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PANALPINA, INC.

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January 18, 2010

BEFORE THE  
FEDERAL MARITIME COMMISSION  
WASHINGTON, D.C.

PETITION P1-08 OF NATIONAL CUSTOMS BROKERS AND FORWARDERS  
ASSOCIATION OF AMERICA FOR EXEMPTION  
FROM MANDATORY RATE TARIFF PUBLICATION

VERIFIED SUPPLEMENTAL STATEMENT OF PANALPINA, INC.

I am Paulette Kolba, Area Export and Ocean Compliance Manager, Vice President, Panalpina, Inc. (US Resident Agent for Pantainer Ltd. dba Pantainer Express Lines) and I have full responsibility for overseeing compliance to 46 CFR 500. Pantainer (FMC Org# 008092) has a global network in 137 countries, with multiple offices in most countries. Panalpina, Inc., as US Resident Agent (FMC# 375F) has 38 licensed US offices.

Speaking on behalf of Panalpina, Inc., I did provide a supporting statement to the above mentioned NCBFAA petition P1-08 which was filed on August 5, 2008 and I am presenting this supplemental statement to reemphasize that the Tariff Publication requirements remain a financial and administrative burden which have proven to be exceptionally challenging and costly during this past year, at a time where business is down and where we have been forced to reduce staff.

As I mentioned in my initial comments, this is a market driven business in which rates are first negotiated with our customers, and then filed in the public tariffs solely to fulfill the tariff publishing requirements. Panalpina, as agent for Pantainer, is committed to complying fully with the tariff publication provision of these regulations and we continue to train, audit and enforce these regulations internally but we do so at great cost and also knowing that the rates have already been agreed to and documented in writing, and that not once has any shipper accessed or requested access to our tariff. We are also fully committed to serving our customers and any rate dispute is resolved based on the written rate documentation that is part of our normal process.

2009 was a volatile year for both rates and surcharges, and 2010 promises to be the same. Our customers expect that our NVOCC rates and surcharges follow the VOCC market up and down which equates to many additional rate filings and revisions for the same commodity / tradelane / multiple container types. It is important to note, as well, that in most cases, our customer's expectation is that he will pay the surcharges of the underlying VOCCs, whether or not we set our own surcharges as an NVOCC. Because the regulation does not allow an NVOCC the option of referring to the surcharges of an underlying carrier, large NVOCCs such as ourselves, who offer a variety of VOCC services in the same tradelane, must then file our NVOCC surcharges based on the VOCC service we are offering (without reference to the VOCC tariff) or on a Tariff Line Item basis. This results in multiple rate filings for

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All quotations are subject to confirmation and contracts contingent upon strikes, delay in delivery and other causes beyond our control. No insurance coverage is effected except upon express instructions given in writing by the customer. Rates subject to change without notice. All shipments handled as per Terms and Conditions of Service which are available upon request. FMC No. 375

the same commodity, differentiated by service. This too has greatly increased the number of rate filings and revisions.

The end result of this has been a substantial increase in both the number of rates that we must file in our tariff, as well as the cost we incur to file them. One might think that the reductions in the amount of cargo shipping during this recession would result in fewer rate filings, but between the volatility in rates described above, and the fact that we file the same amount of rates for a commodity regardless of how many shipments our customers might move, and that we file the same commodity / tradelanes over and over, have resulted in just the opposite: increased rate filings.

In my initial comments, I noted our monthly rate filings as 1500+ (which ended up averaging 2700+ per month by year end 2008) and our cost to be \$10,000 - \$15,000 per month, plus internal administrative costs associated with publishing, auditing and training personnel to handle tariff publication. I can report to you today that in 2009, our average monthly cost was \$15,000 (ranging from \$12,000 - \$20,000 per month) with an average of 3500 commodity filings each month. Both the number of tariff filings and the cost to file them increased by 30%, while at the same time fewer shipments were moving. Fewer shipments equated to reduced revenues and reduced staff. As stated above, we are committed to complying fully with the regulation, but I can say unequivocally that the cost we incurred was solely to comply with the regulation and that it was of no benefit to our customers. Filing the rates in the public tariff only serves the purpose of recording rates which have already been documented in writing between our NVOCC and the customer in our normal course of business.

As Panalpina acting as agent for Pantainer, we have conducted extensive training on a global basis to ensure our compliance to this regulation. At the same time, especially in these trying times, our reduced workforce is spending valuable time filing and re-filing rates; time that should be used to service our customers.

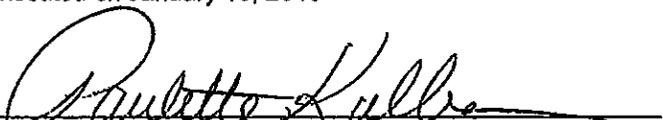
As for the cost, I can say that the amount of money that Panalpina as agent for Pantainer spent in 2009 on our tariff publishing fees, without even taking into consideration our administration costs, could have saved 2-3 operations positions in our organization.

In closing, we respect the overall mission of the Federal Maritime Commission and the protection that both the NVOCC community and the shipping public at large enjoy because of the agency's commitment to properly licensing NVOCC and VOCC entities. We remain committed to fulfilling our obligations to the regulations. We also concur that it is of the utmost importance to establish agreed to rates in writing, whether those rates are for the NVOCC and Forwarding services covered by these regulations, or any other Customs Brokerage or Logistics service that we may offer our customers in our other capacities. A written quotation is already the accepted practice in the market driven rate negotiation and rate quoting process, and this document is sufficient to reconcile rate disputes. The rate publication process offers no benefit or protection to the shipping public and we continue to support the NCBFAA petition to exempt NVOCCs from this unnecessary burden, allowing us to use our financial resources and personnel to better serve our customers. I respectfully request your consideration of this petition.

Respectfully,

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

Executed on January 18, 2010

  
 Paulette Kolba  
 Area Export and Ocean Compliance Manager, Vice President

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