

THE TRANSPORT ADVISOR



Regulation Change: Examining the New Rules

On May 5th, 2017 new regulations governing Service Contracts (SC) and NVOCC Service Arrangements (NSA) will take effect. This newest regulatory reform (a result of two Notices of Proposed Rulemaking published in February and August of last year by the FMC) aims to provide immediate relief to carriers from certain administrative burdens. Below is a summary of the new regulations and an analysis of potential residual effects of the new measures.

Service Contracts and NSAs

New regulations governing Service Contracts and NVOCC Service Arrangements are as follows:

- The FMC will allow the filing of service contract amendments up to 30 days after the effective date of an agreement.
- Effective dates are no longer determined by the day the FMC receives an amendment. Once all parties have signed a SC/NSA, its effective date can be up to 30 days prior to its filing date.
- Multiple amendments spanning different dates can no longer be combined into a single amendment for filing purposes. VOCCs and NVOCCS must accurately file all amendments according to their effective dates.
- Regulatory changes only apply to the filing amendments, not to the filing of original SC/NSA agreements.

For the most part, these measures will go a long way in easing some of the more restrictive filing requirements. There is a concern, however, that one aspect of these new regulations may create more problems than it solves. The simple fact is that stripping carriers of the ability to file a single amendment that acts as multiple missing amendments from a contract may create more confusion and work for carriers.

Electronic Transmission Errors

New regulations governing electronic transmission errors are as follows:

- The FMC has extended their acceptance of corrected transmissions of amendments on their SERVCON System from 48 hours to 30 days. Corrected transmissions are strictly for technical errors, not for making changes within a SC/NSA document. *Continued on page 2*



SPOT MARKET TRENDS

We continue to monitor the previous months rate activity through our Bote Charts program.

The minimum 40' container rate was \$170.00 and was moved from Barranquilla, Colombia to Port Everglades, FL.

The maximum 40' container rate was \$27,700.00 and was moved from Gifu, Japan to Melo Park, Ca.

The minimum 20' container rate was \$300.00 and was moved from San Juan, PR to Jacksonville, FL.

The maximum 20' container rate was \$13,350.00 and was moved from Baltimore, MD to Majuro, Marshall Islands.

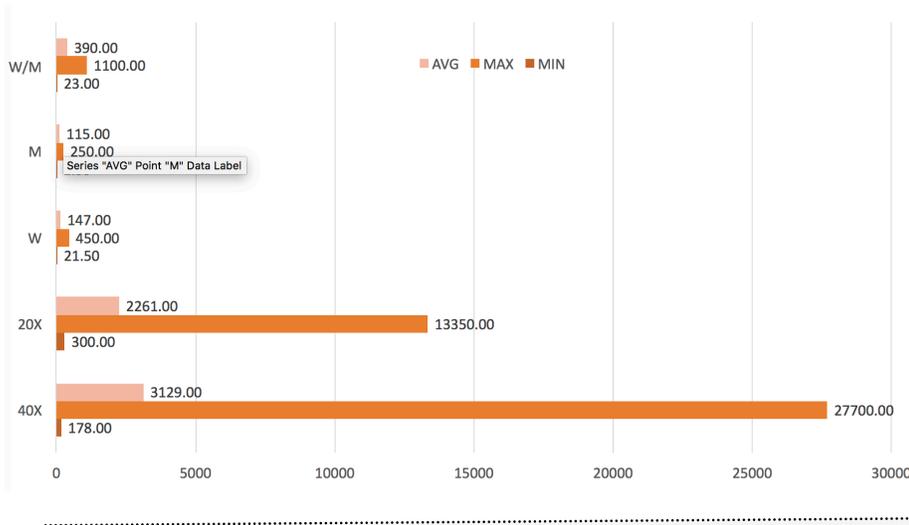
See chart, page 2.

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

Changes - continued

Min / Max / Median Rates

March 2017



HELPFUL HINTS:

The FMC Schedule for NVOCC License Renewal.

The last digit of the License will determine the month in which the renewal will occur. 1-9 is January thru September. 0 will occur for the October renewals. There won't be renewals the months of November and December.

The second to last digit will represent the year in which the renewal will occur.

Digit	Year of Renewal				
1,2,3	2017	2020	2023	2026	2029
4,5,6	2018	2021	2024	2027	2030
7,8,9,0	2019	2022	2025	2028	2031

Service Contract Errors

New regulations governing Service Contract errors are as follows:

- The FMC has extended their acceptance of service contract corrections requests from 45 days to 180 days.

This action will go a long way in helping carriers fix errors in service contracts, however, it does nothing to address the common occurrence of carriers forgetting to file an original SC/NSA.

Unfiled Service Contracts and NSAs

New regulations governing unfiled service contracts are as follows:

- The FMC will not expand the service contract correction process to include unfiled original service contracts or amendments.

Final Notes

Most or all of the regulatory actions share one underlying convenience: they require no change to the SERVCON System. All policy changes are strictly those that can be enacted with immediate effect, and will not require laborious programming which could take years. The fact that these changes will provide timely regulatory relief is, of course, welcome, but there remains much to be done. Most importantly, the changes still do not address the issue of mis-rated documentation, which continues to challenge the industry.

May 5th, 2017 will undoubtedly mark a step forward for the industry, however. These measures are a positive first step, but the work of finding equilibrium between autonomy for carriers and sensible regulatory standards cannot stop there.