



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

JUL - 6 2018

Ms. Rachel E. Dickon  
Secretary  
Federal Maritime Commission  
800 North Capitol St NW  
Washington, DC 20573  
Sent via email to [secretary@fmc.gov](mailto:secretary@fmc.gov)

RE: Southern States Chassis Pool Agreement, FMC Agreement No. 201262

Dear Ms. Dickon:

Please accept this letter as official comment on Federal Register notice published on June 25, 2018, regarding the Southern States Chassis Pool Agreement, FMC Agreement No. 201262, filed by the Georgia Ports Authority and South Carolina Ports Authority. The U.S. Department of Agriculture is writing in support of this agreement.

Chassis are critical components of moving cargo by truck, and ease of locating and utilizing chassis is particularly vital for agriculture freight movements, considering the decentralized nature of the industry's shipments. Agricultural shippers often vocalize that their challenges finding chassis increase transportation costs and decrease supply chain efficiencies. Since ocean carriers began divesting their chassis assets in 2009 and 2010, the supply of chassis has been dispersed among multiple suppliers and chassis pools, leaving shippers and carriers with a suboptimal and costly system for moving their payloads to ports and inland customers alike. Many agricultural shippers and trucking companies have expressed the need for a chassis "grey pool" approach as a more reliable regional equipment management system and a more efficient method of chassis positioning.

Such approach will be beneficial for the agriculture industry in the Southeast. According to PIERS data, in 2017, the Port of Charleston, South Carolina, handled over 49,000 truckloads of containerized agricultural exports, and over 17,000 truckloads of containerized agricultural imports. The port of Savannah, Georgia, handled over 112,000 truckloads of containerized agricultural exports, and nearly 52,000 truckloads of containerized agricultural imports.

This agreement will improve the flow and reduce the transportation costs born by shippers to and from these critical deepwater ports, as well as to and from inland origins and destinations throughout the States of Georgia, South Carolina, Alabama, Florida, North Carolina and Tennessee. According to USDA's Economic Research Service analysis of farm receipts, agricultural exports for these six states amounted to over \$13 billion in 2016. A significant portion of these agricultural exports were containerized, thereby relying on chassis for movement to and through the maritime ports of Charleston and Savannah.

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Agriculture is a vital economic driver in this region of the country, and any improvements to the efficiency and reliability in transporting farm products will greatly benefit our nation's producers. Accordingly, USDA supports the Southern States Chassis Pool Agreement, FMC Agreement No. 201262.

Sincerely



Gregory Ibach  
Under Secretary  
Marketing and Regulatory Programs