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USDA Cooperative Research Studies the Effects of Rail Line Abandonment

On June 28, USDA's Agricultural Marketing Service published a synopsis of a study conducted in cooperation with Washington State University and the University of Oregon. The researchers sought to better understand the causes and effects of rail line abandonments, which became more common since the Staggers Rail Act of 1980. The analysis suggests lines with low or declining revenues were particularly likely to be abandoned, as well as lines that branched from a main line. The researchers also find the effects of short line entry on local rail markets (rates and tonnages) varied based on location, commodity, and the competitive environment.

DOT Proposes "Rebuilding America" Funding To Support Transportation Infrastructure

On July 8, under its Infrastructure for Rebuilding America (INFRA) grant program, the U.S. Department of Transportation (DOT) proposed awarding $905.25 million to 24 projects—including projects relevant to grain shippers—in 18 States. For example, the city of Dubuque, IA, would receive $5 million to increase capacity and improve transloading among barge, rail, and truck for fertilizer, grain, and other bulk products at the Port of Dubuque. According to the U.S. Army Corps of Engineers' Waterborne Commerce Statistics, the Port of Dubuque handled an annual average of 873,080 tons of grain by barge between 2015 and 2019. In addition, North Dakota's Department of Transportation would receive $16.75 million to construct passing lanes along approximately 165 miles of two-lane US-52 between Carrington, ND, and slightly north of Kenmare, ND. This highway segment is part of the Minot, ND, to Chicago, IL, corridor that a December 2020 USDA report flagged as having long and unreliable travel times. The corridor is key to farm-to-elevator soybean shipments and eastward wheat movements to Minneapolis and Chicago. Congress has 60 days to review DOT's proposed project recipients, after which DOT can begin obligating funding.

FMC To Audit Top Container Lines on Billing of Detention and Demurrage Charges

On July 20, the Federal Maritime Commission (FMC) began auditing how carriers bill customers for detention and demurrage charges. The audit applies to container lines with the largest share of U.S. cargoes: Cosco Group, CMA CGM, Ocean Network Express, Evergreen, Maersk, Mediterranean Shipping Co., HMM, Yang Ming, and Hapag-Lloyd. FMC's newly formed Vessel-Operating Common Carrier Audit program and dedicated audit team will assess carrier compliance with the agency's rule on detention and demurrage. Each carrier must respond to the audit and provide monthly updates to regulators. The audit is a response to ongoing complaints from shippers, as well as recent guidelines by Congress and the White House to track unreasonable storage fees tied to persistent port congestion. This action also responds to the White House's "Executive Order on Promoting Competition in the American Economy," issued July 9.

STB Asks Class I Railroads to Provide Information on Container Congestion

On July 22, the Surface Transportation Board (STB) asked Class I railroads to provide information on congestion at key container terminals. STB also requested the railroads' policies and practices for assessing storage charges. These requests come in response to concerns over persistent intermodal congestion and significant container storage fees some shippers must pay to receive their containers. STB hopes to better understand the magnitude of container congestion, the purpose and effect of storage fees, and whether there is relief for receivers who cannot facilitate the release of their containers. Tracking just one of several affected grain commodities, the Soybean Transportation Coalition expects "supply chain issues for exporters to continue for the foreseeable future, including the container squeeze and rail availability, as well as the nationwide shortage of truck drivers." Soybeans are the largest U.S. containerized grain export, representing, on average, more than 40 percent of the market.

FMCSA Issues Final Rule on Electronic Exchange of Driver History Record

On July 23, the Federal Motor Carrier Safety Administration (FMCSA) issued a final rule requiring State driver-licensing agencies to enhance the Commercial Driver's License Information System to be able to exchange driver-history-record information electronically and securely. This information includes the posting of convictions, withdrawals, and disqualifications. Effective August 23, the rule aligns FMCSA's regulations with existing statutory requirements outlined in the Moving Ahead for Progress in the 21st Century Act. States are required to comply with the rule by August 22, 2024.

USDA Research Examines Port Choice for Grain Exports

In August, the USDA's Agricultural Marketing Service published a synopsis of research conducted in cooperation with the University of Oregon. The research report is titled *A Study of Grain and Soybean Export Flows: Uncovering Their Determinants and the Implications for Infrastructure Investment.* The researchers studied how transportation costs and port attributes (e.g., channel depth) affected port choice from two perspectives—an importing country and an inland U.S. shipper. They found a 1-percent increase in a port's shipping costs corresponded to a 6- to 8-percent reduction in the port's traffic. In addition, they found a 1-percent increase in channel depth resulted in a port gaining 1- to 3-percent more business, and a 1-percent increase in berthing length resulted in about 1 percent more traffic.

FMC Launches Inquiry Into Ocean Container Carrier Surcharge Practices

On August 4, FMC launched an expedited inquiry into the practices of eight ocean container carriers with respect to certain surcharges. The carriers were asked to provide details, by August 13, confirming that any congestion or related surcharges they "implemented or announced" accorded with legal and regulatory obligations. FMC's Bureau of Enforcement (BoE) intended to review the responses to determine if the carriers implemented the surcharges with proper notice, if they clearly defined the purpose, and if they identified a clear event or condition that would terminate the surcharge. FMC Chair Daniel Maffei stated, "I want to know the carriers' justifications for additional fees and I strongly support close scrutiny by the FMC's Bureau of Enforcement aimed at stopping any instance where these add-on fees may not fully comply with the law or regulation."

New ATRI Research Develops Assessment Tool for Finding Safe Young Drivers

On August 4, the American Transportation Research Institute (ATRI) released the results of its preliminary research to identify the safest 18-20 year-old drivers. Reliable safety assessment is a critical component of expanding eligibility for interstate commercial driver's licenses to younger drivers, as the Federal Motor Carrier Safety Administration has considered doing. The research sample included 75 current commercial truck drivers, aged 20-60 years old, with diverse driving experience and safety performance. After assessing the effects of various personality traits, the researchers found drivers in the safest group scored highest on "conscientiousness" and "agreeableness," and lowest on "experience-seeking." Also, drivers in the "less safe" group appeared somewhat more sensitive to conflict, indicating difficulties with cognitive control. Based on the success of its initial research, ATRI plans to expand the assessment to increase the sample of 18–20-year-old drivers and expand the range of traits assessed. The full report on the preliminary research can be downloaded here.

Congress Introduces Legislation to Address Container Shipping Challenges

On August 10, U.S. Representatives John Garamendi (CA) and Dusty Johnson (SD) introduced the "Ocean Shipping Reform Act of 2021." If enacted, this bipartisan legislation would be the first major update of Federal regulations for the global ocean shipping industry since 1998. The bill includes several measures that would address many concerns of containerized agricultural exporters. One new requirement would prohibit ocean carriers from unreasonably declining U.S. exports. Another provision would require carriers and terminals to certify compliance with Federal regulation on each "detention and demurrage" charge. A third measure would authorize the Federal Maritime Commission to self-initiate investigations of ocean carriers' business practices and apply enforcement measures, as appropriate. Over the past 10 months, the deluge of containerized imports to the United States has made it extremely difficult to export containerized agricultural products.

Port of Houston Signs Agreement for $1.1 Billion Channel Expansion

On August 19, the Port of Houston and U.S. Army Corps of Engineers signed a partnership agreement on a $1.1 billion project to expand the Houston Ship Channel. Along the channel's 26-mile Galveston Bay reach, the project will widen the Houston Ship Channel from 530 feet to a total 700 feet and deepen upstream segments from 45 feet to a total 46.5 feet. The deeper, wider channel will allow safe passage of larger vessels, accommodating an estimated additional 1,400 vessels per year. According to USDA, in 2017, bulk grain export shipments accounted for 62 percent of total U.S. waterborne agricultural exports through the Port of Houston, a key grain export port.

DOT Designates Six New Marine Highway Projects

On August 19, DOT's Maritime Administration announced the designation of six new marine highway projects as part of the America's Marine Highway Program (AMHP). AMHP encourages use of the Nation's inland waterways for moving freight and people to save costs and reduce congestion of land-based transportation. An AMHP designation qualifies projects on marine highway routes to receive grants when program funding is available. One newly designated project—the Missouri River Container on Barge Project—will expand options for transporting goods: a new service will allow the river to accommodate barges carrying containers (including those with agricultural commodities). The project will affect movements originating from ports and terminals in Central Missouri, destined to ocean ports on the U.S. Gulf.

FMCSA Issues Final Rule on Commercial Vehicle Safety Alliance's Policy

On August 27, the FMCSA finalized a rule on the Commercial Vehicle Safety Alliance's (CVSA) policy and practices for obtaining and maintain certification to conduct driver or vehicle inspections. CVSA is a nonprofit association comprised of commercial motor vehicle safety officials and industry representatives. The rule applies to FMCSA employees, State or local government employees, and contractors. Effective August 27, the new rule clarifies the availability of inspector certification extensions under declared emergencies that were adopted in response to the COVID-19 national emergency. This rule does not change any regulatory requirements for motor carriers, drivers, or commercial motor vehicles.

FMCSA Extends Emergency Hours-of-Service Waiver for Feed and Fuel

On August 31, FMCSA extended, through November 30, 2021, its waiver on hours-of-service (HOS) requirements for trucks transporting feed and ethanol. FMCSA cautions that the deadline may be modified. The original waiver was placed in effect to help meet the challenges of the national emergency declared for COVID-19. Coverage of fuel, including ethanol, is a new addition to the waiver. The current waiver still provides an exemption from FMCSA-mandated maximum driving times for property-carrying vehicles. Like previous iterations, the waiver forbids motor carriers from asking truckers to haul loads when they say they are tired. The waiver does not cover routine commercial deliveries—including mixed loads—with nominal amounts of waiver qualifying materials.

Unlike previous iterations, the new waiver does not apply to requirements for drivers' HOS documentation. All standard FMCSA requirements for paper and electronic-logging-device documentation now apply—no exceptions.

FMCSA Extends Emergency Waiver on CDL Requirements

On August 31, FMCSA extended, through November 30, 2021, its waiver on commercial driver's license (CDL) requirements for truck drivers. The original waiver was placed in effect to help meet the challenges of the national emergency declared for COVID-19. The waiver for CDLs permits, but does not require, States to extend the validity of CDLs due for renewal on or after March 1, 2020. The waiver also extends an exemption from CDL-required medical certification—provided the certification expired on or after June 1, 2021.

FMCSA Requests Input on National Consumer Complaint Database

On September 3, FMCSA requested comments on its National Consumer Complaint Database (NCCDB), a repository of complaint information that can be later used for taking enforcement action. Comments on NCCDB will help FMCSA secure reauthorization by the Office of Management and Budget for the database's continued use. NCCDB, an online interface, allows consumers, drivers, and others to file complaints against unsafe and unscrupulous companies (including shippers) and/or their employees. Complaints cover a wide range of areas, including electronic logging devices and financial responsibility instruments for brokers and freight forwarders. Complaints relate to safety issues of driver harassment and coercion, as well as financial integrity concerns and issues. Comments can be viewed here.

FHWA Awards Louisiana $5 Million for Hurricane Ida Relief Efforts

On September 8, DOT's Federal Highway Administration (FHWA) recently awarded $5 million in "quick release" emergency relief (ER) funds to assist the Louisiana Department of Transportation and Development (DOTD) in repairing roads and bridges damaged by Hurricane Ida. FHWA's ER program provides funding for highways and bridges damaged by natural disasters or catastrophic events. The quick-release ER funds are intended to restore the most essential transportation links—to Federal-aid highways—disrupted by Hurricane Ida. Additional, subsequent ER funds may be available to continue less urgent repairs to roads and bridges. The repairs will stabilize damaged roadway embankments, replace destroyed signage, and repair and rebuild damaged roads and bridges, including removal of bridge scour.

DOT Requests Information on America's Transportation Supply Chains

On September 16, DOT published a notice requesting information from the public to prepare a report required by President Biden's recent executive order (EO) on "America's Supply Chains." Per the EO, the Secretary of Transportation must submit to the President, within 1 year, a report on transportation-sector supply chains. Incorporating the work of the President's Supply Chains Disruption Task Force, DOT's report will focus on the freight and logistics sector, with the aim of increasing resilience among transportation supply chains. With a deadline of October 18, DOT requested "practical solutions" from a broad range of stakeholders to address current and future supply-chain resilience challenges in the freight and logistics sector. Comments can be viewed here.

STB Extends Deadline for Comments on First-Mile/Last-Mile Service Issues

On September 21, the Surface Transportation Board (STB) extended the deadline for comments on first-mile/last-mile (FMLM) service. Comments from interested parties are now due by December 17, 2021, and reply comments from interested parties are due by February 17, 2022. FMLM service refers to the movement of railcars between a local railroad serving yard and a shipper or receiver facility. STB seeks comment on the following: possible FMLM service issues, design of potential metrics to measure FMLM service, and possible burdens associated with implementing any suggested changes.

Port of Savannah Increases Container Capacity

On September 28, the Georgia Ports Authority (GPA) announced it will add 1.6 million 20-foot-equivalent units (TEU) in container-handling capacity to the Port of Savannah. Including another 230 acres of container-handling space, the expansion will come online in phases, with the first to be completed as early as December. The entire project is expected to be fully completed in 2023. In 2020, the Port of Savannah ranked sixth in the Nation for containerized waterborne agricultural exports. Animal feed—mostly distillers' dried grains with solubles (DDGS)—was one of the Port's top agricultural exports (a 17-percent share).

USDA Provides $500 Million in Relief for Agricultural Marketing/Distribution/Transportation Challenges

On September 29, USDA announced $3 billion in investments targeting "urgent challenges facing agriculture today," as part of Secretary Vilsack's work as co-chair of the President's Supply Chain Disruptions Task Force. Of the $3 billion total, $500 million will be made available via the Commodity Credit Corporation to provide relief from increased transportation challenges, scarcity and rising costs of certain materials, and other near-term obstacles related to the marketing and distribution of certain commodities.

President Announces Changes, Potential Relief of Bottlenecks at Ports

On October 13, following negotiations with leaders of business, unions, and ports, the White House announced the Port of Los Angeles would begin operating around the clock. In adopting these hours, the Port of Los Angeles joined the Port of Long Beach, which had already operated 24/7 for several weeks. The expanded hours are expected to facilitate trucks' picking up and returning containers, as well as help relieve growing backlogs in the busiest U.S. container port complex. The Administration's negotiation efforts have so far secured commitments from national-brand shippers and retailers to ensure the extended port hours will be well utilized. Containerized agricultural exporters rely heavily on the Los Angeles and Long Beach port complex to move products overseas. The ports' efforts will help regain terminal space by clearing import containers and allow more fluid operations for all users.

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