

# THE TRANSPORT ADVISOR



## A FOR THE IDEA, D FOR IMPLEMENTATION

In a ruling late last year, the Federal Maritime Commission (FMC) adopted a change requiring all Ocean Transportation Intermediaries (OTI's) to renew their registration for foreign NVO's or renew their licenses for Domestic NVO's every three years. Previously, OTI registration and license renewals were not required. With the first required license renewals due recently, it appears those organizations affected first are the foreign-based NVOCC's.

## WHY THE RUSH

We applaud the commission for monitoring registration and licensing more closely and acknowledge some believe it was long overdue. However, we see problems with the FMC's notification of the renewal requirement.

With a list of the first round of renewals sent out at the end of July, the first waves of OTI's, primarily foreign entities in various locations, were affected in August. It is unlikely that the initial notification of this requirement, in the form of a letter, reached all of the parties with enough time for a proper response. Mail within the United States is relatively efficient, but outside the U.S delivery can be less reliable in terms of timeliness. Letters between Canada and the U.S. can take upwards of four weeks, and that is right next-door. *Continued on Page 2*



## SPOT MARKET TRENDS

Chart 1 on page 2 shows that carriers are introducing a VGM fee, which coincided with the introduction of SOLAS on July 1. Though we don't mean to suggest that it is prevalent, it does appear in several tariffs. The going rate seems to be \$25 per container.

Chart 2 shows that AMS and AES charges have increased slightly with some sharp fluctuations since the introduction of ACE earlier this year. Prior to the introduction of ACE the rates seemed to hover very close to the \$25 mark, but since its introduction, rates have shifted with highs reaching \$95. Averages settled in at about the \$40 mark.

Chart 3 depicts the average filed rates on weight, measure and weight/measure over the last seven days. These rates are bottom line, including base ocean and surcharges, but also represent the tariffs default tonnage, which may vary from carrier to carrier.

## We're Back

We took the months of July and August off from publishing the newsletter. This doesn't mean we were on vacation, quite the contrary.



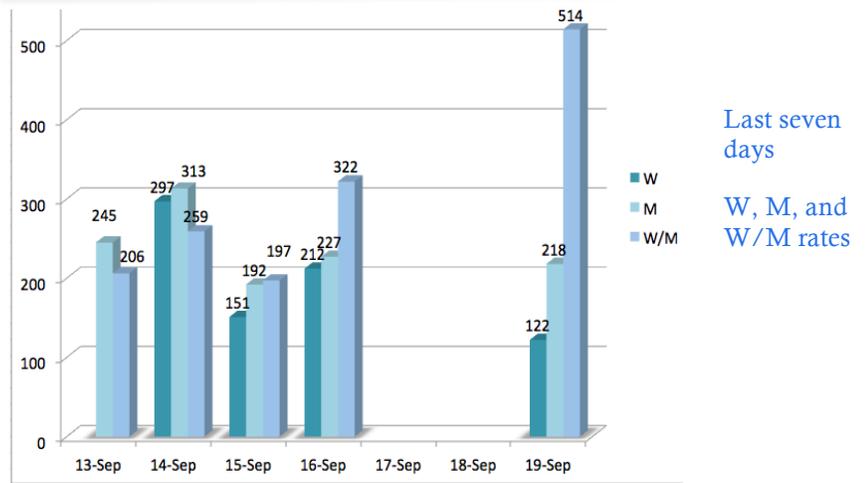
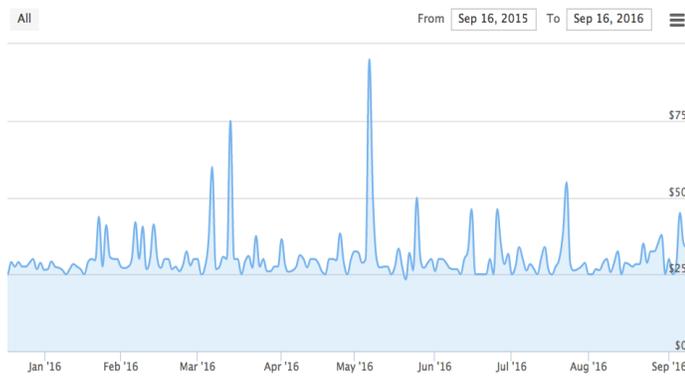
We have spent the summer renewing our logo and updating our corporate website ([www.globemar.com](http://www.globemar.com)) so please take a look and give us your feedback. We have introduced responsive design to allow viewing on smartphones, tablets or desktops and the design resizes to accommodate each screen. It is our goal to make all of our applications responsive design and will advise as we convert each of the applications when complete.

We've also tried to identify greater detail into trends with the rate makeup and will provide a little more analysis regarding rates in the coming months.

**We appreciate your feedback. Please let us know if this information is useful to you and your business.**



AMS and AES fluctuations.



A for the Idea - continued

Mail delivery doesn't serve all the OTI's equally, and certainly doesn't allow some of the initially affected much time to seek advice or submit their intentions. A more reasonable and effective approach would have been to give notice to all OTI's affected in this current year and allow them a minimum of 90 days from date of receipt of letter to respond.

In many cases, these foreign-based NVOCC's are small businesses with only a certain number of people to tend to a litany of issues. This initiative is intended to shore up the quality of information and ensure it is current, instead it may very well penalize the first wave in such a way to jeopardize their standing.

In order to assist this process and ensure our customers have as much notice as possible, we will be adding the renewal dates to the company profile in our Bote Rates system and will try to advise all of our clients with a heads up well in advance of that date.

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