

D J R  
LOGISTICS, INC.

Rachel E. Dickon

Assistant Secretary,

Federal Maritime Commission

800 North Capitol Street N.W.

Suite 1046

Washington DC. 20573

Subject: Docket 17-04 Regulatory Reform Initiative.

Dear Ms. Dickon,

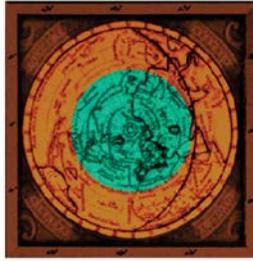
We are submitting our comments concerning the Regularity Reform Initiative specifically concerning the need for an NVOCC to maintain a rate tariff or file an NRA with our potential and current customers.

Background on our procedures may be useful in understanding our reasoning in believing the that the NRA and Rate Tariff systems does not provide any benefit to our customers and is extremely costly to our company.

We are a small family run company with 18 employees in the Philadelphia area. The majority of our business is Far East Import shipments to the United States. Even as a small company, the cost paid to the Tariff Filing Companies to maintain our rates was a major expense to our operations.

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When the NRA procedures were introduced, we thought that this would save us operating cost in not paying for the filing of the rates. However, those cost have only been replaced by additional administration cost associated with trying to keep up with the ever changing rates published by the Steamship Industry.

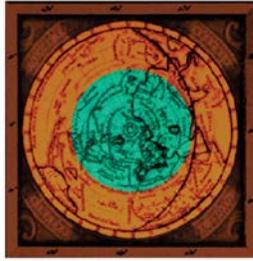
The market on the Far East Trade Lane, as we are sure you are aware, has been extremely volatile. As the various steamship companies issue their notices of a General Increase 30 days in advance of the actual implementation, we begin the process of notifying our customers of the potential increase and begin adjusting the excel worksheet that is needed to produce and send the NRA for acceptance prior to receiving cargo.

As the GRI implementation time approaches, we discover, in some cases the day before the increase it to be put in place, that the Steamship Companies are reducing or completely cancelling the GRI.

We then find ourselves in a position that all of the work put into preparing the new NRA is wrong.

This put us in a position of having to do one of two things.

1. Leave the NRA with the increase and send it to our client.
  - a. This would result in us submitting pricing that is outside the market and although we would enjoy the additional revenue, it would not be long before we lost the customer to our competitor.
2. Immediately start to rework all the excel worksheet either reducing or eliminating the GRI amount from the NRA based on the actions of the Steamship Industry.



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- a. With the requirement of the timing as stipulated in the regulations, this put us in a very difficult position to make sure the NRA is sent and accepted by the customer before the cargo is received.
- b. We honestly scramble to get the worksheet fixed and the NRA out to the customer before the expiration of our previous NRA.

As mentioned we are a company of 18 people and we have four individuals involved in trying to keep up with the process.

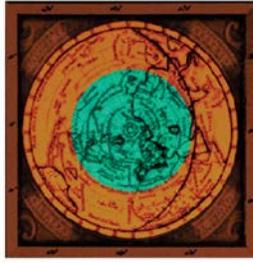
If the rate filing procedures including the tariff filing and the NRA were to be removed from the regulation, we would be able to wait until we know exactly what the market rates are at a given time and send our rate quotation to our customer in a more organized and less chaotic manner.

In all the years that I have personally been involved in working in or running an NVOCC, I have never had a customer ask to see my tariff, or what is involved in the final pricing that we offered. They are only interested in the final cost of the freight to their door to determine landed cost of the product.

In the normal course of our business, we have lost and gain business based on rates and service.

We have made proposal and failed to secure an account because our pricing was not acceptable. We have successfully gain an account because our rate and service offering were acceptable.

We have lost an account base on a competitor making a better offer and despite our best efforts were not able to compete with the offer.



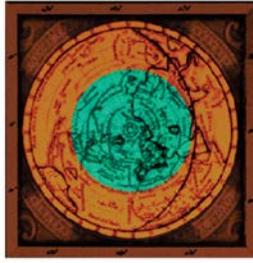
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In all cases it is obvious to us that if the customer is not happy with our rate or service, they will not work with our company and will look for an alternative. The filing of the rate in a tariff or the NRA agreed to by the customer will not influence their decision to stay or go. The decision is made strictly based on the market conditions and our ability to compete in rates and service,

Again, our ability to provide rates and service is based on the market conditions and the filing of a rate in a tariff or a formal NRA does not provide any benefit to the FMC, the NVOCC or the shipping public.

The other part of the NRA requiring our customers to acknowledge and accept the NRA have become a point of annoyance with our customers. We try each time an NRA is issued to ask our customer to send us an email confirming acceptance without success. We have been told "I receive over 100 emails a day and do not have time, if we do not like your rate we will not use your service." Other times our customers have said after I review the rates if they are not acceptable I will let you know.

If the requirement of the rate filing or NRA cannot be completely eliminated, we request that at least give us the ability to amend the NRA so that we can provide our customers rates that are competitive in the market place and not lock us into a rate for the remainder of the NRA period. If the rates decrease it is to the benefit of the shipping public to allow us to reduce our rates to market conditions. This benefits the shipping public and allows us to remain competitive and not have the competition take the business because we are locked into a high rate until the next NRA is issued.



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The regulation that requires this acknowledgement is again, in our opinion, an unnecessary and costly provision that serves no purpose or benefit to the shipping public, the NVOCC or the FMC. Our customer have complained about the contacts to get the acknowledgement and again they simply tell us if the rates are not competitive we will not book our cargo with you.