

U.S. TRAFFIC SERVICE

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FEDERAL MARITIME COMMISSION

May 27, 2010

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Karen V. Gregory
Secretary
Federal Maritime Commission
800 North Capitol Street, N.W.
Room 1046
Washington DC 20573-0001

Dear Ms. Gregory:

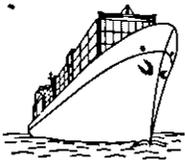
This is commentary additional to that expressed in my letter of May 24.

I have just read press reports on the May 24 public comment session, in which several voices were heard in support of extending the rate filing exemption to unlicensed overseas NVOCC's. I think this would be a terrible mistake.

1. Suppose the policy were implemented, and a new overseas registrant comes on the scene, provides a bond, is assigned an organization number and invokes the exemption, publishing only a "rules" tariff. In contrast to a licensed overseas NVOCC, which has gone through the rigorous license review and approval process, the FMC knows literally nothing about this company: it knows only the name, address, phone number and the contact person, who might be the company president, his secretary or maybe the janitor. Supposedly the surety has "vetted" the NVOCC and had information sufficient for their needs in issuing the bond, but just how thorough that process was, and perhaps influenced by the applicant providing full collateral thus letting the surety "off the hook" as far as risk is concerned, is an unknown, and as far as I know the FMC has no statutory authority to demand that information from the surety.

So this company will be legally operating under a very limited FMC long-range *ex post facto* oversight, and could conceivably, in "cahoots" with an affiliated shipper or other parties, conduct its business in the ocean-borne foreign commerce of the United States in a manner possibly inimical to the interests of the people of the United States. At least, currently, via rate publications, the FMC is apprised of the cargo an unlicensed overseas NVOCC is carrying and where it is coming from.

2. There was some mention in the hearings about possible retaliation by other maritime nations, China mentioned specifically. China will do exactly what it wants, in this matter and all others, in maritime issues retaliation or not, just ask Secretary of State Hillary Clinton. In fact, if 46 CFR 532 becomes the "law of the land", whatever glimmer of hope that NVOCC's, licensed or unlicensed, might



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have had that China would accept their tariff rate publications under FMC oversight as authoritative and adequate for their own needs will have been dashed, and it may well be that NVOCC's in the China-US trade lanes who invoke the exemption will find themselves under the thumb of the Chinese when they finally announce their own regulations.

Thank you again for the opportunity to express my concerns in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Stewart M. Crawford', written over a horizontal line.

Stewart M. Crawford

President

Kaslea Corporation dba U.S. Traffic Service