December 11, 2017

FEDERAL MARITIME COMMISSION
Attn.: Rachel E. Dickson, Assistant Secretary
800 North Capitol Street, NW
Washington, DC 20573-0001

Re: Docket 17-10 Comments on Proposed NSA/NRA Regulations

Ladies & Gentlemen:

The proposed changes to 46 CFR Parts 531 and 532 are a good reflection of where the NVOCC and shipper community is today and how cooperation is accomplished in other modes of transportation. I am continuing to fully support those changes.

Removing the NSA filing and publication requirements would greatly benefit NVOCCs as well as the beneficial cargo owners (shipper community) as the current process is somewhat complicated and also adds extra cost into the process. The majority of smaller and midsized shippers and NVOCC do not participate in NSA’s due to the complexities and additional cost. The proposed changes would leave it up to the NVOCC and shipper to agree on the most suitable contractual agreement.

Allowing NRA’s to be amended (modified) at any time, also reflects very common shipping practices in other modes of transportation as often much can change on short notice. Allowing changes to be made simplifies the process and eliminate the need for the shipper to seek alternate services from another provider. Further providing the shippers acceptance by making a booking with the NVOCC also aligns nicely with other shipping modes and how shippers and forwarders (carriers) interact today.

I would recommend that the FMC go even one step further, to allowing the NVOCC to receive the cargo prior to the acceptance (booking) of the cargo by the customer. It is very typical that exporters/shippers here in the U.S. send cargo to a nominated NVOCC (OTI), for example here in South Florida, for eventual shipment to a foreign customer (consignee) who is making the ocean freight arrangements with the NVOCC (OTI) and therefore the agreeing party (shipper in terms of the regulation).
In many cases, the actual routing, carrier (VOCC) selection and pricing is not determined and/or decided upon prior to the receipt of the cargo by the NVOCC. After receipt, the NVOCC provides the options and pricing variables to the foreign customer (shipped) who will then make the decisions and final booking with the NVOCC. Just wanted to point this out to ensure that the regulations are consistent with common business practices, especially for LCL shipments or customer consolidations. Of course, for those OTI’s that have both the Ocean Forwarder and NVOCC licenses, this is never an issue as they receive the cargo under their OFF license and tender the shipment to their NVOCC once all ready to go. But there are many OIT’s that are only NVOCC and thus don’t have that internal additional step to work through, and therefore often receive cargoes prior to a final offer (NRA) being made, agreed to and/or shipper booking made.

I would like to take this opportunity to thank the FMC for the consistent and proactive work the Agency has been doing over the years. Placing greater emphasis on the accuracy and validity of OTI information posted with the FMC, daily updating the FMC website and enforcing OTI bonding requirements is truly creating a level playing field and ensuring shippers can work with FMC bonded, licensed or registered OTI’s. This clearly is adding great value.

If you have any questions, please do not hesitate to contact me at any time.

Sincerely,

[Signature]

Albert W. Saphir
Principal