



Multimodal International Shipping Inc.
dba Masterpiece Ocean Freight Ltd.
FMC No: 16708-NF

8/28/13

Federal Maritime Commission
800 North Capitol Street NW
Washington, DC 20573-0001

Attn: Karen V. Gregory
Secretary

Dear Ms. Gregory

I am Louis P. Amoriello, Vice President of General Freight Sales for Multimodal International.

Multimodal International is a Freight Forwarder and NVOCC licensed by the FMC, license number 16708NF. We operate seven offices across the United States and although we have no foreign offices, we do work with a number of agents in Countries around the globe.

Multimodal International is also a member of the NCBFAA and, as such, has been made well aware of the issues raised by the Advanced Notice of Proposed Rulemaking (ANPRM) in FMC Docket No. 13-05. We have reviewed the proposed regulations carefully and in light of the significant effect that an approval of these may have on our business we are compelled to provide our comments as below.

Section 515.2h – The proposed changes in terminology describing “freight forwarding services” appear to be unclear as to what constitutes “other shipping documents”. We believe that a clarification of what constitutes these other documents is necessary.

Section 515.14(c) – We understand this proposed change will require forwarders and NVOCC’s to renew licenses every two years by filing a renewal application 60 days prior to the expiration of their license. While we agree on the importance of knowing the exact status of a license we disagree with the methods proposed. As licensed OTI’s we are currently required to keep the commission informed of any changes in our Corporate structure, officers and directors and locations of our Corporate and branch locations. The correct status of an OTI’s license is readily available to the Commission and in fact is listed on the FMC website so the need for certificate of good standing is costly and unnecessary. Additionally, the application process in our view, becomes a burden to both the Commission and to the OTI. In the current economy we venture to say that the Commission has neither the staff nor the budget to handle this process every two years.

As an OTI we are sure that the time and effort required of our staff to complete this process would limit the ability of our staff to provide the services required to satisfy the needs of our clients.

Section 515.16(a)(7)- In our view the requirement of a verification process to determine validity of an OTI's FMC license and or proof of its financial responsibility before partnering with another OTI should not be regulated by the Commission as it should be a matter of sound business practice. In light of the OTI's presumed understanding of the consequences of not doing so it would seem to be in the best interest of the OTI to self-regulate.

Section 515.17 - We cannot accept the proposed streamlining of the appeals process. Full evidentiary hearings may well be lengthy and expensive but are a crucial part of a fair and impartial process to determine right or wrong and cannot be eliminated. The same holds true for right of discovery which is also an integral part of any legal process. With the stakes being a potential loss of license and likely the ability to do business it is imperative that the OTI have full access to a system which guarantees a proper hearing.

Section 515.21 – Financial Responsibility Requirements - We recognize that costs of goods and therefore values of shipments have gone up but to us the real issue relating to increasing bond amounts is if any true benefit to the Shipper exists. In most cases the Shipper is insured against loss or damage to cargo. Additionally, in cases where there will be significant loss as in a bankruptcy filing by the NVOCC or a mishap causing a vessel to sink or in general average, the Shipper is hurt the most and not the OTI. Where there are more “operational related” claims the OTI will more than likely negotiate a payment of the claim as a good will gesture and hopefully protect the future of the business partnership. As far as we know a claim against an OTI's bond would be rare and it seems that no mention of a claim against an OTI's bond has been made in the ANPRM so we do not see the thought that justifies the change.

Sections 515.31 (a) and (b), 515.312(c) and 515.31(j) – We cannot agree with these proposed changes on a number of levels. It is not clear in the proposal as to the definition of agents. In the course of doing business there are any number of partners who we may have to deal with that could be considered agents such as drayage companies, warehouses, railroads, packing companies foreign agents etc. These same agents also represent a number of other OTI's for the same purposes so in most cases there are no clear cut exclusive agents making it very difficult if not impossible to list the relevant principal they are representing on advertising. This begs the question as to whether written agency agreements would be required which is not clear in the ANPRM. If this is the case again with the wide ranging group of agents that an OTI would deal with this would be impossible and cost prohibitive. If the real intent of this issue relates to the so-called barrel trade for household goods why not impose these regulations on that specific trade group which relates more specifically to this issue rather than OTI's who deal more in a broader spectrum of commercial cargo?

Further but more specifically to the point of name, license or registration number as well as a mandate of no false or misleading information on advertisements this puts a financial burden on the OTI in the sense of the cost of their own advertising budgets if they are to comply with this to the letter. It would certainly limit or eliminate many of the smaller promotional items that are traditionally used as part of advertising to get the name of the OTI out on a mass basis to the industry.

We thank you for the opportunity to offer our comments on these important issues and look forward to an outcome that will be most beneficial for all involved.

Sincerely,

A handwritten signature in blue ink, appearing to read "L. P. Amoriello".

Louis P. Amoriello

V.P. General Freight Sales