January 26, 2018

Ms Rachel E Dickon
Assistant Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573-0001

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

Dear Assistant Secretary Dickon,

My name is Jason Combs, VP of Indiana operations, with CJ International, Inc. CJ International is an OTI (3716F), freight forwarder and Customs broker, with offices located in Baltimore, Louisville, Cincinnati, Indianapolis, San Antonio and Fort Wayne. We work with a network of agents around the world to provide services to our clients.

Our company utilizes both rate filings and Negotiated Rate Arrangements (NRAs). However, we are using more NRAs currently than in previous years, and I expect that the number of NRAs will increase tremendously if the Commission’s Notice of Proposed Rulemaking (NPRM) is approved. NRAs save a significant amount of administrative cost and time when compared with traditional rate filing. NRAs allow much more flexibility in a constantly changing marketplace driven by “spot” rates. The proposed changes will allow us to concentrate our efforts on better serving our clients rather than maintaining a tariff that is never viewed by the parties it was intended to protect.

The FMC’s NPRM requests comments on the necessity of an NRA to require both a written offer from the NVOCC and a written acceptance from the shipper to be valid. We believe that the Commission should eliminate the requirement that the shipper must indicate acceptance of the NRA rate by signing the document or memorializing acceptance in some other written format. Though we do request our clients indicate their approval by either signing our rate quote or by sending confirmation back via e-mail, in many cases they simply tender cargo as acceptance of the NRA rate with the understanding that the agreed NRA rate will apply.

The NPRM also requests comments on whether amending NRAs should be allowed. Carrier rates are constantly changing in our industry. The inability to amend NRA rates creates situations whereby forwarders and NVOCCs must seek a work around to this limitation. This often includes setting the NRA to exist for a very short time period. While this solution allows us to respond in kind with our client’s rates as the market adjusts, it also creates the
administrative burden of constantly monitoring and creating new NRAs that the client must accept with written or email approval. The competition in the marketplace is such that it is important for forwarders and NVOCCs to be able to react appropriately on behalf of our clients. If our rates to our clients are not in line and competitive in the market because we cannot react quickly, the client will seek another service provider. We believe it is in the best interest of both the client and the NVOCC/forwarder for NRAs to be amendable.

Lastly, the Commission has sought comments as to whether the filing of NSAs with the Commission or publishing of the essential terms in tariffs should remain a requirement. Though my company does not utilize NSAs, we do agree with the Commission’s proposal to eliminate this requirement. NSAs, like tariff rate filings, are burdensome and costly to file and maintain, yet it is unclear what the purpose is and who benefits from either of these items. Neither tariffs or NSAs are ever reviewed by clients.

We thank the Commission for the opportunity to provide our comments on these topics and for the Commission’s efforts to expand flexibility by deregulating NSAs and NRAs.