



Can Congress fix the ‘shipping crisis’?

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April 19, 2022

WASHINGTON (Gray DC) - Federal officials are looking to ease some of the backlog and other problems at U.S. shipping terminals as supply chain issues continue to affect the global economy.

Experts say transportation hubs are struggling to keep up with the surge of imports from Asia. Ships are stacking up, waiting to be unloaded, and fewer vessels are circulating, leading to maritime madness: higher shipping costs, and inflation.

While trade experts say much of the so-called “shipping crisis” can be blamed on the pandemic, Sen. John Thune (R-S.D.) claims carriers are adding to the chaos, unreasonably refusing to ship goods, and charging unnecessary fees.

“We think there have been some practices employed that are anti-competitive, that penalize shippers for things they have no control over,” said Thune.

Congress passed a bipartisan bill giving the government more power at the ports and green-lighting federal agencies to look deeper into alleged unfair practices.

The Ocean Shipping Reform Act of 2022, introduced by Sen. Thune and Sen. Amy Klobuchar (D-Minn.) requires the Federal Maritime Commission to investigate complaints about late fees charged by common ocean carriers, to determine whether those charges are reasonable, and to order refunds for unreasonable charges. It also prohibits common ocean carriers from unreasonably refusing cargo space when available or resorting to other discriminatory methods.

The legislation has many supporters on both sides of the aisle, including the Biden administration. Trade policy expert Collin Grabow, with the libertarian Cato Institute, says he is skeptical of the antitrust claims.

“Agricultural exporters may be suffering because they didn’t have those agreements in place ahead of time and they just assumed the shipping will always be there,” he said.

Grabow says there are larger issues at play, such as weak infrastructure and vague contracts between carriers and shippers.

“I think if the U.S. government really wanted to make a contribution, they would try to look at why our ports are not up to snuff,” he said.

Similar legislation passed both chambers of Congress and is moving toward President Biden's desk. President Biden has already indicated his support for the bill.