

## Ports America Testifies on Behalf of NAWE at the Coast Guard and Maritime Transportation Subcommittee Hearing

*President and CEO highlights the importance of marine terminal operators, expresses concerns regarding Ocean Shipping Reform Act rulemaking*

WASHINGTON, DC (March 29, 2023) – The House Transportation and Infrastructure Subcommittee on Coast Guard and Maritime Transportation (CGMT) convened a hearing that included testimony from a broad set of U.S. maritime leaders, including [Ports America](#), a member of the [National Association of Waterfront Employers](#) (NAWE). The hearing provides a platform for U.S. maritime leaders to share their insights and perspectives, which can inform policymaking and decision-making related to the industry.

In his testimony, Ports America President and CEO Matthew Leech emphasized the importance of marine terminal operators (MTOs). He also provided a status update on the maritime supply chain and expressed concerns about Ocean Shipping Reform Act (OSRA) rulemaking and the costs of transitioning to electric cargo handling equipment.

“Matt Leech’s testimony reflects critical issues that impact the flow of cargo and threaten a smooth and efficient supply chain,” said Robert W. Murray, president of NAWE. “MTOs employ hundreds of thousands of waterfront workers across the country and serve as the critical foundation for facilitating cargo transportation between sea and land. It’s vital that Congressional leaders and executive branch officials ensure the constant flow of global commerce through the legislative and regulatory process that supports our nation’s economy.

In his written and verbal testimony, Leech stressed that unprecedented consumer demand following the COVID-19 pandemic led directly to “a scarcity of capacity at marine terminal property.” MTOs supported the demand by utilizing available tools including the imposition of terminal demurrage and dwell fees to ensure the expedient retrieval of containers from terminal property and to avoid a repeat of the congestion issues of recent years.

“Marine terminals reside on prime property and need to cater to 24/7 vessel operations, which includes maintaining terminal fluidity as well as ensuring safe operations,” said Uffe Ostergaard, CEO of [Carrix and SSA Marine](#). “Containers should move off the terminal before the weekend or holidays and not linger. NAWE has offered two examples in their testimony that are worthy of consideration by the Federal Maritime Commission as they contemplate changes to the supply chain.”

Another tool Leech referenced is anti-trust immunity, which enables MTOs to coordinate responses to supply chain congestion. Without this immunity, competitor MTOs operating on the same public port property would be “unable to coordinate efforts and share data, which would have made it virtually impossible to address the supply chain capacity issues” MTOs have faced.

Leech testified that the Federal Maritime Commission’s (FMC’s) Notice of Proposed Rulemaking regarding demurrage and detention billing does not reflect the clear Congressional intent behind OSRA. He urged the Subcommittee to consider how proposed contracts are inconsistent with supply chain relationships and encouraged the FMC to “avoid extending its [equipment detention] scope to terminal demurrage.”

Roger Guenther, executive director of [Port Houston](#) said, “It’s imperative that Congress and regulatory agencies prioritize programs that enable MTOs to use all available tools to avoid supply chain congestion

and ensure the expedient retrieval of containers. At Port Houston, we remain committed to ensuring representatives of MTOs are involved in the policymaking process through established working groups.”

Lastly, Leech expressed hope that Congress will consider amending the Inflation Reduction Act (IRA) and Clean Ports Program to better reflect the realities MTOs face with obtaining zero and near-zero-emission cargo handling equipment. Leech asserted that “Ports America and NAWE will continue to engage with Congress to find flexibility in the IRA to account for the realistic costs, timelines and U.S. equipment availability to achieve the Act’s policy goals.”

Griff Lynch, executive director of [Georgia Ports Authority](#) said, “With the unprecedented influx of cargo seen at ports across the nation, marine terminal port operators have relied on every tool available, including demurrage and dwell fees, to ensure the efficient fluidity of cargo. The support of policy makers and regulatory agencies remains a critical component in ensuring we can continue to navigate the complex challenges facing our industry to avoid further congestion in the supply chain.”

Read Leech’s full testimony on behalf of NAWE here: <https://nawe.us/wp-content/uploads/2023/03/Leech-Written-Testimony.pdf>

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#### **About NAWE**

The National Association of Waterfront Employers is a Washington based trade association whose member companies are privately owned stevedores, marine terminal operators, and other waterfront related employers. Member companies do business at major U.S Ports on the Atlantic and Pacific coast, the Gulf of Mexico, the Great Lakes, Canada, and the Commonwealth of Puerto Rico. These firms are committed to keeping America’s international trade and commerce flowing to better serve our economy. Learn more on our website: <https://nawe.us/>

#### **About Ports America**

Ports America is the largest marine terminal operator in North America with operations in 70 locations and 33 ports across the United States. The company is a leader in technology driven solutions and covers a wide range of supply chain services including container, RoRo, breakbulk, military, and cruise ship operations. Ports America is based in Jersey City, New Jersey.

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