

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

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5
6 The Transportation, Documentation and Insurance Committee recommends that ACSA:

7
8 **OCEAN TRANSPORTATION:**
9

- 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;

- 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 Barbours 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.