

August 29, 2022

The Honorable Gavin Newsom  
Governor of California  
1021 O St., Suite 9000  
Sacramento, CA 95814

**RE: Assembly Bill 2406 (Aguiar-Curry) – REQUEST FOR SIGNATURE**

Dear Governor Newsom,

On behalf of 65 organizations representing nearly the entirety of California's agricultural exporters, manufacturers, retailers, and truckers, we respectfully request your signature on AB 2406.

California is the leading exporter of agricultural products to international markets and as the primary national gateway for imported goods, the global supply chain crisis uniquely impacts the state's economy. California businesses contract ocean carriers for use of shipping containers to import and export commodities to and from global markets. As with any rental company, ocean carriers set timeframes for the prompt pick-up and return of equipment. Late pickups & returns past the grace period are charged daily fees known as detention and demurrage.

Under ordinary circumstances, these fees are designed to encourage the efficient use of containers. However, during our recent and ongoing port congestion crisis, late charges have been imposed on California businesses by international ocean carriers even when containers cannot be returned due to circumstances not within the control of the importer, exporter or trucker. While detention and demurrage fees have increased across the globe, ocean carriers are charging two to ten times the fees in Los Angeles and Long Beach versus other major ports worldwide.

Agricultural exporters are losing global market share while absorbing unfair fees. California manufacturers and retailers are already facing unprecedented cost increases for imports on top of paying the highest detention/demurrage rates in the world. All of these costs ultimately increase the price of goods and services for Californians.

In 2005, California adopted SB 45 (Alarcon) which prohibited levying of these fees against truckers when the delayed pickup or return of a container is not within the control of California businesses. However, the industry has evolved since this law was adopted and it needs to be modernized. AB 2406 would update existing law to fit today's operating environment and continue the existing policy of protecting California trade from unfair fees without impacting the state budget.

Again, we respectfully request your signature on AB 2406.

Sincerely,

A handwritten signature in black ink, appearing to be 'CS', written over a light gray circular stamp.

Chris Shimoda, Sr. Vice President  
California Trucking Association  
(916) 284-1785  
[cshimoda@caltrux.org](mailto:cshimoda@caltrux.org)

## **Supporters**

African American Farmers of California  
Agricultural Council of California  
Agriculture Transportation Coalition – AgTC  
Air-Conditioning, Heating, and Refrigeration Institute  
Almond Alliance of California  
American Chemistry Council  
American Forest & Paper Association  
American Home Furnishings Alliance  
American Lighting Association  
American Pistachio Growers  
American Trucking Associations' Agricultural Food Transporters Conference and Intermodal Motor Carrier Conference  
Association of California Recycling Industries (ACRI)  
Association of Food Industries  
Association of Home Appliance Manufacturers  
Auto Care Association  
California Apple Commission  
California Blueberry Association  
California Blueberry Commission  
California Citrus Mutual  
California Cotton Ginners and Growers Association  
California Farm Bureau Federation  
California Fresh Fruit Association  
California Manufacturers & Technology Association  
California Olive Oil Council  
California Retailers Association  
California Rice Commission  
California Trucking Association  
California Walnut Commission  
Capay Canyon Ranch  
CAWA - Representing the Automotive Parts Industry  
Far West Equipment Dealers Association  
Fashion Accessories Shippers Association  
Fashion Jewelry and Accessories Trade Association  
Foreign Trade Association  
Gemini Shippers Association  
Green Coffee Association  
Harbor Trucking Association  
International Housewares Association  
International Warehouse Logistics Association  
Leather and Hide Council of America  
Los Angeles Customs Brokers and Freight Forwarders Association  
Meat Import Council of America  
National Confectioners Association  
National Hay Association  
National Milk Producers Federation  
National Onion Association  
Nisei Farmers League  
North American Meat Institute

Northern California Customs Brokers and Freight Forwarders Association  
Olive Growers Council of California  
Pacific Coast Council of Customs Brokers and Freight Forwarders Association  
Pet Food Institute  
Plumbing Manufacturers International  
Promotional Products Association International  
Retail Industry Leaders Association  
San Diego Customs Brokers and Forwarders Association  
Specialty Crop Trade Council  
Sports & Fitness Industry Association  
Truck & Engine Manufacturers Association  
U.S. Dairy Export Council  
U.S. Forage Export Council  
Western Agricultural Processors Association  
Western Growers Association  
Western Plant Health Association  
Western States Trucking Association