



# ROANOKE TRADE

March 12, 2012

VIA eMail ([secretary@fmc.gov](mailto:secretary@fmc.gov)) and mail

Ms. Karen V. Gregory, Secretary  
Federal Maritime Commission  
800 N Capitol St NW  
Washington, DC 20573-0001

RE: Docket No. 11-09  
Comments of Roanoke Trade Services, Inc.

Dear Ms. Gregory,

Roanoke Trade Services, Inc., is an insurance broker that focuses on insurance, surety, and risk management solutions for supply chain and transportation intermediaries. Among these products are the surety bonds that the Ocean Transportation Intermediary ("OTI") files with the Federal Maritime Commission ("FMC") as evidence of the OTI's financial responsibility.

Roanoke Trade is supportive of the proposed changes that continue to allow licensed OTI-NVOCC entities to meet, relatively easily, certain financial responsibility obligations required by the People's Republic of China's Ministry of Communications ("MOC"). We support the decision for the rider to contain blank spaces to allow for flexibility due to the existence of bonded U.S. branch office locations. Our comments focus on the need for some additional clarity or guidance in carrying out the proposed changes to the FMC's regulations rather than on the changes actually being proposed.

The FMC is proposing to amend the language of its Form FMC-48A (OMB No. 3072-0018). We have suggestions about the timing of implementing this change, and we seek some clarification about how amounts should be shown in the rider's paragraphs 1.a. and 1.c. when the OTI has bonded U.S. office locations.

**Timing:**

The language proposes to change some of the rider's language. Based on past experience with the MOC, changes to the rider can only be made by terminating the rider and filing a new one. The FMC should consider allowing a phase-in period for terminating and filing new riders in order to minimize the impact on its staff and FMC resources.

We suggest the FMC allow for a 12 month phase-in period so that the rider with the new language could be provided in concurrence with the underlying bond's anniversary cycle. Allowing for a 12 month phase in would result in the least impact on the FMC's staff and resources.



If the FMC determines that new bond riders need to be in place when the changes to the regulations take effect, than we recommend that the FMC give no fewer than 90 days of notice before the new regulations become effective. There needs to be at least 30 days of notice given when terminating the existing MOC rider, and the remaining 60 days can give OTI NVOCCs sufficient time to undergo any necessary underwriting review.

**Completing the rider:**

Properly completing the rider appears somewhat unclear to us and perhaps the following table will assist OTIs and sureties how to prepare the FMC Form 48A with regards to the amounts to be shown in Paragraphs 1.a. and 1.c. We hope we understand the proposed rider language in compiling this graphic, and we ask that the FMC incorporate something similar in the discussion of comments in the Final Rule *Federal Register* notice:

Number of US Branch Locations	OTI-NVO Bond Amount	Rider Amount for US Branches	Amount shown in FMC 48A Paragraph 1.a.	Amount shown in FMC 48A Paragraph 1.c.
0	\$ 75,000	N/A	\$ 50,000	\$ 125,000
1	\$ 75,000	\$ 10,000	\$ 50,000	\$ 125,000
2	\$ 75,000	\$ 20,000	\$ 50,000	\$ 125,000
3	\$ 75,000	\$ 30,000	\$ 50,000	\$ 125,000
4	\$ 75,000	\$ 40,000	\$ 50,000	\$ 125,000
5	\$ 75,000	\$ 50,000	\$ 50,000	\$ 125,000
6	\$ 75,000	\$ 60,000	\$ 50,000	\$ 135,000
7	\$ 75,000	\$ 70,000	\$ 50,000	\$ 145,000
8	\$ 75,000	\$ 80,000	\$ 50,000	\$ 155,000
9	\$ 75,000	\$ 90,000	\$ 50,000	\$ 165,000
10	\$ 75,000	\$ 100,000	\$ 50,000	\$ 175,000

Where US branch office locations exceed 10, OTIs and sureties can extrapolate the necessary information for paragraphs 1.a. and 1.c. based on the pattern established.

Should the FMC need clarification about the suggestions we have presented, please do not hesitate to contact the undersigned at +1-847-969-8235. We thank you for the opportunity to provide input and comment on this rulemaking.

Best regards,  
Roanoke Trade Services, Inc.



Matthew L. Zehner  
Vice President – Surety Information & Communication