



August 27, 2013

Karen V. Gregory
Secretary, Federal Maritime Commission
800 North Capitol Street NW
Washington DC 20573-0001

Re: **Amendments to Regulations Governing Ocean Transportation Intermediary Licensing and Financial Responsibility Requirements, and General Duties, Docket No. 13-05, RIN 3072-AC44**

Ladies and Gentlemen:

As an OTI, we appreciate the opportunity to comment on the proposed rulemaking. Our comments are outlined below.

515.14(c) – Issuance, renewal, and use of license – Currently, the FMC does not have a renewal of license requirement. This proposed change would require a renewal of the license every 2 years with a fee attached. Many customs brokers, licensed by U.S. Customs and Border Protection (CBP), are also licensed as OTIs with the FMC. CBP requires an accounting of licensed customs brokers every 3 years along with a payment of a fee. We believe that a 2 year renewal process is too short a timeframe and that a 3 – 5 year renewal is more reasonable. Having a 3 year renewal requirement that is concurrent, and parallel, to CBP’s triennial report would assist customs brokers and freight forwarders who hold both licenses to know which years reporting is required. A three year renewal process, versus a two year renewal, would save small business in their reporting fees.

In that the license renewal is done via the Internet, saving the FMC the cost of processing paper renewal applications, the renewal fee should be minimal. Accepting electronic payment of the renewal fees would reduce the renewal costs to the FMC.

515.5(c) specifically states that “All fees shall be paid by money order, certified, cashier’s, or personal check ... or by other means authorized by the Director of the Commissioner’s Office...” We believe that, since the renewal process is electronic via the Internet, the primary method of payment should be electronic as well and specifically outlined in the regulations, not just referred to as “by other means”. Again, electronic payment of fees should keep the renewal fee down to a minimum with the FMC. The electronic renewal should provide the OTI with an automatic paid receipt of the payment and save the FMC from having to issue paper receipts. Electronic payments would assist in payments from non-resident OTIs.

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151.20(c) - Operation after retirement, resignation or death of QI (Qualifying Individual) – The proposed regulations require, not only that the FMC be notified of the change, but that the qualifying individual be replaced, and the FMC advised of the replacement, within 15 days of the occurrence. A 15 day notification period to the FMC of the death, resignation or retirement is not a problem; but, 15 days is way too short a period of time to find a replacement qualifying individual and does not even take into account weekends, holidays, etc.

The Qualifying Individual (QI) must be an officer of the corporation, or similar position, with the corporation or LLC. The role of a corporate officer is an important role in the corporation and cannot be taken lightly. A small, or medium, size OTI may have several experienced staff members in its OTI department; however, these experienced staff members may not have the qualifications to be a corporate officer, which is more than a clerical position. Corporate officers can obligate the corporation in financial and other legal matters.

In addition to the above, since most small and medium sized freight forwarding OTIs also handle airfreight and assist exporters in filing export declarations, the OTI has to find a replacement qualifying individual who is also knowledgeable with the TSA's cargo security program, the TSA's Known Shipper database, knows Department of Commerce's Export Administration Regulations, knows how to classify commodities in terms of the tariff schedule, knows cargo insurance, terms of sale and other freight forwarder educational requirements.

In order to have time to replace a qualifying individual, the corporation or LLC needs time to run ads for a new qualified individual, conduct an interview process, allow the corporation or LLC to run a background check on the individual, allow the applicant to be hired the time to give notice to any current employer and to advise the FMC of the change. In many geographical locations, there is not an abundance of experienced qualified individuals eligible for employment. The OTI needing a new qualifying individual needs at least 90 days in which to conduct the necessary replacement of a qualifying individual.

151.11(a)(1) requires that a qualifying individual have 3 years of experience with an OTI. We believe that relevant ocean transportation experience with an ocean carrier should be included as well. Ocean carriers are familiar with FMC laws and regulations, cargo booking, tariffs, terms and conditions on bills of lading, rate filings, CBP and other federal government regulations, etc. OTIs may have staff members who have ocean carrier job experience and/or ocean carrier employees who have a year or two of experience with an OTI that could be combined for a total of 3 years of experience. The relevant experience between the ocean carriers and OTIs should be interchangeable. Ocean carrier experience should be able to be counted for qualifying the qualifying individuals.

Educational considerations might also be used to judge a qualifying individual's ability to perform as a QI. For example, the NCBFAA has a course of study for Certified Export Specialists (CES'). Some colleges, universities and technical schools might have similar courses that could augment on the job training and

performance. Maritime attorneys might have transportable experience that could be used as qualifying time in the profession. We believe that the experience factor should be widened to allow for a larger pool of perspective qualifying individuals.

We appreciate the opportunity to give input into the proposed changes to the regulations governing OTIs. We would welcome more communication and fact finding prior to the FMC taking final action on the proposal. The FMC has, now and then, toured the country to receive input prior to taking final action. This might be a great time for the FMC to reach out to OTIs around the country and obtain comments from OTIs on the proposed changes to the regulations.

Very truly yours,
AIRPORT BROKERS CORPORATION

A handwritten signature in black ink, appearing to read "Gary A. Ryan". The signature is written in a cursive style with a horizontal line extending to the right.

Gary A. Ryan
President