

ORIGINAL

BEFORE THE
FEDERAL MARITIME COMMISSION
WASHINGTON, D.C.

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FEDERAL MARITIME COMMISSION

PETITION OF NATIONAL CUSTOMS BROKERS AND FORWARDERS ASSOCIATION OF
AMERICA FOR EXEMPTION

FROM MANDATORY RATE TARIFF PUBLICATION

DOCKET NO. P1-08

VERIFIED SUPPORTING STATEMENT OF DJR logistics, Inc.

I am Dennis J. Rowles, President and owner of DJR Logistics, Inc.

DJR Logistics, Inc is a registered NVOCC under license number 4649NF. Our principal location is 23 Independence Court, Folcroft, PA. 19032 and an office in Hong Kong, DJR Logistics China Ltd, located at Suite 1202, 12/ floor Levertech Center, 69-71 King Yip Street, Kowloon Hong Kong. We also work with various agents throughout the world.

As a member of the NCBFAA, we are very familiar with issues relating to the requirements for mandatory publication of ocean rate tariffs and are supporting the Association's petition to exempt NVOCCs from having to memorialize rates that have been negotiated with shippers in rate tariffs.

Our solicitation of a potential client is handled through outside and inside sales effort as well as recommendation from our current clients. As part of the normal sale process, the potential client will request a rate or series of rates for specific trade lanes and DJR Logistics will provide a rate quotation, stipulating the base rates, variable rates such as BAF and provide an expiration date for each rate being offered.

The rate proposals are kept in an electronic file as "Potential Customer Pricing" until we secure the business. Once secured, we move the information to a file "A Customer Pricing worksheet file. This file contains all information on the construction of the rate, the rate quote and other information needed for customer service issues. If there is a change in the rate quoted to a customer, example an increase or decrease in the BAF, the rate quote is updated and forwarded to the customer 30 days in advance of the implementation.

We currently use Dart Maritime for the control of our rules, regulations and freight rate filings. We access their on line system to submit the rate filing request and they handle the balance of the requirements. The time between the filing of the rate and the booking of a shipment varies by trade lane and the customer's ability to notify all parties inside and outside of their organization of a change in the "service provider" for the transportation.

1. In other cases, we are contacted by companies that are shopping for the best rates. In these cases the traffic moves exclusively on the rates that are negotiated and often if not usually on a shipment-by-shipment basis.

2. Even if have a service contract with a steamship line, many rates are negotiated on a spot market basis so that the traffic moves under bullet rates; as a result, NVOCC costs vary frequently and so the rates we offer will also vary frequently.

3. Because the traffic usually moves almost immediately after the rates are negotiated, it is often difficult to ensure that, the rates are memorialized in tariff form before the traffic moves.

4. Shippers are satisfied to rely on the rates quoted via email, so they are not confused about the rate; nor have there been any disagreements about what the rate is.

5. It is clear that shippers don't need or rely upon rate tariff since there have been no hits on company's tariff website by any shippers over the past 10 years.

6. In view of the large number of shippers serviced and the large number of carriers used, the publication process is a very cumbersome and expensive proposition.

There are practical difficulties in complying with the requirement to publish rate tariffs - - such as

1. The difficulty of keeping up with the constantly changing carrier tariffs, which may on occasion not provide sufficient notice.

2. The need to quote numerous rates for prospective customers, only a few of which may ultimately be accepted.

The use of NVOCC Service Arrangements have not provided relief from the burden of tariff filing - - examples might include

1. The benefit of confidentiality is not important, since no one accesses our rate tariffs anyway.

2. NSAs still have to be written documents that have to be filed with the agency and the essential terms still have to be published in the tariff, so there is no cost savings.

3. Many shippers don't want to sign NSA's - - too formal, don't feel it is necessary.

4. NSAs too cumbersome except for large volume contracts with shippers; even there, many large shippers still prefer to avoid formal contracts.

The direct cost associated with the tariff filing over the past 21 months totaled \$7250.00 not including the internal cost of personnel in organizing the rates for the Dart Maritime and the submission of the filing request. We cannot charge our customer for the filing so the charges associated with the tariff filing is a direct cost to our small business.

Although we are not able to track the number of times a customer has accessed our tariff site to confirm a rate, we can assure you any discrepancy between the rate quote the customs and subsequently filed in our tariff have been resolved as part of the normal course of business between ourselves and our customers

Over the past few years, I must say that the rates filed in our tariff are a result of separately negotiated rates with our customer 98% of the time.

I, Dennis J. Rowles declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this verified statement.

Executed on September 15, 2008.

Dennis J. Rowles