



# MARITIME EXCHANGE

for the Delaware River and Bay

*Leading the Way to Port Progress*

John T. Reynolds, Chairman  
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August 21, 2017

Docket Clerk  
Marketing Order and Agreement Division  
Specialty Crops Program, AMS, USDA  
1400 Independence Avenue SW.  
Stop 0237  
Washington, DC 20250-0237

**RE: Doc. No. AMS-SC-16-0009, SC16-925-2 Proposed Rule dated June 23, 2017**

Dear Docket Clerk:

On behalf of the approximate 300 port and related business members of the Maritime Exchange for the Delaware River and Bay, we write to oppose the removal of varietal exemptions from the U.S. table grape import regulations.

As information, the Maritime Exchange is a non-profit trade association representing the tristate port industry of Pennsylvania, New Jersey, and Delaware.

The proposed ruling, issued under Marketing Order 925 as amended, calls for the removal of administrative exemptions previously granted for other varietals of imported grapes. No legal basis for this challenge to the marketing order exists, nor is there data to support this attempt by Coachella to clear the market of all grape varietals. Further, there is no evidence to support eliminating previously exempted Chilean varieties shipped and sold prior to the first availability of the same or comparable domestic varieties.

History on this issue supports our opposition to this proposal. During one recent five-year period, the Asociacion de Exportadores de Chile (ASOEX), Coachella, the U.S. Trade Representative (USTR), and Direcon, the Chilean counterpart to the USTR, entered into an agreement to leave Marketing Order 925 and the import regulation unchanged. The parties agreed not to litigate the issue before the World Trade Organization or in the U.S. courts. That agreement no longer binds the parties.

Additionally, the costs presented in the proposed rule notice do not take into consideration handling and storage delays incurred at ports of entry pending inspection and release by USDA AMS. These delays and associated costs are not warranted; grapes from the Southern Hemisphere do not compete on a seeded vs. seedless basis. The California Grape Commission has not provided independent details on how grape varietals, versus varietals from the Southern Hemisphere, compete in the marketplace in commercial quantiles during the Southern California shipping season.

This new proposal to remove exemptions is the first significant challenge by the California Desert Grape Administrative Committee to resume its efforts to expand the reach of Marketing Order 925 for purposes of creating non-tariff trade barriers for Chilean, Peruvian, and Mexican table grapes. This action — a transparent and dangerous attempt at regulatory creep — holds the potential to cause dire circumstances and a catastrophic impact on the Chilean, Peruvian, and Mexican fruit industries.

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Finally, the AMS must consider the negative economic effect this proposed ruling would have on Delaware River ports. Our ports are the principal point of entry for South and Central American fruit imports. Terminal operators, pilots, tug boat companies, refrigerated warehouse operators, cargo inspectors, fumigation companies, trucking companies and other service providers would all be adversely impacted were this proposed ruling to become effective. Millions of dollars in related economic activity would be lost, as would the millions of dollars invested in the creation of specialized facilities, equipment and training programs to safely and efficiently move this commodity to U.S. consumers.

Quite frankly, allowing the California Desert Grape Committee to dictate regulations that affect the entire country is unacceptable. AMS should not allow this rulemaking process to serve as a dangerous precedent.

For these reasons, we respectfully request the proposed rule be withdrawn. You are welcome to contact me at [dennis.rochford@maritimedelriv.com](mailto:dennis.rochford@maritimedelriv.com) with questions or need for additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Rochford". The signature is written in a cursive, flowing style.

Dennis Rochford  
President

cc: Lisa Himber, Vice President