

D J R
LOGISTICS, INC.

Karen V. Gregory, Secretary
Federal Maritime Commission
800 N. Capitol Street, N.W.
Washington D.C. 20573-0001

Subject: Docket No. 11-22 46 CFR Part 532

Dear Ms. Gregory,

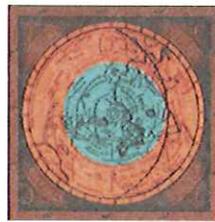
We would like to submit our comments concerning the use of the NRA system for providing rates to our customers instead of filing rates in the tariff.

Although the new system has reduced our direct expenses by not having to pay an outside firm for the filing of the rates in the tariff, the regulations concerning the record keeping are very time consuming and costly.

Additionally, our inability to change the pricing of the NRA during the time frame of acceptance by the customer potentially puts my business in an unnecessarily precarious position, and is a detriment to my company, other NVOCC, and Importers and Exporters of goods in the United States.

Recently, the Steamship Industry introduced a GRR (General Rate Recovery) or PSS (Peak Season Surcharge) of \$400 per container for import cargo from the Far East. The filings by the carriers were done on December 1 and, in accordance with FMC regulation, were effective January 1, 2012.

Increases such as this are common in the Steamship Industry, and because there are many Steamship companies increases are imposed at various times during the month. We have limited the NRA period to one month out of the concern that we could not absorb increases imposed by carriers during an NRA period, and would not be able to amend an NRA to recoup the cost of the increase until after the NRA period. However, even updating monthly can become problematic as it increases the amount of time my employees must spend handling NRA's, thus decreasing their productivity in other areas of the business.



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For example, if the above mentioned GRR was filed on December 15 and went in to effect on January 15, we would have had to submit NRA's to our customers on January 1 with an expiration of January 14. We then would have to submit new NRA's to our customers effective January 15. This may not seem like much, but consider the time it takes administratively to create a new NRA for a customer, send the NRA to the customer, and then chase them down for an acceptance of the NRA. Now, multiply that by the number of customers serviced. The amount of time demanded by this system is problematic.

By FMC regulation, rate increases must be filed by the Steamship Industry 30 days prior to the increase taking effect. However, rate decreases can go in to effect immediately. With the way the NRA regulations are currently written, my company could not pass a rate reduction on to our customers until after the NRA period. This seems counterproductive to the mission of the FMC.

While my company obviously wishes to make as much money on each shipment as possible, we also understand the need to keep our rates competitive and in line with the market in order to compete with the larger NVOCC.

In other words, the formality of the NRA process still tends to make it difficult for my company to keep our rates both competitive and compensatory, and prevents my company from passing on rate reductions to the very entities that the FMC is designed to protect: Importers and Exporters of goods in the United States.

In addition, it is counterproductive and an annoyance when we call and ask our customers to acknowledge acceptance of the rates. They usually respond that if they did not accept our offered rates they would not be booking the cargo with us. They do not want to be bothered sending emails or other correspondence that merely confirms what is already known.

In an effort to protect ourselves from claims from the FMC that we have not legally complied with the NRA regulations by securing the confirmation from the customer, we attempt to get written confirmation at least two times during the acceptance period by contacting the customer by email or phone.

We have also added the following statement to our NRA

"We are requesting in accordance with section 532.6 of the Federal Maritime Regulations that you confirm in writing your acceptance of the rates being offered by replying to all with a confirmation of acceptance. In the absence of such an acknowledgement, the tendering of cargo will be considered acceptance of the rates and the terms."



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The additional administrative costs to implement the NRA system, and the annoyance to our customers by having to chase them to confirm acceptance of the rates, is an obvious waste of time and expense when in the normal course of business they would not use our services if they felt the rates were too high for the service provided. This has us questioning if we should go back to filing the rates in a tariff.

We would recommend that a change in the NRA at any time be allowed given that the customer and the NVOCC agree to the change in the rate. In our case, most times this would be when a Steamship Company imposes a GRR or a change in the BAF or PSS.

In addition, we feel that the record keeping of email exchanges on the acceptance of the NRA is redundant because the customer will not use our services if the rate is not acceptable.

Another issue we feel is very important to address is the restriction of Foreign NVOCC from using the NRA system for the presentation and control of their rates. It is our opinion that as long as the NVOCC is properly registered and bonded, the same rules should apply to all NVOCC doing business in the United States.

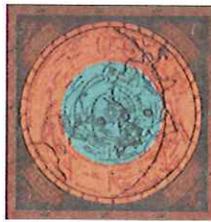
Preventing foreign NVOCC that are properly registered and bonded from using the NRA system could cause another country to impose regulations on a U.S. based NVOCC operating in their country.

As an example, the original proposal by the Chinese Government, which would require U.S. NVOCC to post a cash deposit in the Chinese bank in order to operate in China, could have forced us out of the business.

While the current NRA system has reduced our direct expenses by not having to file rates in the tariff, we believe the stringent nature of the regulations regarding the NRA system puts an unnecessary burden on NVOCC, reduces productivity, increases administrative costs and operational overhead, and in the end, becomes a nuisance to our customers.

We believe the NRA system could be improved by allowing an NRA to be amended during the NRA period, with the obvious caveat that both the NVOCC and the Importer or Exporter agree to the amendment, and by reducing the regulations regarding the record keeping of NRA acceptance.

We believe the NRA can be a useful system to protect Importers and Exporters by providing them with the information necessary to confirm that the rate charged for a specific shipment is in accordance with the previously agreed upon rates. The NRA also provides a simple vehicle for my company to present our rates, and for our customers to refer back to when approving our invoices. However, with the FMC regulations that are currently in place, the NRA goes from being an easy productive system to a system that requires unnecessary administrative attention, reduces productivity, and increases overhead costs.



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It is our belief that the NRA should be used, but be stripped of the regulations that merely formalize, and complicate, matters that would otherwise be handled within the market and within the normal day to day business interactions between my company and my customers.

We appreciate the FMC reopening this matter for possible changes, and we hope that our comments serve to shed some light on the daily concerns facing NVOCC that work within the NRA system. With the implementation of the few changes mentioned above, we believe the NRA system could better serve all parties involved in the international transportation of goods.

Sincerely,

Dennis J. Rowles

President

James T. Rowles

Import Operations