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OFFICE OF THE SECRETARY  
FEDERAL MARITIME COMM

**BEFORE THE  
FEDERAL MARITIME COMMISSION**

**DOCKET NO. 13-05**

**AMENDMENTS TO REGULATIONS GOVERNING OCEAN TRANSPORTATION  
INTERMEDIARY LICENSING AND FINANCIAL RESPONSIBILITY  
REQUIREMENTS, AND GENERAL DUTIES**

**COMMENTS OF LORI FLEISSNER**

I am Lori Fleissner, President of Global Fairways, Inc. (“GFW”).

GFW is a licensed ocean freight forwarder and NVOCC, license number 3639FN. Our principal office is located at 6680 Brandt Street, Suite 100, Romulus, Michigan 48174, although we have two branch offices.

In addition to its FMC licenses, GFW is licensed by U.S. Customs and Border Protection (“CBP”) as a customs broker and has an approved Standard Security Program with the Transportation Security Administration (“TSA”). GFW is also a certified participant of the Customs-Trade Partnership Against Terrorism (“C-TPAT”) and has been active over the years in working with various government agencies to both improve the accuracy and flow of information on trade-related matters to the government and to help improve ways to ensure the integrity of the international movement of cargo. GFW is also an active member of the NCBFAA. I am familiar with the issues raised by the ANPRM.

At the outset, GFW is opposed to the FMC's proposal to require all forwarders and NVOCC's to renew their licenses every two years by filing an application and paying a fee. Some of the reasons that we oppose the license renewal requirement are as follows:

1. GFW is already required to keep the Commission informed of any changes in its corporate structure, officers and directors, and locations of its headquarters and branch offices. And, we have done so. It is not clear why GFW should be burdened with new requirements just because other companies providing OTI services don't comply with their existing obligations. Indeed, if there are companies that don't comply with existing requirements, what reason is there to believe they'll comply with this one?
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.
3. Requiring applications suggests that people at the FMC will be required to process and approve them. I question whether the Commission has either the staff or budget to handle this.
4. Complying with this new requirement would mean that we would have to spend a lot of time to complete the application by staff that is already fully occupied providing services to our customers.
5. Even assuming this made sense, there is no reason for GFW to have to pay any filing or user fee for this. We're not seeking any benefit from the Commission,

but instead are just periodically filing information that the Commission already has and which likely doesn't change from year to year for most companies. GFW is a small company that I personally own, so that the officers and directors do not change very often; neither do we tend to open or move branch offices. As I indicated above, we only have two branch offices and the Commission already knows exactly where they are located. Accordingly, this would be an increased cost to our business that benefits no one.

6. Although I don't think it is necessary, it is possible that some could argue that requiring license renewals would give the Commission the opportunity to review the fitness of its licensees on a periodic basis. However, the Commission's Notice indicates that it does not intend to do that. Under those circumstances, I cannot understand why the FMC is thinking of this process as a form of license renewal. By way of comparison, although we are required to update information with CBP for our broker's license every three years, that is simply an update process and does not require any license application or approval process.
7. With respect to the issues raised about the qualifications for potential Qualifying Individuals, I agree that any experience used for this process should be gained while working in a legal environment. Anything to the contrary shows a willingness to skirt the law.

GFW is opposed to the proposal to increase the bond amount from \$50,000 to \$75,000 for ocean forwarders, from \$75,000 to \$100,000 for NVOCCs, and \$150,000 to \$200,000 for foreign registered NVOCCs. This would increase GFW's cost of doing business, yet provides no

benefit in the services we provide. Most of our shippers are insured against cargo loss and damage, and GFW has both cargo and E&O insurance, so that the bond really has little relevance to them. If we had a legitimate claim from a shipper, we would pay it. There is no reason for anyone to proceed against our bond; and, no one ever has.

If the real problem that the Commission is facing deals with the transportation of household goods for non-commercial shippers, there is no reason to increase the bonds for OTIs that do not handle this type of cargo.

We are also opposed to the proposal to institute a priority system for paying claims that are made against bonds. There is no reason why shippers should have a priority over GFW or OTIs; if we had a claim against another OTI, I'd be just as hurt as would a shipper. It's dollars to everyone.

I also believe it is not appropriate for the Commission to require carriers and sureties to file a list of any claims, with the FMC, that relate in any way to the activities of a forwarder or NVOCC, if that listing will be made public on the Commission's website. The FMC's publication of these claims made, especially since those claims may have little or no merit, could be very damaging to the company. Even with a disclaimer that the Commission is not making any judgment about the allegations, this listing would likely have a damaging effect on a company's reputation and would threaten its business and viability. GFW's business reputation is very important to it, and we do not need to have a government agency posting claims that likely have no merit on a public bulletin board.

As I said earlier, 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. You can't stay in business that way.

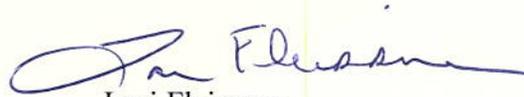
I also do not agree with the proposals regulating the type of information that needs to be placed on the transportation documentation or advertising of agents. As a small OTI, GFW has a number of agents that are necessarily required given the wide geographic diversity of the traffic we handle. Going, first, to the issue of written agency agreements, in some instances our business partners will agree to enter into more formal written agency agreements, and we do so. On other occasions, and particularly those in a number of foreign countries, they resist entering into formal contractual arrangements. Nonetheless, the transportation documentation always indicates who is the principal and who, accordingly, the carriers and/or shippers can look to determine the party responsible for the transportation and related logistical services that are being provided. Whatever issues the Commission may be having with respect to companies engaged in the so-called barrel trade for the movement of household goods, being able to identify who the principal is never an issue to the shippers or carriers with whom GFW deals.

Moreover, it is not clear to me at least what the Commission means when it uses the term "agent." Does the Commission mean to restrict that to agents that sell our services, provide origin or breakbulk services, or do backroom documentation? Or, might this term also be construed to include the various third party service providers (such as warehouses, packers and craters, surveyors, truckers, railroads or even steamship lines) that provide services that are required under our various contracts of carriage? Again, whatever issues the Commission might have with respect to the movement of individual household goods for consumers, the mere

suggestion of regulating the relationships between OTIs and their agents suggests that the Commission either doesn't know or doesn't care how its regulations will adversely affect OTIs.

I also do not feel that the Commission should consider issuing a special license for companies that provide NVOCC or forwarding services for the movement of household goods for consumers. To the contrary, since those parties are dealing with less sophisticated individual consumers, rather than the representatives of commercial shippers who routinely ship and receive goods in international commerce, those particular licensees should be more, rather than less, regulated.

DATED: August 19, 2013



Lori Fleissner  
President  
Global Fairways Inc.