

For Immediate Release

Regulatory Relief for Service Contracts and NVOCC Service Arrangements, Commissioner William P. Doyle votes to supports.

Commissioner Doyle issued the following statement:

Today, March 6, 2017, the Federal Maritime Commission approved regulatory changes to Service Contract and NVOCC Service Arrangements regulations.

First, the final rule will allow the filing of amendments in FMC's SERVCON *within 30 days of the effective date of the agreement reached between the shipper and carrier.*

Considerable commercial difficulties arise when a service contract rate cannot be applied to a given shipment due to a delay in filing with the Commission. More than 550,000 service contract amendments are filed annually with the Commission and it poses the largest administrative burden for both carriers and their customers in the supply chain.

The proposed relief would allow the processing and filing of multiple service contract amendments initiated during a 30-day period at a scheduled time during that period as determined by the carrier. This data filing process allows for steady commercial interactions and is estimated to save substantial time and expense associated with federal regulatory compliance.

In addition to the 30-day SERVCON change, the Commission is providing the following regulatory relief:

- Allowing the filing of Corrected Transmissions within 30 days

of the service contract or amendment filing;

- Allowing a service contract correction request to be filed within 180 days of the contract's filing with the Commission;
- Allowing amendments to NVOCC Service Arrangements (NSAs) to become effective on the date specified by the parties, so long as the amendment is filed no later than 30 days after the agreement is reached;
- Allowing the filing of Corrected Transmissions within 30 days of the NSA or amendment filing.

In voting to support the rule, the FMC maintains its ability to protect the shipping public.

Background: On November 4, 2011, the Commission issued its plan for retrospective review for existing rules and regulations. In February of 2013, the plan for retrospective review was updated to include reviewing NVOCC service arrangements and service contracts; the Commission asked for public comment. In September 2013, the Commission initiated its internal regulatory review of NVOCC service arrangements and service contracts regulations. As part of our review, the Commission informally solicited views from various stakeholders in order to gather a broad range of perspectives consisting of vessel operating common carriers (VOCCs), licensed NVOCCs, beneficial cargo owners, and shippers associations. On February 25, 2016, the Commission issued an Advanced Notice of Proposed Rulemaking for Service Contracts and NVOCC Service Arrangements. On August 22, 2016, the Commission published its Notice of Proposed Rulemaking for Service Contracts and NVOCC Service Arrangements. Today, we have now concluded with a Final Rule as outlined above.

