

**BEFORE THE  
FEDERAL MARITIME COMMISSION**

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**DOCKET NO. 13-05**

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**OCEAN TRANSPORTATION INTERMEDIARY LICENSING AND FINANCIAL  
RESPONSIBILITY REQUIREMENTS, AND GENERAL DUTIES**

**COMMENTS OF PAUL F. "BUTCH" CONNOR, JR.**

I am Paul "Butch" Connor, Vice President and Director of Ocean Operations at John S. Connor, Inc.

Our company is a full service global logistics provider that has been in business for 97 years. This includes operating as a licensed OTI (No. 496NF) and Freight Forwarder (No. 496). We currently have our headquarters in Glen Burnie, MD (Baltimore) and offices in Dulles, VA, Glen Burnie, MD, Louisville, KY, Newark, NJ and Norfolk, VA. Our company also has an office in Shanghai, China. As part of our operations, we have business partnerships with numerous overseas companies that act as agents on our behalf.

In reference to the FMC's proposal to require all forwarders and NVOCCs to renew licenses by filing an application and paying a fee, we believe:

- 1. This is unnecessary because all OTIs are already required to keep the Commission informed of any changes in their corporate structure, officers and directors, and locations of their headquarters and branch offices. And, if so, the company has complied with that.*

2. *Even if the information is provided online, a renewal process apparently means that someone at the agency will be required to review the data and then renew the licenses, but the Commission has neither the staff nor budget to handle the added burden of doing this every two years for all OTIs.*
3. *Assuming any additional regulation is really required for this, a much simpler way to ensure that the information is up to date would be to simply require a triennial reporting, rather than license renewal.*
4. *It is unclear whether any problems the company might have, such as claims by shippers or carriers or the pendency of some investigation by BOE, would jeopardize the license renewal. If so, that puts the company's license at inappropriate risk.*

We do not feel it is appropriate for the Commission to require sureties to file with the FMC a list of any claims made to them that relate in any way to the transportation activities of a forwarder or NVOCC. The reasons for our grave concern are:

1. *Even if not published on the FMC's website, the release of this data, could be very damaging to the company, especially since those claims may have little or no merit.*
2. *Even with a disclaimer that the Commission is not making any judgment about the veracity of the allegations, any release of this type of information could have an unfair, damaging effect on the company's reputation and would threaten its business and viability.*
3. *When our company has valid claims against it, either it or its insurance companies pay those claims, so that there has never been an occasion when a*

*claimant has been forced to move against our FMC bond; accordingly, this requirement has little or no relevance to the commercial realities of how business is done.*

The Commission proposes regulations precluding any advertising by various third party vendors unless they have OTI licenses or registrations. We believe this is ill-advised due to:

- 1. It is not clear which parties would be covered by the regulation; for example, we might engage any number of third parties to provide some of the services we contract to perform, such as drayage companies, warehouses, railroads, truckers, packing companies, breakbulk and loading agents and even steamship lines. Are they all covered by this advertising prohibition?*
- 2. Many breakbulk agents, sales agents and other types of companies providing a portion of the services for which we contract with our customers represent a number of OTIs but do not themselves actually book cargo or provide all of the functions of NVOCCs or forwarders. It would therefore be very difficult, if not impossible, for them to obtain an OTI license or registration.*
- 3. If the real problem the FMC is addressing relates to companies engaged in moving household goods in the so-called barrel trade, it is not clear why the Commission should be imposing these new regulations on regular, commercial OTIs.*

We believe the Commission should eliminate the requirement for branch offices of NVOCCs and ocean forwarders to have \$10,000 bonds for each office based on the following:

- 1. The elimination of the separate branch office bonds would ease some of the burden on OTIs, as is otherwise necessary to continually amend bonds every time*

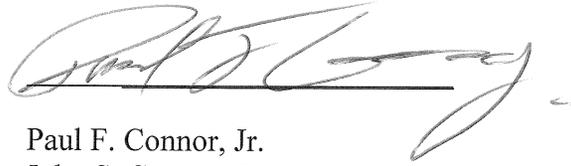
*a branch office is added, subtracted or just moves. This can be a time-consuming process.*

- 2. Our company has never had any claims made against its bond, so the slight reduction in total bond amount would have negligible effect on our customers or other potential claimants.*
- 3. As a small company, eliminating these bonds would reduce our cost of operations and make us more competitive.*

We believe there are other initiatives that the Commission should have considered in order to eliminate unnecessary regulatory burdens or otherwise facilitate the role of OTIs in the movement of traffic. The following are some items that have been discussed with the Commission to date:

1. Total elimination of OTI rate tariff publication, so as to avoid any procedural requirements.
2. The elimination of the need for NVOCCs to file NVOCC Service Agreements (“NSAs”) or publish their essential terms.
3. The FMC should require the vessel operators to file their contingency plans with the Commission, which could be posted on the Commission’s website, so that the trade can be advised of those plans in the event there are severe weather or labor issues that could lead to significant service disruptions.
4. The Commission could work with the FMCSA to establish a common bond for OTIs and motor carrier property brokers, which would further reduce the financial burden on intermediaries.

DATED: December 5, 2014

A handwritten signature in black ink, appearing to read "Paul F. Connor, Jr.", written over a horizontal line.

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