
22 d) Acceptable equipment dwell time; and,  
23  
24 e) Assistance in preventing railcar “bunching” on delivery to the destination warehouse or  
25 mill;  
26  
27 3. Urge merchant members to take a more direct and active role with their railroad service  
28 representatives to manage agreed service commitments, identify problems and jointly work  
29 toward problem resolution;  
30

31 **DOCUMENTATION**  
32

33 Since timely, complete, and accurate document preparation remains an essential service from  
34 industry suppliers, essential for letters of credit and a key part of merchant member trade-to-cash  
35 cycles for export shipments, urge:

- 36  
37 1. USDA-Animal and Plant Health Inspection Service (APHIS) support to meet the U.S. export  
38 initiatives and help ensure U.S. cotton competitiveness by:  
39  
40 a) Maintaining current fee structure; and,  
41  
42 b) Ensuring correct interpretation of regulations and requirements by foreign governments  
43 and agencies;  
44  
45 2. Noting that the U.S. cotton industry must maintain a post-departure filing option with the  
46 Automated Export System (AES), which is currently under review by U.S. Census Bureau,

- 1 stay engaged with U.S. Census Bureau and provide input into the final approved regulations  
2 for post-departure to U.S. cotton;  
3
- 4 3. Collaborate with USDA-APHIS and appropriate USDA officials to resolve outstanding issues  
5 that impede the flow of U.S. cotton in export markets, including full implementation of  
6 electronic phytosanitary certificate issuance for all merchant members, and also including:  
7
- 8 a) Cumbersome phytosanitary regulations that impede timely flow of export shipments by  
9 reducing length of days for submission against vessel departure date, with respect to which  
10 ACSA members should facilitate dialogue with the USDA and foreign countries to  
11 eliminate;  
12
- 13 b) Fourteen (14) day phytosanitary certificate windows in;  
14 i. Bangladesh; and  
15 ii. Turkey;  
16
- 17 c) Acceptance of electronic signatures on phytosanitary certificates on plain paper, notably in  
18 Vietnam;  
19
- 20 d) Roller gin / Acala shipment rejections in Turkey due to seed content; and,  
21
- 22 e) Electronic phytosanitary system disallowing marks to be split between bookings;  
23
- 24 4. Recognizing that accurate and timely shipment information ensures timely and accurate export  
25 documentation, urge:  
26
- 27 a) Warehouses and truckers to consistently provide and affix their seal, in accordance with  
28 regulatory guidelines, to loaded trailer(s), railcar(s), or container(s); and,  
29
- 30 b) Warehouses, truckers and/or ocean carriers to consistently provide accurate and timely  
31 reporting of load details to the merchant shipper or their agent including but not limited to  
32 bales, mark(s), trailer(s)/ railcar(s)/container number(s), and seal number(s);  
33
- 34 5. Urge ocean carriers in the same alliance and operating on the same vessel service from the  
35 same port authority and marine terminal to implement more uniform and consistent standards  
36 for their interpretation of regulatory and statutory mandates for data and cargo cutoffs across  
37 their industry, specifically:  
38
- 39 a) Timelines for “No Doc / No Load” should be noted in the initial booking confirmation  
40 from the ocean carrier;  
41
- 42 b) SOLAS VGM submission should be aligned within existing exporter Shipper Letter of  
43 Instruction (SLI) “No Doc / No Load” process and timelines including late gate requests;  
44
- 45 c) Notifications of earlier deadlines should meet the rules and regulations of the European  
46 Union and other jurisdictions;

- 1 d) Required information should be clearly identified, and additional information that is  
2 extraneous should be eliminated, by ocean carriers to create a uniform standard; and,  
3  
4 e) Country regulation changes should be documented, and substantiated by the responsible  
5 agency and/or governmental body;  
6  
7 6. Urge that the digital interfaces for Shipping Instructions (SIs), Bill of Lading Proofs and  
8 Releases between shipper, industry portals and/or ocean carriers be utilized as intended, noting  
9 that:  
10  
11 a) The current shipment data interfaces and transmissions process is not working as intended  
12 for shippers and ocean carriers resulting in an unacceptable amount of re-work for all  
13 parties - above fifty percent (50%) of all original bill of lading releases;  
14  
15 b) The incomplete use of electronic shipment data causes delays in document turn times and  
16 unnecessary re-work;  
17  
18 c) Resulting amendment fees add unplanned costs to merchants and mask a broader industry  
19 data integrity issues; and,  
20  
21 d) The failure of ocean carriers and their industry portals to systematically communicate when  
22 EDI mapping changes can affect data transmission integrity;  
23  
24 7. Urge the continued support of on-going stakeholder efforts to improve existing documentation  
25 processes and performance, including by:  
26  
27 a) Establishing a cotton industry standard with the ocean carrier industry for clean and  
28 expedited document release according to which eighty percent of total documents are  
29 produced and released within two (2) working days after vessel sailing and proofs are  
30 received at least two (2) working days before vessel sailing, and with respect to which:  
31  
32 i. Merchant members should work with available data portals and ocean carriers  
33 supporting the cotton industry to identify and seek final and permanent remedies for  
34 specific high frequency documentation errors that prevent the timely release of  
35 original bills of lading; and,  
36  
37 ii. ACSA members should endeavor to ensure ocean carriers satisfy commitments to  
38 work through identified issues to resolve with their Documentation and IT teams;  
39  
40 b) Engaging AgTC's continued focus on the issue of ocean carrier industry documentation  
41 performance as part of its Ocean Carrier Performance Survey;  
42  
43 8. Urge ACSA members to work with appropriate stakeholders to digitize exit, entry, shipping  
44 and payment documents to expedite current processes and reduce costs;  
45  
46

1 **INSURANCE**  
2

- 3 1. Urge merchant members and ginning associates to maintain sufficient general liability  
4 insurance, including products liability and recall coverage;  
5
- 6 2. Notes that cotton warehousemen are responsible to issue electronic warehouse receipts  
7 (EWRs) on receipt of clean and merchantable cotton and that this duty extends to maintaining  
8 and shipping in merchantable condition regardless of storage location, further noting that:  
9
- 10 a) Merchant members should clearly understand their responsibility for country damage  
11 under International Cotton Association (ICA) rules regarding insurance and review their  
12 insurance coverage annually; and,  
13
- 14 b) Shippers should work more closely with mill buyers in all markets, to facilitate the claims  
15 process for damaged cotton and include photographic evidence from a neutral third party;  
16
- 17 3. In view of price volatility, and noting the importance that state governments, the USDA, and  
18 merchant members review warehouse tariffs and/or obtain evidence of coverage with policy  
19 limits in line with projected bale capacity and on conditions concerning minimum fire and  
20 lightning from warehousemen and transit points; urge that warehouse tariffs should reflect the  
21 actual coverage in place for goods stored in that facility; and urge further that ICE should  
22 ensure the amount of insurance coverage provided by approved and/or licensed warehouses  
23 will fully cover the interests of the holders of EWRs and extend property coverage to “all  
24 risks”;  
25
- 26 4. Urge ACSA members to carefully review warehouse tariffs and practices for compliance with  
27 these duties, with special attention on the time limitation for the presentation of damage claims,  
28 noting that unreasonably short periods, although stated, may be legally unenforceable and  
29 further that if damage is suspected ACSA members should give immediate notice;  
30
- 31 5. Urge that now more than ever merchant members require proof of full cargo and liability  
32 coverage from the truckers hauling their cotton and cotton samples and further require that all  
33 policy exclusions and deductibles should be identified by the motor carriers’ insurance  
34 provider;  
35
- 36 6. Urge that members using third party warehouses at U.S. port transit facilities and/or in foreign  
37 countries fully review, verify, and maintain a copy of the consignment warehouse’s insurance  
38 policy and title documentation;  
39
- 40 7. Urge merchant members to be aware of the financial health of their ocean carrier partners and  
41 the threats of bankruptcy on Merchant marine coverage; and,  
42
- 43 8. Recommend that members be aware of the potential problems with bandless bales and in  
44 particular the responsibility and/or liability in the event of mishandling or opening, and further  
45 recommend that further study be done with respect to these bales.