DATE: JULY 7, 2022

RE: BEFORE THE
FEDERAL MARITIME COMMISSION
_____
Carrier Automated Tariffs
Docket No. 21-03; RIN 3072-AC86

Dear FMC,

I, Dennis Grady as the Vice President of Ascent Global Logistics, having spent 41 years in the industry, 15 on the VOCC side, and 26 years on the NVOCC, would like to provide my comments on some of the key items within OSRA;

A. NVOCCs Cross-Referencing VOCC Tariff's

I am not in favor of this requirement – the reason is that as the primary provider to our customer they are entrusting that Ascent will make the proper decisions on routing of freight.

This provides direct access of our clients to the VOCC. In today's market small to mid-size NVO's such as our selves are forced to find multiple options to move freight. The carriers have blurred lines in terms of being a carrier or 3PL today, as many are entering the forwarder space with bundled services.

I feel the value of acting as the intermediary between the VOCC, we the NVOCC represents the shipper and with our experience and understanding of what carriers can offer the best service/rates to meet the customer needs, the introduction of the VOCC opens up the door to the VOCC, and in some cases will plant the seed in the customers mind, I might as well go direct to the VOCC. In my opinion this is harmful to the NVOCC and could also be potentially harmful to the customer.

B. Allowance for Nominal Service Fees in Connection with "Pass-Through Charges" from VOCCs

We have no issue with the proposed regulation requiring the NVOCC to pass through these charges without mark-up. However, we would request that the NVOCC would be allowed to charge a service fee to the VOCC charges. Often the NVOCC is having to advance these fees on behalf of the customer. In order to compensate the advancement of fees, the NVOCC should be allowed to charge a nominal service fee, or advancement fee to cover the outlay.

C. Co-Loading

The traditional definition of co-loading originated as LCL (Less than Container Load), however, since the Shipping Act of 1984, it has been universally understood within the forwarding community that co-loading can be both LCL and FCL. I don't believe restricting the practice of FCL co-loading is the proper solution, instead the terminology of FCL co-loading or some other terminology should be implemented.

In fact, today, the concept of FCL co-loading is commonplace and has been driven by VOCC practices of limiting space, or direct contracts to the small/mid-size NVOCC. The practice of FCL co-loading is managed in the same principle of direct agreement with the VOCC. Rates are filed either through tariff filing or under an NSA/NRA agreement…this is done with the FCL co-loader, and in return between the NVOCC and the BCO.

Considering this is such a common practice, I would suggest the commission adapt the FCL co-loading as a adjunct to LCL co-loading, and if deemed necessary, provide additional definitions and expectations on how both LCL and FCL co-loading to ensure full compliance with these equally important and integral practices.

D. Annotated Invoices

Similarly, as outlined in A – annotated invoices between NVOCC and NVOCC would disclose the complete business relationship to our customers/shippers. The objection is not rooted in trying to hide something, instead it is purely based that we are finding solutions for our customers.

As outlined in prior sections, the need for these practices has been rooted in the fact that the VOCC has limited capacity to the small/mid-size NVOCC, and the ability to provide and meet the needs of our customers, sometimes requires this method of shipping.

We should not have to provide the details of each supplier in the ocean move, nor do I believe that information would be readily available to us. We do not have access to the documentation between providers, however, we do ensure that the required documents are correctly consigned between the required parties.

Respectfully Submitted,

Dennis Grady

Vice President - Ocean Product