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AND COUNTERTERRORISM

**Congress of the United States  
House of Representatives  
Washington, DC 20515-3001**

April 29, 2004

Mr. Bryant Van Brakle  
Secretary  
Federal Maritime Commission  
800 North Capitol Street, NW  
Room 1046  
Washington, DC 20573

Dear Mr. Van Brakle:

I am writing in support of the National Customs Brokers and Forwarders Association of America's petition to the Federal Maritime Commission to exempt non-vessel operating common carriers (NVOCCs) from being required to establish, maintain, and enforce rate tariffs with their customers. I encourage the Commission to give this request favorable consideration because it represents a logical and natural extension of the pro-competitive changes in ocean shipping regulation that were made by Congress in the Ocean Shipping Reform Act (OSRA) of 1998.

During consideration of OSRA, Congress was concerned about the economic regulation of the ocean shipping industry. Congress ultimately concluded that the rigid system of common carrier tariffs was burdensome and inefficient and that shippers should be able to enter into confidential service contracts with steamship lines. Based on the Commission's report on OSRA, these revisions to the Shipping Act have now proven to be beneficial to shippers and carriers alike and have made the ocean-shipping marketplace far more efficient and competitive. In fact, it now appears that the movement to contract carriage has been so successful that few shippers, carriers, and NVOCCs ever look at or otherwise use common carrier tariffs as a means to establish or confirm pricing for the movement of cargo.

As an important part of OSRA, Congress also expanded the Commission's exemption authority to provide a mechanism by which it could exempt individual companies or the industry as a whole from unnecessary regulatory requirements. NVOCC rate tariffs are, in my view, precisely the type of outmoded regulation the Commission should now exempt. They are unduly burdensome and no longer serve a useful purpose since the rates between those entities and their customers normally are individually negotiated and only later memorialized in tariff form. Further, their continued existence puts NVOCCs at a competitive disadvantage to the vessel operators. Congress does not wish, in my opinion, to maintain such artificial barriers to competition. I urge the Commission to exempt NVOCCs from this formalistic requirement as the NCBFAA has requested.

PLEASE REPLY TO:

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Thank you for your consideration of these comments. Please contact me or have your staff contact my Legislative Assistant, Paul Bauer, at 202-225-6501 if the Commissioners have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert E. Andrews", with a long horizontal flourish extending to the right.

R o b e r t Andrews  
Member of Congress

REA:pjb