

Magdalene Grant

From: Secretary
Sent: Tuesday, September 30, 2008 2:21 PM
To: Karen Gregory; Magdalene Grant
Subject: FW: Petition from FedEx Trade Networks Transport & Brokerage, Inc.
Attachments: Federal Maritime Commission Petition and Cover Letter 9252008.doc

From: Christine Clerc [mailto:christine_clerc@ftn.fedex.com] **On Behalf Of** Chip Bown
Sent: Friday, September 26, 2008 9:17 AM
To: Secretary
Subject: FW: Petition from FedEx Trade Networks Transport & Brokerage, Inc.

Please find attached electronic copies of the petition from FedEx Trade Networks Transport & Brokerage, Inc. Paper original and the requisite 15 copies have been sent and will arrive at your office today.

Best regards,

Leman G. (Chip) Bown Jr.
Managing Director
Regulatory Compliance
FedEx Trade Networks
Phone: 716-871-3240
Fax: 716-871-3255



ORIGINAL

VIA FEDEX

September 25, 2008

Ms. Karen V. Gregory
Assistant Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573-0001
(202) 523-5725

RE: Statement Supporting the Petition of The National Customs Brokers and Forwarders Association of America, Inc. for Exemption from Mandatory Rate Tariff Publication, Petition P1-08

Dear Assistant Secretary Gregory:

I enclose one (1) original and fifteen (15) copies of my verified statement in support of the Petition of The National Customs Brokers and Forwarders Association of America, Inc. for Exemption from Mandatory Rate Tariff Publication, Petition P1-08. We are submitting this supporting statement in electronic form by e-mail to secretary@fmc.gov. By copy of this letter, we are serving a copy of this supporting statement to Edward D. Greenberg, Esq., Counsel to The National Customs Brokers and Forwarders Association of America, Inc.

Very truly yours,

A handwritten signature in black ink, appearing to read "Leman G. Bown, Jr." with a stylized flourish at the end.

Leman G. Bown, Jr.
Managing Director, Regulatory Compliance
FedEx Trade Networks Transport & Brokerage, Inc.
(716) 871-3240
chip_bown@ftn.fedex.com

lh:lb

Enclosures

cc: Edward D. Greenberg, Esq.

ORIGINAL

**BEFORE THE
FEDERAL MARITIME COMMISSION
WASHINGTON, D.C.**

PETITION P1-08

**PETITION OF THE NATIONAL CUSTOMS BROKERS AND FORWARDERS
ASSOCIATION OF AMERICA, INC.
FOR EXEMPTION FROM
MANDATORY RATE TARIFF PUBLICATION**

VERIFIED SUPPORTING STATEMENT OF LEMAN G. BOWN, JR.

I am Lemman G. Bown, Jr., Managing Director of Regulatory Compliance, FedEx Trade Networks Transport & Brokerage, Inc.

FedEx Trade Networks Transport & Brokerage, Inc. (FTN T&B) is a leading provider of customs brokerage, global cargo distribution, freight forwarding, and logistics services. FTN T&B has offices throughout the United States; FTN T&B subsidiaries have offices in Canada, Hong Kong, and the People's Republic of China, and FTN T&B and its subsidiaries maintain a global network of freight forwarding service providers throughout the world. FTN T&B provides services to many industries, including agriculture, aerospace, apparel, automotive, aviation, chemical, cosmetics, computer equipment and peripherals, consumer electronics, footwear, food and beverage, forestry products, metals, pharmaceuticals, and textiles.

FTN T&B is a Non-Vessel Operating Common Carrier (NVOCC) and holds Ocean Transportation Intermediary (OTI) License No. 0738N/F. FTN T&B is a member of The National Customs Brokers and Forwarders Association of America, Inc. (NCBFAA) and The National Industrial Transportation League (NITL). FTN T&B is very familiar with the

requirements for mandatory publication of ocean rate tariffs and the issues presented thereby. FTN T&B joins many other NVOCCs in supporting the NCBFAA's petition to exempt NVOCCs from having to publish ocean rate tariffs for rates negotiated with shippers and memorialized in writing.

The current NVOCC rate tariff publication system does not reflect the practical realities of today's ocean transportation business, nor does it enhance the protections to the consuming public. Rate tariff publication is performed to satisfy a regulatory requirement, but our experience is that published tariffs are seldom, if ever, referred to, considered by, or relied upon by shippers.

Typically, NVOCCs, including FTN T&B, provide rate quotes to shippers in the form of spot rate quotes or in response to a shipper's formal request for quotation, which may encompass multiple lanes, commodities and services. FTN T&B routinely responds to requests for quotation in written proposals and transmits quotes to shippers by email, facsimile or other writing. These rates may be accepted, rejected or further negotiated. It is the practice of FTN T&B to document the rate quote to the shipper in writing. In the fast paced ocean transportation marketplace, rate quotes provide shippers with an efficient and timely method of obtaining competitive pricing from NVOCCs. The industry has moved from a fixed tariff model to a market-based, highly competitive individualized quotation model that enhances a shipper's ability to obtain a competitive rate.

The NCBFAA's petition that NVOCCs be exempted from rate tariff publication requirements in those instances where the shipper and NVOCC have memorialized in writing negotiated rates recognizes the industry practice accepted by NVOCCs and shippers alike. Today, rate tariff publication requirements serve little, if any, purpose, but create unnecessary costs to

NVOCCs and shippers. FTN T&B, like many NVOCCs, contracts with a tariff publishing company to publish rates in accordance with law. In addition to the costs incurred by FTN T&B for the services of the rate publishing company, FTN T&B designates employees to provide tariff publication administration, oversight and compliance; expends valuable time and effort to train its employees engaged in ocean transportation services in tariff publication requirements; and uses IT resources to incorporate rate tariff filing in ocean transportation operations procedures.

FTN T&B believes that this is an opportune time for the FMC to develop a more efficient method for the FMC to fulfill its purpose of protecting consumers. FTN T&B supports the NCBFAA petition and urges the FMC to initiate formal proceedings to implement an exemption from rate tariff publication for NVOCCs memorializing in writing negotiated rates with shippers.

I, Leman G. Bown, Jr., 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 25, 2008.


Leman G. Bown, Jr.
Managing Director,
Regulatory Compliance

FedEx Trade Networks Transport & Brokerage, Inc.