



NCBFAA

The National Customs Brokers & Forwarders Association of America, Inc.

News Release

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FOR IMMEDIATE RELEASE

NCBFAA Files Comments on FMC Service Contracts, NSAs

Washington, DC: In a [filing to the Federal Maritime Commission \(FMC\)](#), **National Customs Brokers and Forwarders Association of America, Inc.** (NCBFAA) Transportation and General Counsel Edward Greenberg expressed support for the Commission's effort to reform its rules affecting service contracts and NVOCCs service arrangements (NSAs) in a way to comport with the ever-changing demands and environment of the shipping industry.

"In summary, the Association supports the proposed revision to the current regulations that would allow the filing of amendments for both service contracts and NSAs to be delayed up to 30 days after an amendment is agreed to by the parties," Counsel Greenberg wrote. "The revision would provide much needed flexibility for VOCCs and, perhaps even more so, for NVOCCs, who are required to constantly monitor and react to all VOCC daily rate and surcharge adjustments, and incorporate those adjustments into NSA amendments."

However, the Association also cautioned the agency to ensure that this retroactive process was not abused by carriers springing surprises through delayed implementation on previously announced general rate increases and surcharges.

The NCBFAA suggested that the NSA rules should be relaxed in order to delete the requirement that such contracts still need to be filed by NVOs. "So, while allowing for the retroactive filing of amendments is certainly a step in the right direction" he wrote, "complete elimination of this requirement for NSAs is warranted and the Commission should promptly initiate a rulemaking proceeding to consider whether there is an appropriate basis to continue to treat NSAs in exactly the same way as service contracts vis-à-vis the need for filing and publication."

The NCBFAA also, yet again, urged the FMC to broaden the exemption relating to negotiated rate arrangements (NRAs). In that regard, the Association pointed out that the NRA process would be far more useful, and used more, if the parties are able to amend them and if they could include so-called non-economic issues, such as surcharges, credit terms, minimum quantities, forum selection and arbitration clauses.

"The existing need to separate the so-called economic from non-economic terms is an arbitrary requirement that served little purpose when first implemented and today interferes with the efficient memorialization of the negotiated rate arrangements between NVOCCs and their customers," Counsel Greenberg noted.

Headquartered in Washington, DC, the NCBFAA represents more than 1,000 member companies with 110,000 employees in international trade - the nation's leading freight forwarders, customs brokers, ocean transportation intermediaries (OTIs), NVOCCs and air cargo agents, serving more than 250,000 importers and exporters. Established in 1897 in New York, NCBFAA is the effective national voice of the industry. Through its various committees, counsel and representatives, the Association maintains a close watch over legislative and regulatory issues that affect its members. It keeps them informed of these and other related issues through its weekly Monday Morning eBriefing, and various meetings and conferences throughout the year.

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