

THE TRANSPORT ADVISOR



TARIFFS

The importance of tariffs in the industry cannot be understated. Governing corporate pricing and enabling the protection of revenue of streams, tariffs allow businesses to maneuver effectively within the market when managed efficiently. When a business lacks a fundamental understanding of certain contents or applications, however, tariffs can lead to costly oversights and confusion.

Save your business time, money, and resources by reviewing the essential elements of tariffs outlined below:

Taking Stock of Ocean Freight Rates. Regularly reviewing ocean freight rates to be sure they are consistent with market values should be a common practice for all businesses. Ocean Freight rates should be consistent with market conditions, but, moreover, they should represent a compensatory rate for your business.

Setting a Cargo N.O.S. Rate. Having a tenable rate for unspecified cargo can protect a business in the event of an expired commodity or rate. Be sure you have a Cargo N.O.S. rate in place, and that it is consistent with market values.

Reviewing Rates on File. Businesses require accurate record keeping to operate efficiently, and tariffs are no exception. Reviewing expiry dates and removing rates for outdated cargo will keep your tariff current. While an accurate tariff is an invaluable pricing tool that contains concise and current data, a disorganized tariff is nothing but a liability. Consult your publisher to obtain the reports that will assist you in keeping your tariff clean and up-to-date.

Establishing the Rules. Each tariff contains a set of rules to govern everything from the Bill of Lading to insurance requirements. Do your due diligence by insuring tariffs are consistent with current business profiles, and that the language covers a wide range of potential scenarios. Should a claim occur, a clearly defined set of rules governing deviations of cargo, credits, etc. will protect your business and expedite the claims process.

Tracking Charges. Some surcharges, such as fuel and inland charges, are reviewed on a regular basis, while others are not. Periodically review documentation fees, arbitrations, and destination charges to be sure they're also consistent with market standards.

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SPOT MARKET TRENDS

This spot market continues to show volatility but also reveals a strengthening in all rates based on the averages for the month.

The 40' container minimum was \$180.00 and was cargo moved from Savannah, Georgia to Genoa, Italy.

The 40' container maximum was \$38,740.00 on cargo moved from Roncello, Italy via La Spezia, Italy to Norfolk, Virginia

The average 40' container rate for the month was \$2,765.00

The 20' container minimum was \$189.00 and was on cargo moved from Mansfield Texas to Santos Brazil.

The 20' container maximum was \$15,000.00 on cargo moved from Sunny Point, North Carolina to Casablanca, Morocco

The average 20' container rates for the month was \$2,010.00

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

Min / Max / Avg - Monthly



Tariffs - continued

Keeping Tariff Rules Consistent.

Tariff rules are simpler than you think. Their purpose is to establish the conditions of a service, and to set the cost of those services. Be sure the services and rates provided to clients is consistent with the terms outlined in your tariff.

Adjusting Rate Levels. NVOCCs (non-vessel-operating common carriers) should understand the influence of VOCCs (vessel operating common carriers). Tracking a VOCC's actions will allow NVOCCs to maximize revenue recovery by adjusting rate levels as appropriate.

Navigating the U.S.A. All trade to and from the United States should be reviewed to insure tariffs meet US regulatory requirements.

Need help getting your tariffs in order? With over 20 years of industry experience, GMTS can assist with all of the practices outlined above through regulatory seminars, as well as tariff reviews and tariff "cleanups." More information can be found on our [website](#).

Help with Licensing

Within the United States an Ocean Transportation Intermediary (OTI) is required to be licensed and bonded, or to appoint an agent who is licensed and bonded in accordance with Federal Maritime Commission (FMC) regulations. Global Maritime Transportation Services Inc. provides assistance in obtaining an NVOCC and/or Freight Forwarders License. We can assist in determining which license is most applicable to your organization and then help prepare and file the application. Our FMC practitioners are fully versed in all aspects of the filing process and will assist you to assure the appropriate information is provided to secure timely acceptance of your application. Our services start with ensuring that all aspects of the application are met, and may also include assistance with obtaining appropriate bonding and compliance with your tariff filing.

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