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September 22, 2004

Federal Maritime Commission (FMC)
Mr. Bryant L. VanBrakle / Secretary
800 North Capital Street, NW
Washington, DC 20573-0001

And via e-mail: Secretary@fmc.gov

Re: NVOCC Petitions / Petition Nos. P3-03, P5-03, P7-03, P8-03, P9-03, P1-04, P2-04 and P4-04

Dear Ladies & Gentlemen,

In further review of all of the petitions, public discussions during the last 12 months, presentations and considerations of all the available information I respectfully submit following opinion in addition to my personal comments submitted last year.

Understanding the urgent need for individual and customized shipper agreements between OTI's and shippers, it is my sincere belief that confidential contracting between NVOs and shippers is not going far enough and in addition could further develop into something quite complex to manage and supervise by the FMC and the trade. This is very obvious from all the different views, options and suggestions presented to the FMC by the various petitioners. It is my view that confidential contracting, in whatever form the FMC may be considering at this time, is not going to be the best possible solution and answer to level the playing field for every NVO and shipper.

Therefore I strongly urge the commission to consider eliminating the NVOCC rate filing provision completely, thus allowing each NVOCC to provide the specific rate and service offering each individual shipper is looking for. This will greatly simplify the process and take out an incredible amount of inefficiency and cost currently borne by the trade and the FMC as well. Not only will it streamline international NVOCC ocean shipping to and from the U.S.A, it will compliment/mirror the current deregulated air freight market environment and therefore ultimately lower cost to all shippers doing business with the U.S.A. and reduce waste and redundant systems.

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As stated in my comments submitted last year, the current rate tariff filing system for NVOs does not provide any benefit to shippers as most do not know it exists or simply negotiate specific rate and service requirements to their individual need – regardless of any established tariffs.

More meaningful benefits to shippers that the FMC could manage instead of rate tariff filing could be:

- Require NVO to carry "carrier liability" and "errors and omission" insurance – something that is already required in many overseas countries. For example the global FIATA organization requires such coverage from all of their member forwarders, brokers and NVOs. This would be an excellent benefit for shippers, clearly level the playing field for all and will be easy to administer by the FMC.
- Or instead of the aforementioned, an increase/adjustment of the bonding amount to more adequately reflect the size (business volume for example) each NVO handles – something that's already commonly applicable to business or personal insurance.

In closing, I once again urge the FMC to consider a solution, which clearly will benefit all shippers and eliminate costly and unnecessary expenses for all and further will not add any additional and new oversight burdens to the FMC.

Thank you again for your continued excellent efforts and willingness to reform NVO shipping practices. If I can be of further assistance or to answer any questions you may have, please do not hesitate to contact me at any time.

Sincerely,

Albert W. Saphir

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