

CC: OS/OGC
Dyc
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OPS
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BTA
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ORIGINAL

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
DOCKET NO. P1-08

VERIFIED SUPPORTING STATEMENT OF RIM Logistics

I am John Wember the Manager of NVOCC Development for RIM Logistics.

RIM Logistics is an OTI based in Chicago and operating under FMC license number 016072 with offices in Chicago, Los Angeles, Miami, Hong Kong, and Germany and partner agents in most countries.

RIM is a member of the NCBFAA and is very familiar with issues relating to the requirements for mandatory publication of ocean rate tariffs and is supporting the association's petition to exempt NVOCC's from having to memorialize rates that have been negotiated with shippers in rate tariffs.

RIM will by various means solicit new business. The process of soliciting new business involves competing with the existing carrier of the cargo and negotiating separate rates for each lane of traffic, port pair, container size, and commodity. Sell rates may be offered for each carrier based on schedule and buy rate. These buy rates change on a monthly basis but in times of carrier need can change on a weekly basis. RIM is currently contracting with 6 carriers directly and another 11 through our agency network. Each market change can lead to a change in sell rates to the customer depending on several factors. Those changes are communicated to the customer via updated quotes which are created in excel and sent through email. RIM typically serves over 150 customers per year.

RIM's customer rates are filed in a few tariffs which are updated by either a RIM employee or an employee of the origin agent who is filing the rate. This means that every rate change must not only be explained to the customer but also the person filing the rate who in many cases is not in the US and it must be done before the cargo leaves the origin port. In some cases the quote to book time is weeks but in most cases the quote to booking time is less than a week. Several customers have cargo that moves on rates negotiated on a shipment by shipment basis. Almost all cargo for RIM

moves on specially negotiated bullet rates from the carriers which change frequently due to market pressure and those changes result in sell rate changes. The changes are commodity and carrier specific so each carrier in our portfolio of vendors will have a different buy rate for the same commodity, origin, and destination at any given time.

With the buy and sell rates changing every week it is often very difficult to keep up with the changes to the customer and the tariff prior to cargo loading. Shippers are satisfied if they have an email with the weekly rate which avoids any confusion or rate disagreements later.

If you were to ask 100 of our customers to look at our company tariff not a single one could tell you how because even though it is posted no one relies on this to find the rates because they are all presented in an ever changing quote sheet usually done in excel.

As you can imagine with the large number of customers we serve, and the number of carriers we use to serve them the publication process is very cumbersome and expensive. In addition knowing that all of the work being done and money being spent to file rates is only being done for the FMC and not for our customers is frustrating.

As RIM grows it becomes increasingly more difficult to comply with the requirement to publish rate tariffs. Keeping up with the constant changes in our sell rates and the late notice changes in the carriers tariffs is a monumental task. In addition many times we are quoting multiple origin, destination, carriers, and container sizes to a customer only to find they will use five out of the 700 line items offered.

NVOCC Service agreements did not serve to relive the situation because the typical NVO customer does not wish to sign an agreement or commitment. To date we have not successfully signed a single NSA.

If I were to estimate the costs for establishing a tariff web site, maintaining the site, entering the data into the site, making the changes, auditing it for accuracy, and managing the process I could easily put the costs at \$200,000 per year. We did establish a charge for non-customers to access our tariff but to date no money has been collected. Unfortunately we are not able to track the web hits to the tariff but other than the FMC and RIM staff I am sure no one is looking at it.

We estimate that 99% of the rates offered are separately negotiated with shippers and need to be added to the tariff.

I, John Wember, 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 August 28, 2008.



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