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

**PETITION OF NATIONAL CUSTOMS BROKERS AND FORWARDERS ASSOCIATION OF  
AMERICA FOR INITIATION OF RULEMAKING**

**DOCKET NO. P2-15**

**COMMENTS SUBMITTED BY Jeanette R. Gioia**

I am Jeanette R. Gioia, President of Serra International, Inc. (OTI 0282F) and its' wholly owned NVOCC subsidiary, Serra Shipping, Inc. (OTI 16314N). I am the Qualifying Officer for Serra's licenses. Serra operates as an NVOCC from two of its U.S. office locations, working with its own network of long-established agents in approximately 30 countries.

Serra is a member of the National Customs Brokers and Forwarders Association of America, Inc. ("NCBFAA") and the New York New Jersey Foreign Freight Forwarders & Brokers Association ("NYNJFFF&BA"). I serve on the NCBFAA's NVOCC Sub-Committee and as Vice President of Exports for the NYNJFFF&BA.

With the establishment of Negotiated Rate Arrangements ("NRAs") four years ago, the Federal Maritime Commission ("Commission") took an important step forward in recognizing the role that the market has come to play in setting ocean freight rates and the reality that the end result is a product of negotiation between shipper and NVOCC. We strongly support the NCBFAA's petition to expand NRAs to include economic terms beyond rates and to ask the Commission to make them more useful to both the shipper and the NVOCC.

The era of tariffs as a determinant of rate levels is over. We recently saw this proven when we attempted to change a problem shipment moving under our House Bill of Lading and have it re-manifested with true shipper / consignee at far higher ocean freight rates in the steamship line tariff. We were not able to make the change because the steamship line, easily one of the top ten in volume to / from the United States, simply did not have any tariff on file for the applicable port pair. Furthermore, they informed us that they had no negotiated rates in place for the true shipper. As NVOCCs and Freight Forwarders we are operating in a world where ocean freight rates are uniquely negotiated with each shipper.

Many factors, such as minimum volume in a specified time period, credit extension, service requirements, surcharges, all affect the determination of the rate for a

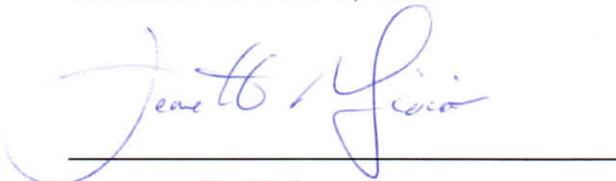
particular shipper. These form an integral part of the agreement with the shipper and should be allowed to be included in the terms of an NRA. We do not understand why these other terms can be included in Non-Vessel Operating Service Arrangements ("NSAs") but cannot be in an NRA. We never attempted to put an NSA in place as it was far too time-consuming and costly both for ourselves and our customers. The beauty of an NRA is that it can be detailed but simple and tailored to single or multiple cargo movements. If the NRA can include all the conditions beyond rates that the shipper has agreed to, it becomes a more useful instrument for both the shipper and the NVOCC. Full transparency of the rate and other terms would all be in one place and not split between an NRA and a rules tariff.

To become truly useful, NRAs should also be allowed to be amended even after the cargo is received if both the shipper and the NVOCC agree in writing. This would help the industry cope with the myriad of surcharges that steamship lines are constantly changing. Often rates are quoted higher to shippers in order to protect against these changes. If a shipper accepts increases or reductions in surcharges passed through by the NVOCC from the steamship line, why can't that be included either in the basic agreement or in an amendment to an NRA? The business relationship between the shipper and the NVOCC will govern what will be possible in the basic rate and any changes. What is important is that both sides agree. The shipper will be protected because the NRA cannot be amended without his agreement.

In conclusion, we respectfully request that the Commission allow NRAs to include all relevant terms in addition to ocean freight rates and to be amended even after cargo receipt upon written agreement of the shipper. If the NRA can become more truly reflective of the complete arrangement with a shipper, NSA's would no longer be needed. The regulations could be simplified and made more reflective of current business practice between shippers and NVOCCs. We hope the Commission will complete the work it started four years ago and make the NRA a flexible instrument increasing transparency for shippers, reducing the costs of freight rate management for NVOCCs, and recognizing the existence of the post-tariff era.

I, Jeanette R. Gioia 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 June 8, 2015



Jeanette R. Gioia

President

Serra International, Inc.

Serra Shipping Inc.