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FEDERAL MARITIME COMMISSION



May 24, 2010

**Federal Maritime Commission (FMC)**

Attn.: Karen V. Gregory, Secretary  
800 North Capital Street, NW, Room 1046  
Washington, DC 20573-0001

Re: Docket No. 10-03 Comments on NVOCC Negotiated Rate Agreements

Dear Ladies & Gentlemen,

As previously commented to the FMC, I support the efforts to eliminate mandatory rate filing for all NVOCC duly bonded and with a valid rules tariff on file with the FMC and replace the rate tariff filing with "Negotiated Rate Agreements" (NRA's) as outlined in your notice of April 29, 2010. NRA's better reflect today's dynamic and ever changing NVOCC business environment and are the more adequate tool and agreement between shippers and NVOCCs today. In fact, all ocean exports or imports (as a matter of fact the same would apply to air imports and exports as well) that I have ever been involved with or observed with clients over the past 10 years or more are always confirmed and/or agreed upon in writing between the NVOCC and their customer, most commonly today via email. The traditional rate tariff filing environment is simply no longer used by shippers to verify or confirm rates, and thus only adds a considerable cost burden to the industry (ultimately paid for by the shipper), complexity and no added value for the NVOCC or their shipping customers.

Reverting back to my emphasis on all NVOCC's, I am honestly very concerned on the proposed rule making language in regards to the "restrictive" manner the rule seems to be written to only apply to U.S. based and licensed NVOCCs. That makes absolutely no sense and would be contrary to the spirit of the past discussions. Why would there be any differentiation? Both foreign and domestic NVOCC are "equal" under the current regulations, and foreign NVOCCs are required to already post double the bond of a U.S. based licensed NVOCC. Needless to mention that this

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financial burden already put's any foreign NVOCC in a somewhat competitive disadvantage to their U.S. based counterparts.

By restricting NRA's to U.S. based and licensed NVOCCs only, if this is the intent of the FMC, will result in the FMC severely interfering in the commercial competitiveness of the NVOCC marketplace and placing foreign NVOCCs at a considerable competitive disadvantage.

I therefore respectfully request that the FMC review and amend the proposed NRA rulemaking to ensure that all NVOCCs will be included. If this cannot be accomplished, the current effort should be abandoned as a "partial NRA" will only unfairly influence the competitive NVOCC marketplace in favor of a few select U.S. based NVOCCs and create considerable marketplace disruptions and confusion all around.

If I can be of further service or to answer any questions, please do not hesitate to contact me at any time.

Sincerely,



Albert W. Saphir