

Chavez, Richard - Washington, DC

Sent: CNolfo@osg.com
To: Wednesday, January 11, 2006 10:31 AM
Cc: Chavez, Richard - Washington, DC
Subject: Lasseter, Teresa - Washington, DC; Farrish, Bert; DSCHERL@USAID.GOV
7 CFR Part 1496 - Proposed Rule -Submission

Mr. Richard Chavez, Director
Commodity Procurement Policy & Analysis Division
Farm Service Agency
United States Department of Agriculture
Washington, D.C

Re: 7 CFR Part 1496, Procurement of Commodities for Foreign Donation
Proposed Rule

Dear Mr. Chavez:

OSG Ship Management, Inc. as Disponent Owner on behalf of Ocean Bulk Ships,
and Transbulk Carriers, Inc., formally requests a 90 day extension of
comment period on this Proposed Rule from the current deadline of
January, 17, 2006 to April 17, 2006.

This extension will be very important for all interested parties to obtain
the necessary information to access the impact a proposed rule change
would have on the complex dynamics of one area of Cargo Preference the
rule change intends to streamline.

The Proposed Rule is not clear that adherence to existing Cargo Preference
laws and policy will be completely maintained as the number one priority.

The mention of a reduction from the "two-step" process to a "one
step" process refers to the current mid-month Title II releases.
Additionally, the Notice mentions that the "new procedures"
...''..would apply to processed ..and bulk commodities...''.. However, under
Title II, bulk commodities are already contracted in a "one-step"
process.

The Notice also makes reference to KCCO being currently in the process of
updating its computer bid-evaluation systems which presumably refers to the
proposed FBES that has been under development for several years and
discussed over the last few years at the Annual USDA Conferences in Kansas
City. The last meeting with the carriers that covered an extended list of
issues was March, 2005, and there has not been any updated status report
issued nor resolution of the issues raised at that time.

The requested 90 day extension will also provide the necessary opportunity
for a meeting between USDA and the carriers in Washington, D.C. to
determine the actual status of computer upgrades and obtain a status update
on FBES. When will it be fully tested, with carrier participation, to
determine if it can digest and accurately analyze the complexities of an
offer from all types of vessels and then correctly determine lowest landed
cost? This is an absolutely necessary requirement as the Notice allows
for the option to require bids to be submitted ..''using an electronic bid

system''.

Perhaps these issues should be added to the 2006 USDA Conference agenda in
spring to allow for an expanded and more thorough discussion and
review.

Thank you for the opportunity to comment and request an extension.

Respectfully submitted

Charles F. Nolfo

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