

Transportation and Insurance Committee
Adopted at the 99th Annual Convention
June 16, 2023

The Transportation and Insurance Committee recommends that ACSA:

OCEAN TRANSPORTATION:

1. Continue to work with like-minded agricultural organizations to focus on maintaining U.S. cotton competitiveness, and continue to work with Agriculture Transportation Coalition (AgTC) to monitor, highlight and oppose legislative and regulatory actions, port container fees, port terminal access and fluidity, labor stability, and truck compliance, which would make U.S. cotton less competitive compared with foreign cotton growths;
2. Work directly with other organizations to provide guidance to Congress on appropriate actions for merchants to ensure competitive capacity, timely execution from the ocean transportation industry, systemic alignment, and resilience from all the ocean container transportation industry segments to ensure adequate capacity and competitive pricing;
3. Support local, state, and national efforts to review, prioritize and fast track port and intermodal infrastructure projects, including but not limited to terminals, roads, bridges, and other physical capacity to support interior and near port physical movement of U.S. cotton exporters;
4. Support all legislative, regulatory, and administrative initiatives to enhance visibility, review and drive improvements in port labor productivity and overall daily marine terminal velocity, and help ensure future port labor stability necessary to support U.S. cotton exports;
5. In the context of supply chain challenges, urge that:
 - a) All members of the cotton supply chain maintain sufficient trained personnel to expedite and efficiently handle the physical logistics and documentation volumes, and expand beyond the traditional Monday to Friday operating model in place for most segments today;
 - b) Ocean carriers must provide sufficient cargo worthy “wind and watertight” and clean containers to minimize merchants’ cargo risks and damage during transportation; and additionally, that merchant members’ overseas buyers should not be charged for cleaning and/or cosmetic repairs on wear and tear damage that does not affect the “wind and water” standard;
 - c) Supply chain enhancements are created to incentivize the utility of assets for shipment;
 - d) Ocean carriers work with intermodal equipment providers (IEPs) and respective chassis pool managers to ensure sufficient U.S. Department of Transportation road worthy supply and efficient pick-up locations in all loading areas of the United States to meet peak shipping demand periods; and further that:

- 1 i. Ocean carriers should not designate chassis provider for container yards (CYs)
2 bookings;
3 ii. Shippers and their truckers should be allowed to decide where to pick up chassis; and
4 iii. When no good order chassis are available, chassis provider shall perform chassis
5 repair within a reasonable time frame for roadability / minor repairs;
6
7 and, that shipper choice in all key cotton markets for merchant haulage moves and the work
8 of the Federal Maritime Commission's (FMC's) supply chain innovation teams both are
9 supported;
10
11 e) Ocean carriers' designated CYs must handle peak volumes and turn drivers quickly to
12 ensure sufficient daily pickup velocity, and in further noting that in the current crop
13 marketing year, container yards and ports remain critical choke points in key loading areas:
14
15 i. CYs should offer extended operating hours Monday through Friday;
16 ii. CYs should offer Saturday gates;
17 iii. CYs should mount chassis in one hour or less; and,
18 iv. CYs need to communicate operational problems – container lift, system down, etc.
19 to shipper and trucker communities quickly and consistently;
20
21 f) Local labor and equipment should handle the increase in "live" chassis swings at rail ramps
22 and port terminals, based upon the ocean carrier industry's movement away from own
23 chassis fleets and shifting of chassis provisioning burden to merchant members;
24
25 g) Rail appointment systems must be aligned with Cargo Receiving Windows (CRWs) (which
26 is the combination of Early Return Date (ERD), Documentation Cutoff and Physical Cargo
27 Cutoff); noting that truckers cannot rail bill container(s) to get an appointment until
28 container(s) are loaded and the trucker is ready to head to the ramp; and noting further that
29 failure to get same day appointment after loading results in additional and unplanned
30 member costs including holds on trucker yards, unplanned container storage, extra trucking
31 costs, and chassis and container usage costs (per diem);
32
33 h) CSX Corporation, Norfolk Southern Railway, Georgia Ports Authority, and South Carolina
34 State Ports Authority provide a dedicated full export train service and capacity to and from
35 Memphis at some set frequency each week compared to existing service design;
36
37 i) CSX Corporation and Port of Virginia determine feasibility to create a third intermodal
38 export gateway from Memphis to Norfolk, consistent with Norfolk Southern's new service;
39
40 j) Port Houston, BNSF, and Union Pacific railroads to ensure consistent near-dock
41 international intermodal rail service between Dallas / Fort Worth and Houston Barbours
42 Cut and Bayport marine terminals;
43
44 k) Ocean carriers and their designated international intermodal rail carriers maintain the
45 integrity of containers moving together from interior ramp of receipt to port of loading to
46 reduce splits and rolls to ensure that all containers make the interior intermodal cutoff and

- 1 load their intended booked vessel with containers seals intact;
2
- 3 l) Ocean carriers load shipments to booked vessels without splits or rolls when cargo received
4 by port cutoffs and/or intermodal cutoffs; noting that in the event a split or roll is
5 unavoidable, ocean carriers should offer merchants the option to combine bookings at no
6 additional charges – administrative, equipment and terminal – to reduce collective rework,
7 number of Original Bill of Ladings (OBLs), document sets, and Letter of Credit (LC)
8 negotiation delays to improve overall shipper trade-to-cash cycle;
9
- 10 m) Ocean carriers within the same alliance and at the same ports and rail ramps implement
11 uniform and consistent standards on inland, vessel and documentation cutoffs;
12
- 13 n) Ocean carriers recognize that changes in coastal vessel schedules and first cargo receiving
14 days directly impact the merchants and the truckers with whom they are working, which
15 imposes higher utilization and increasing costs; further; that ocean carriers and marine
16 terminals find systematic ways to communicate schedule changes to merchants and the
17 trucking community to reduce delays and dry runs; and, noting that CRW changes have
18 increased significantly in the current crop-marketing year resulting in delays and extra
19 costs to merchant members:
20
- 21 i. All three (3) CRW elements must be indicated on all booking confirmations, and be
22 standard industry practice for all ocean carriers;
23 ii. CRW changes need to be communicated within two (2) hours to the booking party
24 and their trucker;
25 iii. No CRW should be changed within two (2) working days of the original booking
26 confirmation CRW dates;
27 iv. Ocean carriers and marine terminals should allow original empty equipment release
28 even when ERD changes to allow planned pickups to take place within two (2)
29 working days;
30 v. CRW aligned between ocean carriers and the marine terminals used and shippers and
31 their truckers should not be held accountable for demurrage and per diem charges as
32 a result of the differences between ocean carriers and marine terminals;
33 vi. Ocean carrier e-business sites should always have the most recent vessel schedule
34 information;
35 vii. Ocean carriers and their marine terminals commit to align data accuracy standards
36 for vessel schedules, cargo operations, and CRW dates / times and changes; and,
37 viii. Members should review CRW commitments within their ocean carriers;
38
- 39 6. Acknowledge that merchants need consistent and competitive pricing due to the nature of how
40 export sales are made relative to other agricultural exports based upon:
41
- 42 a) Annual agreement and rates;
43
- 44 b) All-inclusive ocean container freight rates; acknowledging that, otherwise, there must be
45 full transparency on underlying cost components that impact merchant member's total
46 landed costs to foreign market, noting that full transparency means that all applicable fees

1 and surcharges are expressly identified on per container or per shipment basis and include
2 the ocean carrier's tariff and so-called "Pass Through Costs" identified tariff section and
3 underlying charge information for which they are merely the collection agent for future
4 review; and,
5

- 6 c) Minimum ninety (90) days notification of planned increases in ocean rates, bunker charges,
7 any applicable surcharges and/or the imposition of new surcharges, noting that annual or
8 bi-annual negotiations remain preferred since merchants bear all supply chain risks;
9

- 10 7. Work with the Congress and the FMC to create a permanent working group and subgroups
11 comprised of ocean container shippers, ocean carriers, railroads, ports, truckers, chassis
12 providers, terminal labor and other essential organizations and personnel work in collaboration
13 with Congress and appropriate federal, state, and local departments and agencies on strategic
14 supply chain priorities; further, recognizing the establishment of the National Shippers
15 Advisory Committee (NSAC), urge the FMC to provide serious support and consideration to
16 the recommendations put forth by the NSAC;
17
- 18 8. Support and advocate for NSAC recommendations that do not conflict with ACSA policy;
19
- 20 9. Urge merchants to review how to improve commitment visibility and forecasting with ocean
21 carriers within the FMC service contract process to help support sufficient equipment, chassis,
22 truck power and vessel space when needed, noting that ocean carriers should allow merchants
23 to make bookings further forward than allowed today at least eight (8) weeks from current
24 calendar week;
25
- 26 10. Work with the U.S. Coast Guard and FMC to create uniform fuel models at the alliance level;
27
- 28 11. Work with the FMC to enforce the aims of the U.S. Shipping Act including to promote the
29 growth and development of U.S. exports through competitive and efficient ocean
30 transportation through market-based review of ocean carrier vessel sailing cancellations and
31 prohibit discrimination of agricultural container exports for empty containers, which
32 significantly impede U.S. exports. Example: American Port Access Privileges Act of 2022;
33
- 34 12. Urge Congress to fund the dredging and maintenance of U.S. rivers and harbors from the
35 general funds of the U.S. Treasury;
36
- 37 13. Recognizing inequity in the Commodity Container Assistance Program, request U.S.
38 Department of Agriculture (USDA) expand the program beyond Oakland and Seattle/Tacoma
39 to all other cotton port gateways: Long Beach, Los Angeles, Houston, New Orleans, Mobile,
40 Savannah, Charleston, and Norfolk;
41
- 42 14. Urge ocean carriers in the same alliance and operating on the same vessel service from the
43 same port authority and marine terminal to implement more uniform and consistent standards
44 for their interpretation of regulatory and statutory mandates for data and cargo cutoffs across
45 their industry, specifically:

- a) Timelines for “No Doc / No Load” should be noted in the initial booking confirmation from the ocean carrier;
 - b) SOLAS VGM submission should be aligned within existing exporter Shipper Letter of Instruction (SLI) “No Doc / No Load” process and timelines including late gate requests;
 - c) Notifications of earlier deadlines should meet the rules and regulations of the European Union and other jurisdictions;
 - d) Required information should be clearly identified, and additional information that is extraneous should be eliminated, by ocean carriers to create a uniform standard; and,
 - e) Country regulation changes should be documented, and substantiated by the responsible agency and/or governmental body;
15. Urge that the digital interfaces for Shipping Instructions, Bill of Lading Proofs and Releases between shipper, industry portals and / or ocean carriers be utilized as intended, noting that:
- a) The current shipment data interfaces and transmissions process is not working as intended for shippers and ocean carriers resulting in an unacceptable amount of re-work for all parties - above fifty percent (50%) of all original bill of lading releases;
 - b) The incomplete use of electronic shipment data causes delays in document turn times and unnecessary re-work;
 - c) Resulting amendment fees add unplanned costs to merchants and mask a broader industry data integrity issues; and,
 - d) The failure of ocean carriers and their industry portals to systematically communicate when Electronic Data Interchange mapping changes can affect data transmission integrity;
16. Urge the continued support of on-going stakeholder efforts to improve existing documentation processes and performance, including by:
- a) Establishing a cotton industry standard with the ocean carrier industry for clean and expedited document release according to which eighty percent of total documents are produced and released within two (2) working days after vessel sailing and proofs are received at least two (2) working days before vessel sailing, and with respect to which:
 - i. Merchant members should work with available data portals and ocean carriers supporting the cotton industry to identify and seek final and permanent remedies for specific high frequency documentation errors that prevent the timely release of original bills of lading; and,
 - ii. ACSA members should endeavor to ensure ocean carriers satisfy commitments to work through identified issues to resolve with their Documentation and IT teams;

- b) Engaging AgTC's continued focus on the issue of ocean carrier industry documentation performance as part of its Ocean Carrier Performance Survey;

MEXICO

EXPORTS/TRANSPORTATION

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

DOMESTIC TRANSPORTATION

TRUCKING

1. Recognize the importance of the trucking industry across all lines of business;
2. Urge members to continue to vigorously oppose any proposed legislation or regulatory rule changes that would effectively ban owner-operators at U.S. ports and establish a unionized port trucking regime;
3. Work with affiliated organizations to monitor the on-going impacts of regulatory changes for the trucking industry that will affect trucking capacity and cost, including:
 - a) Hours of Service rules and electronic logging effect on service and capacity effective January 2018; and,
 - b) Federal Motor Carrier Safety Administration (FMCSA) proposed rules against truck Driver "coercion";
4. Noting the importance of timely pickup and delivery to meet customer commitments, and further noting that truck transportation is a key part of the process, and that timely pick up remains essential for ACSA members to ensure consistent service performance to meet port and/or intermodal cutoffs for exports, mill delivery appointments for domestic customers and

- 1 to reduce late warehouse pick up charges, expect truckers to:
2
3 a) Adhere to scheduled load dates and mill delivery dates;
4
5 b) Confirm ready date with warehouse operators via electronic portals, warehouse website
6 and/or other digital methods at least forty-eight (48) hours in advance of scheduled pick up
7 date;
8
9 c) Participate in the newly developed ACSA/Cotton Warehouse Association of America
10 shipping tool to improve visibility between supply chain participants;
11
12 d) Notify the shipper or warehouse of schedule changes within forty-eight (48) hours that
13 impact planned pick up at the warehouse, and the recovery plan; and,
14
15 e) Provide equipment that is clean, free of contaminants and leakage;
16
17 5. Urge ACSA members to:
18
19 a) Request ready dates to be the same day as the earliest return date to the marine terminal for
20 port bookings, sufficiently prior to intermodal cutoffs;
21
22 b) Understand that extra movements (split pickups, holding trailers, containers, chassis splits,
23 etc.) reduce driver utilization and effective available capacity in a given location and time
24 period to meet member needs;
25
26 c) Recognize that the overall supply of drivers in the United States continues to decline and
27 therefore, driver recruitment and retention are key issues for trucking companies today that
28 directly affect their ability to serve member needs;
29
30 d) Recognize and be aware of pending regional legislation that may hold importers and
31 exporters liable for monetary damages when using trucking companies that are
32 misclassifying drivers as independents/owner operators' rather than employees; and,
33
34 e) Recognize that access to and utility of "IsMyLoadReady" assignment should be expanded;
35
36 6. Recommend warehouse operators review and adjust their operating hours to accommodate
37 trucking community service changes and impacts coming from the FMCSA's electronic driver
38 log regulation/requirements;
39
40 7. Recommend domestic mills review and adjust their operating hours to accommodate trucking
41 community service changes and impacts coming from the FMCSA's electronic driver log
42 regulation/requirements;
43
44 8. Recommend all cotton warehouses purchase high security seals; apply to container(s) and
45 report container(s) and seal(s) information to merchant members at a reasonable cost;

9. Work with other like-minded organizations to oppose ocean carrier implementation of import container “street turn” fees for members and their truckers, noting that such proposed charges create increased costs despite cost and effectiveness benefits for the ocean carriers and overall export supply chain velocity;
10. Noting that fuel is a concern for both shippers and truckers, advise that current weekly notification changes are sufficient;

RAIL (CARLOAD)

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

INSURANCE

1. Urge merchant members and ginning associates to maintain sufficient general liability insurance, including products liability and recall coverage;
2. Notes that cotton warehousemen are responsible to issue electronic warehouse receipts (EWRs) on receipt of clean and merchantable cotton and that this duty extends to maintaining and shipping in merchantable condition regardless of storage location, further noting that:
 - a) Merchant members should clearly understand their responsibility for country damage under International Cotton Association rules regarding insurance and review their insurance coverage annually; and,
 - b) Shippers should work more closely with mill buyers in all markets, to facilitate the claims

1 process for damaged cotton and include photographic evidence from a neutral third party;
2

- 3 3. In view of price volatility, and noting the importance that state governments, the USDA, and
4 merchant members review warehouse tariffs and/or obtain evidence of coverage with policy
5 limits in line with projected bale capacity and on conditions concerning minimum fire and
6 lightning from warehousemen and transit points; urge that warehouse tariffs should reflect the
7 actual coverage in place for goods stored in that facility; and urge further that ICE should
8 ensure the amount of insurance coverage provided by approved and/or licensed warehouses
9 will fully cover the interests of the holders of EWRs and extend property coverage to “all
10 risks”;
11
- 12 4. Urge ACSA members to carefully review warehouse tariffs and practices for compliance with
13 these duties, with special attention on the time limitation for the presentation of damage claims,
14 noting that unreasonably short periods, although stated, may be legally unenforceable and
15 further that if damage is suspected ACSA members should give immediate notice;
16
- 17 5. Urge that now more than ever merchant members require proof of full cargo and liability
18 coverage from the truckers hauling their cotton and cotton samples and further require that all
19 policy exclusions and deductibles should be identified by the motor carriers’ insurance
20 provider;
21
- 22 6. Urge that members using third party warehouses at U.S. port transit facilities and/or in foreign
23 countries fully review, verify, and maintain a copy of the consignment warehouse’s insurance
24 policy and title documentation;
25
- 26 7. Urge merchant members to be aware of the financial health of their ocean carrier partners and
27 the threats of bankruptcy on Merchant marine coverage; and,
28
- 29 8. Recommend that members be aware of the potential problems with bandless bales and in
30 particular the responsibility and/or liability in the event of mishandling or opening, and further
31 recommend that further study be done with respect to these bales.