

Magdalene Grant

From: Secretary
Sent: Tuesday, September 30, 2008 2:14 PM
To: Karen Gregory; Magdalene Grant
Subject: FW: reply comments in support of petition p1-08
Attachments: Reply Comments of C JInternational in Support of Petition P1-08.PDF

-----Original Message-----

From: Tom Poche [mailto:tpoche@cjinternational.com]
Sent: Friday, September 26, 2008 2:01 PM
To: Secretary
Subject: reply comments in support of petition p1-08

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ORIGINAL

**REPLY COMMENTS OF C J INTERNATIONAL, INC.
IN SUPPORT OF PETITION NO. P1-08 FOR EXEMPTION FROM
MANDATORY RATE TARIFF PUBLICATION**

I. Introduction

The following comments are submitted by C J International, Inc. ("C J"), a Federal Maritime Commission ("FMC" or "Commission") licensed Ocean Transportation Intermediary.¹ It is C J's understanding that the FMC is considering a petition filed by the National Customs Brokers and Forwarders Association of America that would exempt non-vessel-operating common carriers ("NVOCC's") from the present requirement to establish, publish, maintain and enforce tariffs setting forth ocean freight rates. In short, C J supports the relief requested in the above-cited petition and calls on the FMC to proceed timely to implement this much needed regulatory reform measure.

II. C J Supports and Urges Implementation of the Relief Proposed

C J encourages the Commission to approve this exemption quickly. The current tariff publication rules serve no useful purpose in today's global marketplace. There may have been a valid reason for tariff publication (and filing requirements prior to the 1998 Ocean Shipping Reform Act) when the regulations were established decades ago. However, times and the international liner shipping and logistics industry have changed. We have moved toward a global economy; shippers have become sophisticated and it is time to update regulations so they correspond to today's commercial realities.

In our estimate, millions of dollars are spent on rate publishing. This is a waste of both private sector and taxpayer funds. NVOCC companies devote significant resources (i.e., employees, computer systems and payments to tariff bureaus) to publish rates that

¹ C J International, Inc. holds FMC Ocean Transportation Intermediary license no. 3716F.

are seldom, if ever, accessed by the shipping public. Taxpayers lose because present regulations require the industry to maintain rate publishing systems and the FMC to focus its limited resources and staff on tariff compliance and enforcement activities, all for information (which though in the public domain) is not accessed by the public. The question needs to be asked: why spend millions of dollars to accumulate and regulate information that is basically archived, never used and serves no public or commercial purpose.

The ocean shipping public would be better serviced by eliminating unnecessary tariff publication regulatory requirements and associated costs. As the NVOCC industry consists of thousands of small and medium size companies, reduction of administrative costs achieved through relaxation of unnecessary regulatory requirements would eventually “trickle down” to the shipping public via lower costs.

Since the terrorist attacks of 2001, NVOCC's have had a significant amount of added costs associated with new and emerging security requirements, such as C-TPAT and the 24 hour advance manifest reporting requirements. The administrative costs incurred by both the private and public sectors for these programs are worthwhile and serve a very useful purpose—keeping our nation safe. But the industry and especially small forwarding companies need “regulatory offsets” so limited resources can be invested in programs that benefit the shipping public and contribute toward our nation's security. Again, as times change and new regulations are implemented to reflect a changing environment, perhaps some balance can be achieved by “sun setting” antiquated regulations such as the tariff publication requirements which no longer serve any meaningful purpose.

The Bush Administration has commented that small businesses are the economy's economic engine. Unnecessary regulations, such as the requirement for tariff publication, unduly burden the small businesses that are integral to our nation's economic success.

III. Conclusion

We believe that the Commission has the specific statutory and regulatory authority to grant the relief sought in the pending petition. Moreover, the relief proposed speaks to the Ocean Shipping Reform Act's call by Congress for the FMC to rely increasingly on private sector initiatives, less so on regulatory oversight. C J hopes that the FMC will consider these comments in the positive manner in which they are intended. We encourage the FMC to suspend NVOCC tariff publication requirement. This would have the beneficial effect of increasing competition for the shipping public and benefit small to medium size businesses by reducing administrative costs for NVOCC's.

Sincerely,



Shannon Alexander
Executive Vice President
C J International, Inc.