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BEFORE THE
FEDERAL MARITIME COMMISSION
WASHINGTON, D.C.



**PETITION OF NATIONAL CUSTOMS BROKERS AND FORWARDERS
ASSOCIATION OF AMERICA FOR EXEMPTION
FROM MANDATORY RATE TARIFF PUBLICATION**

VERIFIED SUPPORTING STATEMENT JUERG BANDLE

I am Juerg Bandle, Senior Vice President of Kuehne + Nagel Inc., agent of Blue Anchor Line, Division of Transpac Container System Ltd., Hong Kong.

Blue Anchor Line, Division of Transpac Container System Ltd., Hong Kong, through its agent Kuehne + Nagel, is the world's largest NVOCC with an office network of more than 800 offices in 100 countries and more than 40 offices in the U.S.A. In 2009 Blue Anchor Line shipped 2.6 million TEU through its global network out of which more than 500,000 TEU in U.S. trade-lanes.

I have been involved in ocean freight transportation since 1966. Out of my 44 years in this business, I spent almost 30 years in the U.S.A., responsible for Kuehne + Nagel's ocean freight activities in North America. This is, I believe, the third petition from the OTI community, asking the Commission to review the requirement for NVOCCs to file rates in published tariffs.

During my long carrier in shipping in the U.S., I have supported this and all previous petitions to replace this archaic system and I hope that the Commission will favorably consider the industry's demand for relief from maintaining tariffs.

Allowing NVOCCs to file rates in so-called NSA has not brought about the manpower and cost relief this industry needs. While shippers are used to signing Service Contracts with ocean carriers, shippers do not comprehend the need to sign a NSA with a NVOCC. According to the Commission's own statistic, in 2009 ocean carriers filed 28,072 Service Contracts but only 833 NSA were submitted. In other words, less than 3% of all contracts were NSA although it is believed that NVOCCs carry between 25-30% of the cargo shipped in U.S. trades. This statistic is sufficient proof that shippers have no interest in either committing to a NVOCC or expecting a commitment from a NVOCC.

It is therefore not surprising that during my involvement in shipping as NVOCC (and forwarder), I have not received one single shipper's request for providing tariff related

information. Meanwhile, we are sustaining substantial expenses for tariff maintenance which have increased along with the number of rate filings required as a result of extremely volatile market conditions.

Shippers are using NVOCCs because of their multiple carrier portfolio and service offering. This provides shippers with more flexibility in terms of securing space at market level rates. In order for NVOCCs to meet these expectations, it is essential to be able to provide flexible rate and surcharge structures in a daily and quickly changing business environment. In some trades, each carrier maintains its own surcharge format with differentials of hundreds of dollars per container. A single filing of a specific surcharge in the NVOCC tariff doesn't allow for filing of individual surcharges per underlying carrier. Shippers also want different rate offerings for the same port pairs and same commodity based on different carriers' services. Again, the tariff filing restraints make it virtually impossible to legally meet the shippers' requirements.

How do shippers procure rates? Rates and surcharges are usually quoted upon receipt of a simple inquiry or complex RFQ (Request for Quote). Hence, there is always a written trail of communication between shippers and NVOCCs which can be used by the Commission in case of disputes or other regulatory issues. Therefore, the abolishment of tariffs by NVOCCs will not cause any complications with respect to the Commission's oversight of the OTI industry.

The regulatory requirements, particularly in light of strict and challenging security issues, is difficult and challenging enough for this industry without the tariff filing requirements. I have not seen or heard of one single convincing argument why the tariff filing requirement for NVOCCs should be continued, especially since this industry doesn't enjoy anti-trust immunity.

It is time to take a pragmatic approach and modernize the way the interaction between shippers and NVOCCs is monitored, if and when needed. Having a rule in place which requires the NVOCC industry memorialize its rate offerings to shippers will meet the challenges of the Commission to have an appropriate tool, allowing the supervision of the NVOCCs actions, without causing unnecessary expenses and risks to the NVOCCs.

I, Juerg Bandle, declare under penalty of perjury that the foregoing is true and correct. Further I certify that I am qualified and authorized to file this verified statement.

Executed on January 21st, 2010.

Juerg Bandle

