

Magdalene Grant

From: Cory R. Cinque
Sent: Monday, October 06, 2008 11:07 AM
To: Mary Angel
Cc: Magdalene Grant
Subject: FW: Corrected letter
Attachments: Sen.SandersFMC10-1-08.pdf

Mary – as discussed, the attached letter (comments) is in regards to the Tariff petition. Please circulate with the other comments.

Thanks

From: Mitric, Janko (Sanders) [mailto:Janko_Mitric@sanders.senate.gov]
Sent: Wednesday, October 01, 2008 3:47 PM
To: Cory R. Cinque
Subject: Corrected letter

Hello Cori – here is the corrected letter that Sen. Sanders would like the FMC to consider.

Thanks - Janko

Janko Mitric
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BERNARD SANDERS
VERMONT

ORIGINAL

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United States Senate

WASHINGTON, DC 20510-4504

October 1, 2008

Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573

Dear Commissioners Brennan, Creel, and Dye:

I have been contacted by A.N. Deringer, Inc., a company in my state, in support of Petition P1-08 filed by the National Customs Brokers and Forwarders Association of America, Inc., requesting that the Federal Maritime Commission exempt ocean transportation intermediaries from mandatory rate tariff publication.

As non-vessel operating common carriers, my constituents and other similar companies purchase space aboard ocean vessels and sell that space to shippers in a highly competitive marketplace.

Due to existing regulations, however, freight forwarders must publish and update the terms of their contracts after-the-fact. It is my understanding the current publishing requirements have not been updated in a number of years and are costing a great deal of time and resources for many freight forwarding companies.

I have attached a copy of A.N. Deringer, Inc.'s statement in support of this petition and ask that their statement receive the Commission's full and fair consideration. I appreciate your attention to this matter.

Sincerely,


BERNARD SANDERS
United States Senator

Attachment

**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**

VERIFIED SUPPORTING STATEMENT OF A.N. DERINGER, INC.

I am Matthew E. Walker, Director of International Operations for A.N. Deringer, Inc. , FMC License Number 1853. A.N. Deringer, Inc. is a leading provider of international supply chain solution services including International Freight Forwarding, Warehousing & Distribution, Customs Brokerage, Logistics Consulting, Cargo Insurance, Duty Drawback, and Meat Inspection. Deringer combines over 30 US offices with a global agency network to facilitate the movement of cargo throughout the world. A.N. Deringer is a family owned and operated business headquarters in St. Albans, VT.

As a member of NCBFAA NVOCC Committee, I am very familiar with issues relating to the requirements for mandatory publication of ocean rate tariffs and I support the Association's petition to exempt NVOCCs from having to memorialize rates that have been negotiated with shippers in rate tariffs.

The ocean shipping business, in both Less than Container load (LCL) and the Full Container Load (FCL) has become an extremely competitive and demanding business. Competition, both foreign and domestic, for all moves – both inbound and outbound increases with each passing day. Our customers demand quotes on virtually every move we are involved in. No longer are we able to offer a rate that will suffice the shipper for an extended period of time. Bullet rates have become the standard, not the exception. Deringer produces approximately nine quotes for every one piece of transportation business we secure. I feel this competitive market ensures the lowest price for the shipper. Additionally, it guarantees the shipper knows his rate and has access to his rate.

In addition to the high volume of quotes required in today's marketplace, the management of the contracts negotiated with the Vessel operators has become an extremely laborious activity. I receive rate increases, surcharge increases, tariff changes, and new surcharges daily. For example, on September 23, 2008, I received fifteen rate or tariff updates from just one steamship line. The number of surcharges for fuel/bunker alone has increased from approximately ten two years ago to over fifty

descriptions for bunker surcharges today! Updating actual shippers and adjusting their rates is a nearly impossible task. The tariff is outdated as quickly as it is printed and filled. In today's world, the quote is the document relied on by the shipper, not the tariff.

In order to handle the high volume of quotes referred to above and in order to manage the contracts we have signed Deringer subscribes to a Rate management and Negotiation system as well as a tariff publication system to the tune of over \$15,000 annually. Our tariff rate publishing and management costs are an additional expense. The labor needed to produce the number of quotes, manage carrier updates, and keep our tariff current requires an additional investment of over \$75,000 annually. All of this to handle approximately 1500 ocean export shipments per year.

My support of the petition centers on the reality of today's market, the confidence of the shipper in the quotes presented, and the irrelevance of the tariff.

- The shipments our company secures from our client base moves almost exclusively on rates that are negotiated on a shipment by shipment basis.
- Since our clients accept their quotes via email and fax we have had no disagreements as to what the rate is.
- Spot rates are the norm, not the exception.
- All of our quotes are retained and available upon request.
- It is clear that shippers don't need or rely upon rate tariff since there have been no hits on our company's tariff website by any shippers over the past five years.

I, Matthew E. Walker 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 24, 2008.

A handwritten signature in black ink, appearing to read "Matthew Walker", is written over a horizontal line.