

RECEIVED

Memorandum

03 DEC 10 PM 12:58

OFFICE OF THE SECRETARY
FEDERAL MARITIME COMM

TO : Bryant L. VanBrakle, Secretary

DATE: December 9, 2003

FROM : Rachel E. Dickon, Counsel to the Chairman 

SUBJECT : Petition No. P5-03 - Petition of National Customs Brokers and Forwarders Association of America. Ind. For a Limited Exemption from Certain Tariff Reaquirements of the Shinning Act of 1984

On December 2, 2003, Chairman Blust met with members and representatives. of the National Customs Brokers and Freight Forwarders Association of America. In attendance at the meeting were Mr. Edward Greenberg of Galland, Kharasch, Greenberg, Fellman & Swirsky, Mr. Bill McInerney, CEO, Phoenix International, Ms. Lisa R. Domingo, PIX Line Manager, PIX Line Ocean Consolidation Services, Mr. Jeurg Bandles, Senior VP, Kuehne & Nagel, and Mr. J.H. Kent, Kent & O'Connor.

Mr. Greenberg expressed the sense of the NCBFAA that the issue of tariff filing is the biggest issue facing NVOs today. As a practical matter, the two members represented indicated that tariffs are no longer utilized by shippers and therefore the requirement for publishing should be eliminated or simplified. Upon the Chairman's inquiry, both members indicated their support for abolishing requirements to file the entire tariff, i.e. rules and rates, as opposed to just rate tariffs. Mr. Greenberg pointed out that the petition was limited to eliminating the use of rate tariffs, not rule tariffs. Phoenix indicated that because of tariff filing they spend 5 minutes and \$58 dollars to execute each B/L. Mr. Greenberg later followed up with a correction, indicating the cost to be \$5.80 per B/L. Upon the Chairman's inquiry, the members confirmed that most NVOs use tariff publishers. Mr. Greenberg also indicated that the Commission's BOE does not enforce the 30 day notice rule for rate changes.

John Kent reviewed the legislative history of OSRA and the so-called Gorton Amendment. Both members indicated that their customers have not asked for the ability to enter into service contracts.

Mr. Greenberg concluded by discussing the alternative approach of "range rates" suggested in brief in the petition, concluding that this is unlikely to be a viable option because rate structures vary by carrier.