

1 **Transportation and Insurance Committee**
2 **Adopted at the 100th Annual Convention**
3 **June 15, 2024**

4
5 The Transportation and Insurance Committee recommends that ACSA:

6
7 **OCEAN TRANSPORTATION:**
8

- 9 1. Continue to work with like-minded export organizations to monitor, review, highlight and
10 oppose national, state and/or local legislative and regulatory actions which would make U.S.
11 cotton less competitive compared with foreign cotton growths;
12
- 13 2. Work directly with other organizations to provide guidance to Congress on appropriate actions
14 for merchants to ensure competitive capacity, timely execution from the ocean transportation
15 industry, systemic alignment, and resilience from all the ocean container transportation
16 industry segments to ensure adequate capacity and competitive pricing;
17
- 18 3. Support local, state, and national efforts to review, prioritize and fast track port and intermodal
19 infrastructure projects, including but not limited to terminals, roads, bridges, and other physical
20 capacity to support interior and near port physical movement of U.S. cotton exporters;
21
- 22 4. Support legislative, regulatory, and administrative initiatives to enhance visibility, review and
23 drive improvements in port / terminal business processes, data alignment, and technology
24 options to increase overall daily marine container handling terminal velocity and help ensure
25 future port labor stability necessary to support U.S. cotton exports;
26
- 27 5. In the context of supply chain challenges, urge:
28
- 29 a) All members of the cotton supply chain to maintain sufficient trained personnel to expedite
30 and efficiently manage the physical logistics and documentation volumes and expand
31 beyond the traditional Monday to Friday operating model in place for most segments today;
32
- 33 b) Ocean carriers to ensure their ports and terminals provide and release sufficient cargo
34 worthy “wind and watertight” and clean containers to minimize merchants’ cargo risks and
35 damage during transportation; additionally, Merchant members’ overseas buyers should
36 not be charged for cleaning and / or cosmetic repairs on wear and tear damage that does
37 not affect the “wind and water” standard;
38
- 39 c) Supply chain enhancements are created to incentivize the utility of assets for shipment,
40 including ports, marine terminals, container yards (CYs), ocean containers, intermodal
41 chassis, and trucks;
42
- 43 d) Ocean carriers to work with intermodal equipment providers (IEPs) and respective chassis
44 pool managers to:
45 i. Fully comply with the Federal Maritime Commission (FMC) Administrative Law
46 Judge’s ruling on chassis choice for Merchant Haulage moves;
47 (1) Ocean carriers should not designate chassis provider for CYs bookings; and
48 (2) Merchants and their truckers should be allowed to decide where to pick up
49 chassis;

1 (3) Ensure sufficient U.S. Department of Transportation Federal Motor Carrier
2 Safety Administration (FMCSA) road worthy supply and efficient pick-up
3 locations of the U.S. to meet peak shipping demand periods; further, when no
4 good order chassis are available, the chassis provider shall perform chassis repair
5 within a reasonable time frame for roadability / minor repairs;
6

- 7 e) Ocean carriers' designated CYs commit to:
- 8 i. Handle peak volumes and turn drivers quickly to ensure sufficient daily pickup
9 velocity;
 - 10 ii. Offer extended operating hours Monday through Friday;
 - 11 iii. Offer Saturday gates;
 - 12 iv. Mount chassis in one (1) hour or less; and,
 - 13 v. Communicate operational problems, including – container lift issues; and down
14 systems, to the shipper and trucker communities quickly and consistently;
15
- 16 f) Ocean carriers to ensure their intermodal rail facilities and CY providers have sufficient
17 labor and equipment to manage the increase in “live” chassis swings at rail ramps and port
18 terminals, based upon the ocean carrier industry’s movement away from own chassis fleets
19 and shifting of chassis provisioning burden to Merchant members;
20
- 21 g) Ocean carriers to ensure their designated rail providers’ appointment systems align with
22 ocean carriers’ Cargo Receiving Windows (CRWs), which is the combination of Early
23 Return Date (ERD), Documentation Cutoff and Physical Cargo Cutoff; noting this
24 alignment is essential since truckers cannot rail bill container(s) to get an appointment until
25 container(s) are loaded and the trucker is ready to head to the ramp; and noting further that
26 failure to get same day appointment after loading results in additional and unplanned
27 member costs, including holds on trucker yards, unplanned container storage, extra
28 trucking costs, and chassis and container usage costs (per diem);
29
- 30 h) Ocean carriers and their designated international intermodal rail carriers to improve and
31 then maintain the integrity of containers moving together from interior ramp of receipt to
32 port of loading to reduce splits and rolls and to help ensure all containers make the interior
33 intermodal cutoff and load their intended booked vessel with containers seals intact;
34
- 35 i) Ocean carriers, BNSF Railway, and Union Pacific to increase security efforts to reduce
36 loss of original container seals from break-ins after merchants tender loaded and sealed
37 containers from Texas and the Mid-South for marine terminals in Long Beach and Los
38 Angeles;
39
- 40 j) Ocean carriers to load shipments to booked vessels without splits or rolls when cargo
41 received by port cutoffs and / or intermodal cutoffs; noting that in the event a split or roll
42 is unavoidable, ocean carriers should offer merchants the option to combine bookings at
43 no additional charges – administrative, equipment, and terminal – to reduce collective
44 rework, number of Original Bill of Ladings (OBLs), document sets, and Letter of Credit
45 (LC) negotiation delays to improve overall shipper trade-to-cash cycle;
46
- 47 k) CSX Corporation, Norfolk Southern Railway, Georgia Ports Authority, and South Carolina
48 State Ports Authority to work together to provide a dedicated full export train service and
49 capacity to and from Memphis at some set frequency each week compared to existing
50 service design;

- 1 l) Ocean carriers, whether operating alone or within the same alliance and at the same ports
2 and rail ramps, to implement uniform and consistent standards on inland, vessel, and
3 documentation cutoffs;
4
- 5 m) Ocean carriers to recognize last-minute changes in coastal vessel schedules, berthing, and
6 first cargo receiving days directly impact the merchants and the truckers, with whom they
7 are working, which imposes higher utilization and increasing costs; further, ocean carriers
8 and marine terminals to find systematic ways to communicate schedule changes to
9 merchants and the trucking community to reduce delays and dry runs; and, noting that
10 CRW changes have increased significantly in the current crop-marketing year resulting in
11 delays and extra costs to merchant members, urge:
- 12 i. All three (3) CRW elements be indicated on all booking confirmations and be
13 standard industry practice for all ocean carriers;
 - 14 ii. CRW changes be communicated within two (2) hours to the booking party and their
15 trucker;
 - 16 iii. No CRW be changed within two (2) working days of the original booking
17 confirmation CRW dates;
 - 18 iv. Ocean carriers and marine terminals allow original empty equipment to be released
19 even when ERD changes allow planned pickups to take place within two (2) working
20 days;
 - 21 v. CRW aligned between ocean carriers and the marine terminals be used and shippers
22 and their truckers not be held accountable for demurrage and per diem charges as a
23 result of the differences between ocean carriers and marine terminals;
 - 24 vi. Ocean carrier e-business sites to always have the most recent vessel schedule
25 information;
 - 26 vii. Ocean carriers and their marine terminals to commit to align data accuracy standards
27 for vessel schedules, cargo operations, and CRW dates / times and changes; and,
 - 28 viii. Members review CRW commitments with their ocean carriers;
- 29
- 30 6. Commend Port Houston, BNSF, and Union Pacific railroads, and Kinne International for their
31 combined efforts to resume consistent near-dock international intermodal rail service between
32 Dallas / Fort Worth and Houston Barbours Cut and connecting truck service to Bayport marine
33 terminals;
34
- 35 7. Acknowledge merchants need consistent and competitive pricing due to global competitive
36 pressure for cotton and the forward nature of how export sales are made relative to other
37 agricultural exports based upon:
- 38 a) Annual agreement and rates;
 - 39
 - 40
 - 41 b) All-inclusive ocean container freight rates; acknowledging that otherwise, there must be
42 full transparency on underlying cost components that impact a merchant member's total
43 landed costs to foreign market, noting that full transparency means all applicable fees and
44 surcharges are expressly identified on per container or per shipment basis and include the
45 ocean carrier's tariff and so-called "Pass Through Costs" identified tariff section and
46 underlying charge information for which they are merely the collection agent for future
47 review; and,
 - 48
 - 49 c) Minimum ninety (90) days notification of planned increases in ocean rates, bunker charges,
50 any applicable surcharges and / or the imposition of new surcharges, noting that annual or
51 bi-annual negotiations remain preferred since merchants bear all supply chain risks;

- 1 8. Work with the World Shipping Council (WSC), U.S. Coast Guard, who has International
2 Maritime Organization (IMO) jurisdiction, and ocean carriers to ensure U.S. cotton's February
3 1998 non-hazardous designation is fully understood and adhered to by all ocean carriers, noting
4 that bookings are accepted without merchants' affirmation that U.S. cotton bales underwent
5 gin universal compression, meeting non-hazardous specifications;
6
- 7 9. Work with Congress, the administration, the WSC, and other relevant organizations to create
8 a permanent working group and subgroups comprised of ocean container shippers, ocean
9 carriers, railroads, ports, truckers, chassis providers, terminal labor, and other essential groups;
10
- 11 10. Support and advocate for National Shippers Advisory Committee (NSAC) recommendations
12 that do not conflict with ACSA policy; further, urge the FMC to provide serious support and
13 consideration to recommendations put forth by the NSAC;
14
- 15 11. Urge merchants to review how to improve commitment visibility and forecasting with ocean
16 carriers within the FMC service contract process to help support sufficient equipment, chassis,
17 truck power and vessel space when needed, noting that ocean carriers should allow merchants
18 to make bookings further forward than allowed today at least eight (8) weeks from current
19 calendar week;
20
- 21 12. Work with the U.S. Coast Guard and the FMC to ensure clarity, transparency, and to the extent
22 allowed, create uniform fuel models at the alliance level for any new fuel mandates coming
23 from the IMO or a similar organization;
24
- 25 13. Work with the FMC to enforce the aims of the U.S. Shipping Act including to promote the
26 growth and development of U.S. exports through competitive and efficient ocean
27 transportation through market-based review of ocean carrier vessel sailing cancellations and
28 prohibit discrimination of agricultural container exports for empty containers;
29
- 30 14. Urge Congress to fund the dredging and maintenance of U.S. rivers and harbors from the
31 general funds of the U.S. Treasury;
32
- 33 15. Urge ocean carriers in the same alliance and operating on the same vessel service from the
34 same port authority and marine terminal to implement more uniform and consistent standards
35 for their interpretation of regulatory and statutory mandates for data and cargo cutoffs across
36 their industry, specifically:
37
 - 38 a) Timelines for "No Doc / No Load" should be noted in the initial booking confirmation
39 from the ocean carrier;
40
 - 41 b) SOLAS VGM submission should be aligned within existing exporter Shipper Letter of
42 Instruction "No Doc / No Load" process and timelines, including late gate requests;
43
 - 44 c) Notifications of earlier deadlines should meet the rules and regulations of the European
45 Union and other jurisdictions;
46
 - 47 d) Required information should be clearly identified, and additional information that is
48 extraneous should be eliminated by ocean carriers to create a uniform standard; and,
49
 - 50 e) Country regulation changes should be documented and substantiated by the responsible
51 agency and / or governmental body;

- 1 16. Urge the digital interfaces for Shipping Instructions, Bill of Lading Proofs and Releases
2 between shippers, industry portals and / or ocean carriers be utilized as intended, noting that:
3
- 4 a) The current shipment data interfaces and transmissions process is not working as intended
5 for shippers and ocean carriers, resulting in an unacceptable amount of re-work for all
6 parties - above fifty percent (50%) of all proof bill of lading releases;
7
 - 8 b) The incomplete use of electronic shipment data causes delays in document turn times and
9 unnecessary re-work;
10
 - 11 c) Resulting amendment fees add unplanned costs to merchants and mask a broader industry
12 data integrity issues; and,
13
 - 14 d) The failure of ocean carriers and their industry portals to systematically communicate when
15 Electronic Data Interchange mapping changes can affect data transmission integrity;
16
- 17 17. Urge the continued support of on-going stakeholder efforts to improve existing documentation
18 processes and performance, including by:
19
- 20 a) Establishing a cotton industry standard with the ocean carrier industry for clean and
21 expedited document release according to which eighty percent (80%) of total documents
22 are produced and released within two (2) working days after vessel sailing and proofs are
23 received at least two (2) working days before vessel sailing, and with respect to which:
24
 - 25 i. Merchant members should work with available data portals and ocean carriers
26 supporting the cotton industry to identify and seek final and permanent remedies for
27 specific high frequency documentation errors that prevent the timely release of
28 original bills of lading; and,
 - 29 ii. ACSA members should endeavor to ensure ocean carriers satisfy commitments to
30 work through identified issues to resolve with their Documentation and IT teams;
31
 - 32 b) Engaging Agriculture Transportation Coalition's continued focus on the issue of ocean
33 carrier industry documentation performance as part of its Ocean Carrier Performance
34 Survey;
35

36 **MEXICO**

37 **EXPORTS/TRANSPORTATION**

- 38
- 39
 - 40 1. Continue to support the goals of the United States-Mexico-Canada Agreement (USMCA),
41 urging the free flow of goods between all of the signatory nations, and the elimination of
42 trucking restrictions that impede flow or reduce industry capacity and support investments in
43 International Bridges infrastructure;
44
 - 45 2. Engage with all appropriate parties within Mexico and continue to increase the relationship
46 with CANAINTEX to identify ways to implement a lasting enhanced security agreement to
47 improve shipment reliability for mill deliveries at their facilities including extended receiving
48 hours, secure drop yards and local security personnel; and
49
 - 50 3. Urge members to work with Mexico mill buyers and implement an industry agreed letter of
51 understanding with compromises to provide longer receiving hours in recognition of changing

1 traffic conditions between the border crossings and delivery locations, urging further that mill
2 contact information include alternative secure parking for carriers arriving during and outside
3 of receiving times;

4 **DOMESTIC TRANSPORTATION**

6 **TRUCKING**

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- 8
- 9 1. Recognize the importance of the trucking industry across all lines of business;
- 10
- 11 2. Urge members to continue to vigorously oppose any proposed legislation or regulatory rule
- 12 changes that would effectively ban owner-operators at U.S. ports and establish a unionized
- 13 port trucking regime;
- 14
- 15 3. Work with affiliated organizations to monitor the on-going impacts of regulatory changes for
- 16 the trucking industry that will affect trucking capacity and cost, including:
- 17
- 18 a) Hours of Service rules and electronic logging effect on service and capacity effective
- 19 January 2018; and,
- 20
- 21 b) Federal Motor Carrier Safety Administration (FMCSA) proposed rules against truck Driver
- 22 “coercion”;
- 23
- 24 4. Noting the importance of timely pickup and delivery to meet customer commitments, and
- 25 further noting that truck transportation is a key part of the process, and that timely pick up
- 26 remains essential for ACSA members to ensure consistent service performance to meet port
- 27 and/or intermodal cutoffs for exports, mill delivery appointments for domestic customers and
- 28 to reduce late warehouse pick up charges, expect truckers to:
- 29
- 30 a) Adhere to scheduled load dates and mill delivery dates;
- 31
- 32 b) Confirm ready date with warehouse operators via electronic portals, warehouse website
- 33 and/or other digital methods at least forty-eight (48) hours in advance of scheduled pick up
- 34 date;
- 35
- 36 c) Participate in the newly developed ACSA / Cotton Warehouse Association of America
- 37 shipping tool to improve visibility between supply chain participants;
- 38
- 39 d) Notify the shipper or warehouse of schedule changes within forty-eight (48) hours that
- 40 impact planned pick up at the warehouse, and the recovery plan; and,
- 41
- 42 e) Provide equipment that is clean, free of contaminants and leakage;
- 43
- 44 5. Urge ACSA members to:
- 45 a) Request ready dates to be the same day as the earliest return date to the marine terminal for
- 46 port bookings, sufficiently prior to intermodal cutoffs;
- 47
- 48 b) Understand that extra movements (split pickups, holding trailers, containers, chassis splits,
- 49 etc.) reduce driver utilization and effective available capacity in a given location and time
- 50 period to meet member needs;

- 1 c) Recognize the overall supply of drivers in the United States continues to decline and
2 therefore, driver recruitment and retention are key issues for trucking companies today that
3 directly affect their ability to serve member needs; and
4
- 5 d) Recognize and be aware of pending regional legislation that may hold importers and
6 exporters liable for monetary damages when using trucking companies are misclassifying
7 drivers as independents/owner operators' rather than employees;
8
- 9 6. Recommend warehouse operators review and adjust their operating hours to accommodate
10 trucking community service changes and impacts coming from the FMCSA's electronic driver
11 log regulation/requirements;
12
- 13 7. Recommend domestic mills review and adjust their operating hours to accommodate trucking
14 community service changes and impacts coming from the FMCSA's electronic driver log
15 regulation/requirements;
16
- 17 8. Recommend all cotton warehouses purchase high security seals; apply to container(s) and
18 report container(s) and seal(s) information to merchant members at a reasonable cost;
19
- 20 9. Work with other like-minded organizations to oppose ocean carrier implementation of import
21 container "street turn" fees for members and their truckers, noting that such proposed charges
22 create increased costs despite cost and effectiveness benefits for the ocean carriers and overall
23 export supply chain velocity; and
24
- 25 10. Noting that fuel is a concern for both shippers and truckers, advise that current weekly
26 notification changes are sufficient;
27

28 **RAIL (CARLOAD)**

29

- 30 1. In light of the challenges within the trucking industry, urge merchant members to actively
31 solicit railroads to strengthen ties with warehouses who maintain open rail sidings, to help
32 preserve rail as a viable and competitive means of transportation;
33
- 34 2. For rail served warehouse locations, recognize that merchants need the railroads to provide the
35 following:
36
 - 37 a) Service design for the location;
 - 38
 - 39 b) Switch plan;
 - 40
 - 41 c) Equipment availability and lead time;
 - 42
 - 43 d) Acceptable equipment dwell time; and,
 - 44
 - 45 e) Assistance in preventing railcar "bunching" on delivery to the destination warehouse or
46 mill;
 - 47
- 48 3. Urge merchant members to take a more direct and active role with their railroad service
49 representatives to manage agreed service commitments, identify problems and jointly work
50 toward problem resolution;

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 cotton warehousemen are responsible to issue electronic warehouse receipts (EWRs) on
7 receipt of clean and merchantable cotton and this duty extends to maintaining and shipping in
8 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 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, urge state governments, the USDA, and merchant members review
18 internal and transit warehouse tariffs and / or obtain evidence of coverage demonstrating policy
19 limits aligned with projected bale capacity and on minimum insuring conditions covering the
20 perils of fire and lightning; additionally, urge that warehouse tariffs should reflect the actual
21 coverage in place for goods stored in that facility; and finally, urge ICE to continue to ensure
22 the amount of insurance coverage provided by approved and/or licensed warehouses will fully
23 cover the interests of the holders of EWRs and extend property coverage to “all risks”;
24
25 4. Urge ACSA members to carefully review warehouse tariffs and practices for compliance with
26 these duties with special attention on the time limitation for the presentation of damage claims,
27 noting that unreasonably short periods, although stated, may be legally unenforceable and
28 further that if damage is suspected, ACSA members should give immediate notice;
29
30 5. Urge now more than ever Merchant members require proof of full cargo and liability coverage
31 from the truckers hauling their cotton and cotton samples and further require all policy
32 exclusions and deductibles should be identified by the motor carriers’ insurance provider;
33
34 6. Urge members using third party warehouses at U.S. port transit facilities and/or in foreign
35 countries fully review, verify, and maintain a copy of the consignment warehouse’s insurance
36 policy and title documentation;
37
38 7. Urge Merchant members to be aware of the financial health of their ocean carrier partners and
39 the threats of bankruptcy on Merchant marine coverage;
40
41 8. Recommend members be aware of the potential problems with bandless bales and in particular
42 the responsibility and/or liability in the event of mishandling or opening and further
43 recommend that further study be done with respect to these bales;
44
45 9. Urge all members to be aware of the underlying insuring conditions provided by all transit
46 facilities, which are not licensed by the USDA nor ICE, especially those on the Gulf Coast and
47 Eastern seaboard, specifically if coverage is offered for the perils of flood and windstorm;
48 further, urge all warehouses to advise depositors if their facilities are located in a Federal
49 Emergency Management Agency-designated flood area; and
50
51 10. Urge all members to take heed of promulgated exclusionary zones for War Risk Insurance,

1 namely Russia, Ukraine, Belarus, as well as areas of the Red Sea, Gulf of Aden, and Indian
2 Ocean, noting members should confer with their ocean cargo insurers prior to freight bookings
3 through or around these areas and address coverages and responsibilities with their
4 counterparties.