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to Karen, Rachel, me

1:31 PM (2 minutes ago)

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From: <[bramia@averittexpress.com](mailto:bramia@averittexpress.com)>

Date: Thu, Aug 15, 2013 at 1:22 PM

Subject: Comments on ANPRM regarding 46 CFR 515

To: [secretary@fmc.gov](mailto:secretary@fmc.gov)

Cc: [cmcgee@averittexpress.com](mailto:cmcgee@averittexpress.com), [sneely@averittexpress.com](mailto:sneely@averittexpress.com)

To Whom It May Concern,

It has come to our attention that the FMC is considering a number of changes to 46 CFR 515 that will affect the activities of Averitt Express, a licensed and bonded OTI / NVOCC, as well as our clients who trust us handle their many and varied export shipments. While we agree that there many areas regulated by the FMC that are long overdue for updating, there is one big issue being considered for revision that we have concerns about.

Specifically, we do not believe the idea of re-applying for a license every two years is necessary or would significantly help the FMC manage their regulatory responsibilities. Below are some specific reasons we are concerned by the Commission's proposal for frequent license re-application.

1. 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.
2. If the Commission is concerned that some OTIs are not complying  
  
with this obligation, a simpler proposal would be to require  
  
all OTIs to file an annual certification, without requiring a  
  
formal application. This is similar to how CBP currently  
  
manages this process for licensed Customs Brokers, and would

not create undue difficulty from a compliance standpoint.

3. Requiring applications necessarily means that someone at the

agency will be required to review and approve them, but the

Commission has neither the staff nor budget to handle the added

burden of doing this every two years for all OTIs.

4. This would require a significant expenditure of time to

complete the application by our staff which is already fully

engaged in providing services to our customer base, so it is an

added burden to our business model.

5. There is no reason to have to pay any filing or user fee for

this, as we are not seeking any new benefit or new license from

the Commission.

6. Requiring recent certificates of good standing to be filed as

part of this application renewal process is costly and

burdensome, and is unnecessary since the Commission can quickly

obtain proof of a company's good standing when and if that

issue becomes relevant.

7. In view of the information Commission staff often seeks during

the process of reviewing a license application, there is reason

for concern that the renewal process will take up a great deal

of time looking for information that has little or no relevance

to the company's performance.

8. It is unclear whether any problems the FMC might have with a QI

(Qualifying Individual) at the time of license renewal would

also jeopardize the license of the company; for example, would

a company's license be jeopardized because its QI is engaged in

litigation over some alleged debt?]

There is another issue raised by the Commission related to increasing the bond amount for forwarders due to concerns over liability associated with the transportation of household goods (HHG). We understand that this one slice of the overall forwarding market receives higher than normal complaints. However, the clients of these companies are often individuals and as a rule have much less understanding of general forwarding customs and regulations than do commercial companies. We have never had a claim against our forwarder bond for any reason since any legitimate claim is paid, and if we needed to access our Errors & Omissions (E&O) coverage to make things right, we would do so, without there ever being an issue with the OTI bond. However, if the OTI is engaged in this type of business and the Commission feels a higher bond amount is justified, then we would suggest that the Commission establish a requirement for a rider to the existing OTI bond covering HHG shipments. Companies engaged in this market segment would pay the additional fee without (much) complaint, and it would address the Commission's concerns specifically without forcing the overall market to bear the consequences.

If the Commission is willing to consider other changes, Averitt Express is very interested in the following:

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 reduce the financial burden on intermediaries.]

We understand the Commission is asking for information related to costs of current compliance versus compliance with what is proposed by the ANPRM. I have detailed our answers below:

1. Your company's total Export revenues in 2012. --- Net Revenues were \$1.5 million
2. How much you pay for the FMC bonds. -- \$1500
3. The number of staff hours required to comply with the existing bonding requirements. -- 2
4. The number of staff hours that would be required to comply with the changes relating to the increased bond, priority and claim reporting system in the proposed rule. -- 10

5. How much of an increase would be required for the amount of the bond proposed in the ANPRM. -- \$1000
  
6. Whether the proposal would change your type of coverage. -- If we maintain the same bond parameters for all commodities as we do currently, then no. If we moved to the use of a rider, as suggested above, then Averitt would simply not purchase the rider and avoid the additional cost.
  
7. Your estimated annual cost of compliance with the new financial responsibility requirements. -- \$1000-\$1500

DATED: \_\_August 14\_\_, 2013  
-- Vice President, International Services

William J. Ramia, Jr.

I hope the above thoughts will help guide the FMC in its deliberations on these issues.

Bill Ramia, LCB, CCS  
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