

CHRISTOPHER COX  
CALIFORNIA

CHAIRMAN  
HOMELAND SECURITY COMMITTEE

ENERGY AND COMMERCE COMMITTEE

SUBCOMMITTEES ON  
ENERGY AND AIR QUALITY

TELECOMMUNICATIONS AND  
THE INTERNET



ORIGINAL

CC: 020/030  
2402 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-0547  
(202) 225-5611  
http://cox.house.gov

RECEIVED

ONE NEWPORT PLACE  
SUITE 1010  
NEWPORT BEACH, CA 92660  
(949) 756-2244

Congress of the United States  
House of Representatives

03 SEP 26 AM 11:41

CHAIRMAN  
POLICY COMMITTEE  
FEDERAL MARITIME COMM

HOUSE LEADERSHIP  
STEERING COMMITTEE

September 11, 2003

Mr. Bryant L. VanBrackle  
Secretary  
Federal Maritime Commission  
800 North Capitol Street, NW  
Washington, D.C. 20573

RE: Petition P3-03

Dear Mr. VanBrackle:

I write in strong support of petition P3-03, which would exempt certain companies from the requirement that Non-Vessel Operating Common Carriers (NVOCCs) make their rate structures known through the publication of tariffs. Due to the operational characteristics of such companies and recent developments within the ocean shipping marketplace, the antiquated regulatory scheme governing NVOCCs requires revision.

In the 1998 revisions to the Ocean Shipping **Reform** Act (OSRA), Congress determined that NVOCCs should be regulated differently than vessel operators. At the time, most NVOCCs were small enterprises that neither owned ocean vessels nor the cargo being shipped. In order to protect shippers and to guarantee liability coverage; Congress determined that NVOCCs should operate under a published tariff system when dealing with their customers. However, many ocean carriers have consolidated since 1998, and these very same carriers have created vertically integrated logistics companies that now compete -with NVOCCs.

The tariff publication requirements now place an onerous regulatory burden on these NVOCCs and hinder effective competition. The requirements also hurt consumers, whom the regulations were originally designed to help. Revising these obsolete regulations will unchain the benefits of the free market in the ocean shipping marketplace and ensure that consumers can receive a reliable product at a fair price.

Petition P3-03 is precisely the reason Congress granted broad exemption authority to the Commission. By granting this

01  
02  
03  
04  
05  
10  
20  
30  
40

Mr. Bryant L. VanBrackle

Page 2

September 10, 2003

petition, the Commission will acknowledge the changes in the ocean shipping market, level the playing field between NVOCCs and vessel operators, and ultimately benefit ocean shipping consumers world-wide.

Thank you for your prompt consideration of this petition. I hope that the Commission can render an equitable decision based upon the merits of the case and the needs of a competitive marketplace.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Cox", written over a horizontal line.

Christopher Cox  
U.S. Representative

CCC:hf