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A.N. DERINGER, INC. • P.O. Box 1309 • ST. ALBANS, VT 05478-1309 TEL (802) 524-8110 FAX (802) 524-5970  
September 10, 2003

Honorable Bryant L. Van Brakle  
Secretary  
Federal Maritime Commission  
800 North Capitol Street, N.W.  
Washington, D.C. 20573

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FEDERAL MARITIME COMMISSION  
SECRETARY

RE: Petition of National Customs Brokers and Forwarders Association of America, Inc. for a Limited Exemption From Certain Tariff Requirements of the Shipping Act of 1984

Petition No. P5-03

Dear Secretary Van Brakle:

I am Charles McFeeters Jr. and I am the Jr. Vice President of Logistics for A.N. Deringer, Inc.

A.N. Deringer, Inc. is a US Customs broker and an OTI with license number 1853. A.N. Deringer, Inc. has 33 offices throughout the United States. A.N. Deringer, Inc. has relationships with over 30 agents in various foreign countries.

It is extremely time consuming and costly for A.N. Deringer, Inc. to maintain a web site dedicated to NVOCC tariff filing. A.N. Deringer, Inc. established its web site many years ago. At that time we spent thousands of dollars in setting this up. It involved getting outside consultants in on how the tariff should be set up and then having offices update their rates into the tariff in addition to the rules component. This process has only become more expensive in recent years and is not something that people are looking to research anymore.

The cost of subscription to our tariff service costs us over \$2,000 per year. No one is looking at it so there really is no need for it to be maintained. The NVOCC business has changed considerably since 1984. While I am not certain that it was even needed in 1984 it has become irrelevant in international trade today. We are satisfying a requirement of law that has no relevance in trade. Over 80 percent of cargo travels on confidential rates between shippers and steamship lines, so we have a tariff requirement to backup 20 percent of the total ocean trade but yet no one accesses the tariffs that are being maintained.

It is interesting to note that the costs I mention above are hard costs, however, in our arena we have offices who feed into a central office who updates the tariff. We have multiple office engaged in updating a central mechanism to update our tariff. These costs while not necessarily paid to a subscription service need to be considered in terms of the overall cost of maintaining and outdated process. I would estimate that by the time we got done looking at the communication issues and processes of maintaining the tariff we have corporately at least twenty hours per week in this process. This amounts to half a person on an annual basis. I don't need to tell you about the significant costs of employees in today's business environment.

These costs from a subscription perspective and from an update process cannot be assessed to others so these are out of pocket administrative costs that our corporation expenses. We are endeavoring to re-engineer outdated processes and this stands by itself because we cannot do anything about it and cannot justify its existence.

It is important to note that generally rates when initially put into the tariff or increased, cannot be passed on to the customer for 30 days. Steamship lines can enter into confidential rates with shippers and don't have to wait for an increase to take effect. Additionally as it impacts NVOCC's, rate increases are passed on to us and effective immediately, which leaves a window of loss when a shipper ships during that **30-day** window. This is obviously discriminatory and puts the NVOCC's at a distinct disadvantage.

It is of particular note that tariffs in general have become obsolete. Most rates in terms of any form of transportation are in the spot market domain. Very few rates are pulled from a tariff. Interestingly enough on the US Customs brokerage side and on the warehouse side of our business, where once we had most of our clients on various rate schedules, most companies now are asking for specific quotations. This is further evidence that a tariff requirement for NVOCC's is obsolete.

When I work with our director of sales, our route development managers, sales staff, and our foreign agents we talk about rate competitiveness. We are constantly seeking new rates and they are not from published tariffs but rather from spot market applications of rates.

It is our desire that the process be eliminated of tariff filing.

I, Charles **McFeeters** Jr. 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 September 10, 2003.

Sincerely,

A. N. DERINGER., INC.

A handwritten signature in black ink, appearing to read "Charles F. McFeeters, Jr.", written over the typed name below.

Charles F. McFeeters, Jr.  
Junior Vice President, Logistics  
Direct Dial 802-524-8162

