

OCEAN SHIPPING REFORM ACT OF 2022 (OSRA 2022)

A QUICK GUIDE & DIGEST



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A Quick Guide & Digest

The Ocean Shipping Reform Act of 2022 (OSRA22) is the first substantial piece of U.S. legislation to impact the ocean shipping industry in over 20 years. The regulation is complex, and many carriers and other logistics intermediaries have questions about how the act might impact operations and reporting. Due to the high level of interest in the act, Descartes has created a quick digest that:

- Helps carriers understand and prepare the regulatory implementation
- Provides an overview of OSRA's key provisions
- Offers a deeper dive into each of the act's sections at-a-glance
- Explains how Descartes' best-in-class technology can help enable compliance

OSRA22 is a substantial regulatory change for ocean shipping and impacts operational and reporting practices for carriers. This guide helps to provide a foundational overview of OSRA22 and how to comply with the regulation.

CHAPTERS

Introduction

What Is OSRA22?

OSRA22 is a new U.S. law created to “ensure an efficient, competitive, and economical transportation system in the ocean commerce of the United States.”¹ The law is the most recent update of the U.S. Ocean Shipping Reform Act of 1998.²

Many ocean carriers have kept a close watch on the regulation as it developed and have questions as to how the act might impact operations.

CHAPTERS

What Is OSRA22?

Why Was OSRA22 Created?



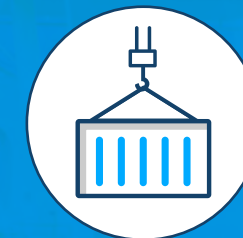
To Reduce Supply Chain Disruptions

Speed the flow of freight and help exporters secure capacity



To Decrease Costs for End-consumers

Reduce ocean shipment fees which may be passed on to consumers



To Gain Visibility to Ocean Shipping Practices

Gain insight into details such as how many empty containers are being transported

What Are All 26 Provisions of OSRA22?

SECTION 1

Names the Act

Officially defines the act as the Ocean Shipping Reform Act of 2022 (OSRA22).¹

SECTION 2

States the Act's Purpose

Outlines the goals of the act to “promote the growth” of U.S. exports and to create a “competitive and efficient system” for ocean cargo.²

SECTION 3

Empowers the FMC

Gives the FMC regulatory insight into service contracts between shippers and ocean carriers.

SECTION 4

Creates “Shipping Exchange Registries”

Calls for the formation of “shipping exchange registries” and provides a timeframe for the FMC to define what this would mean in practice.

SECTION 5

Prohibits Retaliation

Disallows reprisal practices such as refusing shippers space aboard a vessel when capacity is available.

SECTION 6

Permits Penalty Disclosure

Asks that the FMC publish penalties on a publicly accessible website.

SECTION 7

Calls for Detailed Invoicing

Describes a timeframe for FMC invoice rulemaking and explains that carrier invoices must include detailed information of charges.³

SECTION 8

Allows for Refunds

Permits the FMC to order refunds in enforcement proceedings (in addition to civil penalties).⁴

What Are All 26 Provisions of OSRA22? (cont'd)

SECTION 9

Launches Quarterly Data Collection

Requires that carriers submit quarterly import and export tonnage as well as total loaded empty Twenty-foot Equivalent Unit (TEU) container statistics.

SECTION 10

Defines a Complaint Process

Gives the FMC the power to moderate complaints and paves the way for a grievance submission and refund process.

SECTION 11

Permits FMC Investigations

Empowers the FMC to scrutinize and investigate agreements, fees, and charges, and to publish the details of its findings.

SECTION 12

Calls for Award Issuance

Amends current law to authorize the FMC to issue reparations for regulatory violations.

SECTION 13

Empowers FMC Refund Enforcement

Revises existing law to empower the FMC to ensure that refunds or reparations are issued.

SECTION 14

Establishes FMC Reporting to Congress

Requires that the FMC reports on practices by state-owned or state-controlled ocean carriers.

SECTION 15

Defines Act Language Amendments

Indicates which paragraphs and sections of legacy acts require modifications or subsequent removal of text.⁵

SECTION 16

Analyzes Dwell Time Statistics

Requires the Bureau of Transportation Statistics (BTS) to analyze dwell time to improve chassis management.

What Are All 26 Provisions of OSRA22? (cont'd)

SECTION 17

Defines FMC Next Steps

Defines what internal activities the FMC needs perform to implement its OSRA22 requirements.

SECTION 18

Permits FMC Emergency Authority

Gives the FMC temporary emergency authority to collect data and public comments.

SECTION 19

Launches & Funds a Study

Permits and funds the FMC to conduct a study to evaluate best practices for chassis management.

SECTION 20

Changes Licensing & Testing

Calls for the Federal Motor Carrier Safety Administration (FMCSA) to review current processes to free-up labor.

SECTION 21

Changes Further Law & Planning

Includes a technical change to the Department of Transportation (DOT) Local and Regional Project Assistance grant program.

SECTION 22

Reviews Hazardous Materials Practices

Calls for a review of current practices regarding the shipment of hazardous materials.

SECTION 23

Speeds Worker Credentialing

Seeks to expedite the applications for a Transportation Worker Identification Credential (TWIC) for those who are looking to work at U.S. ports.

SECTION 24

Seeks to Better Use Land & Inland Ports

Aims to explore if available land can be repurposed to store and transfer cargo containers to ease port congestion.

What Are All 26 Provisions of OSRA22? (cont'd)

SECTION 25

Asks for Technology Adoption

Calls for stakeholders in the ocean supply chain to explore technology that could lower costs and increase the speed of ocean cargo handling.

SECTION 26

Increases FMC Budget by 50%

Defines what funds would be made available to implement the provisions of OSRA22.

CHAPTERS

26 Provisions of OSRA22

1. <https://www.cantwell.senate.gov/imo/media/doc/Ocean%20Shipping%20Reform%20Act%20Section%20by%20Section%20Analysis.pdf>
2. <https://www.congress.gov/bill/117th-congress/senate-bill/3580/text>
3. <https://www.strtrade.com/trade-news-resources/str-trade-report/podcast/two-minutes-in-trade-osra-22-part-ii-what-s-in-force>
4. <https://www.thompsoncoburn.com/insights/publications/item/2022-07-11/what-every-shipper-should-know-about-osra-22>
5. <https://www.congress.gov/bill/117th-congress/senate-bill/3580/text>

How Might Carriers Be Impacted by OSRA22?

Although some aspects of the regulation will require further clarification, it is anticipated that there may be an added scrutiny on carriers especially in regard to visibility into operational practices.

As a result, there is the potential that carriers may face government fines. In addition, due to the enhanced focus on both Vessel-Operating Common Carrier (VOCC) practices, carriers may require further IT or operational overhead to meet the new requirements and to minimize the risk of potential penalties.

Due to the added scrutiny on carriers, OSRA22 may require carriers to use best-in-class technology to better comply with the regulation.



CHAPTERS

How Might Carriers Be Impacted

How Descartes Can Help

Descartes is an industry leader in helping carriers comply with both new and existing regulations. Our deep understanding of the ocean cargo industry, coupled with how carrier and government systems

work, sets us apart. Our solutions also enhance operational efficiency, automate processes, deliver rates to customers on-demand, and provide further insight into shipment and macro industry trends.

Our solutions can help carriers meet the requirements of the Ocean Shipping Reform Act of 2022 by:



Detention & Demurrage (D&D) Management

Monitor fees over time, analyze trends, and manage service contracts



Shipment Trend Reporting

Review and track the shipment of empty containers as well as explore shipment and industry shipment patterns



On-demand Recordkeeping

Produce the required recordkeeping documentation to the FMC on-demand

Ask Us How We Can Help Carriers Meet OSRA Requirements.

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How Descartes Can Help

About Descartes Systems Group

Descartes is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses.

Customers use our modular, software-as-a-service solutions to:

- Access global trade data
- File customs and security documents for imports and exports
- Route, schedule, track and measure delivery resources
- Plan, allocate and execute shipments
- Rate, audit and pay transportation invoices
- Complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community

Learn more at www.descartes.com, and connect with us on [LinkedIn](#) and [Twitter](#).



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About Descartes Systems Group