

FEDERAL MARITIME COMMISSION**WASHINGTON, D.C.****NR 10-05****Economic Relief Granted to NVOCCs by FMC Vote**

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The Federal Maritime Commission voted today to initiate a rulemaking that would relieve Non-Vessel-Operating Common Carriers (NVOCCs) from the costs and burdens of publishing in tariffs the rates they charge for cargo shipments. In a 3 to 1 vote, the Commission decided to grant this exemption from publishing rate tariffs to licensed NVOCCs. NVOCCs are common carriers that act as intermediaries between their shipper customers and steamship lines. According to comments filed with the Commission, this action could save many of these businesses up to \$200,000 per year.

"I believe this is one of the most significant Commission actions since Congress passed the Shipping Act in 1984," said Chairman Richard A. Lidinsky, Jr. "The bottom line for me was jobs. In a bipartisan vote, the Commission has provided thousands of dollars in cost savings to these critical businesses and the hundreds of thousands of exporters and importers they serve. Today's vote will advance the Obama Administration's goals of giving small businesses tools to create jobs, and of doubling exports in the coming years. At the same time, the Commission is putting in place conditions to continue protections for importers, exporters, and consumers."

The Commission directed its Staff to prepare a notice of proposed rulemaking that would relieve licensed NVOCCs from publishing and adhering to rates in tariffs, while imposing several conditions, including:

- NVOCCs would continue to publish standard rules tariffs containing contractual terms and conditions governing shipments
- NVOCCs would be required to provide those rules to the public free of charge
- Rates charged by NVOCCs must be agreed to and memorialized in writing by the date cargo is received for shipment
- NVOCCs must retain documentation of the agreed rate and terms for each shipment for a period of five years, and must make that documentation available promptly to the Commission on request

The Shipping Act gives the Commission the discretion to grant exemptions, such as from tariff requirements, if doing so will not result in substantial reduction in competition or be detrimental to commerce. Chairman Lidinsky, Commissioner Rebecca F. Dye, and Commissioner Michael A. Khouri voted to grant the relief through a proposed rulemaking. Commissioner Joseph E. Brennan opposed the exemption and voted against proceeding to a rulemaking. The relief was requested in a petition filed by a major organization that represents NVOCCs.

Commissioner Dye, long a proponent of granting the exemption to NVOCCs, stated: "I am extremely pleased that the Commission has begun the process to grant the National Customs Brokers and Freight Forwarders Association's petition for exemption from tariff publication and adherence. Under the current economic conditions, the Commission must use its expanded exemption authority to simplify the business processes of American companies, put cash back into businesses, and generate additional American jobs."

Commissioner Khouri, who was voting in his first meeting since joining the Commission, stated: "I am pleased that Chairman Lidinsky scheduled this petition for consideration today and that the Commission moved the matter forward. This petition has been subject to extensive public review and comment. It is broadly supported by the intermediary and shipper communities, as well as other Federal agencies. The Commission's action today will foster competition, provide a benefit to the shipping public, and be good for the economy."