

**§ 402.4 Calls at restricted ports en route to an unrestricted port with restricted cargo.**

Order T-1 does not prohibit an American flag ship or aircraft from going to or calling at one of the restricted ports, even though it has on board a commodity which could not be discharged at that port. (Note, however, that Order T-2 prohibits American flag ships and aircraft from calling at any port or other place in Communist China.) For example, an American flag ship may call at one of the restricted ports (except one in Communist China), even though it has on board the following classes of commodities:

(a) A Positive List commodity manifested to a destination outside the restricted area, with an export license and an export declaration showing the unrestricted destination at the ultimate destination, (b) a Positive List commodity destined for the restricted port of call which cannot be discharged there because there is no export license or authorization from the Assistant Secretary for Domestic and International Business permitting discharge at the restricted port of call, (c) a commodity of any kind destined for Communist China (the transportation and discharge of which is covered by Order T-2). None of these commodities may be discharged at the restricted port of call. Discharge of any of these commodities at the port covered by the restrictions of Order T-1 is prohibited and subject to penalty, regardless of the circumstances under which the discharge of the cargo at the restricted port occurs, unless appropriate authorization is obtained.

**§ 402.5 Forwarding commodities previously shipped.**

Order T-1 applies to transportation on or discharge from ships documented under the laws of the United States and aircraft registered under the laws of the United States. These restrictions apply either in the case of a discharge at one of the restricted ports or to discharge at any other port in transit to a restricted destination. The restrictions of Order T-1 do not apply to transportation by foreign carriers, as long as there is no prohibited transportation or discharge by or from a United States

flag ship or aircraft after the issuance of Order T-1. Accordingly, if an American flag ship or aircraft, before the issuance of Order T-1, had transported restricted commodities manifested to restricted destinations, and had completed the transportation to a foreign intermediate point and had completed the discharge from the American flag ship or aircraft before the issuance of Order T-1, no violation of that order would have occurred, but Order T-1 would prohibit further shipment on an American flag ship or aircraft unless authorization under Order T-1 is obtained.

**§ 402.6 Relation to Transportation Order T-2.**

Transportation Order T-1 applies to the transportation of commodities to, or in transit to, destinations in Sub-Group A, Hong Kong or Macao. It applies, however, only to commodities on the Positive List of the Office of International Trade, arms and ammunition, and commodities controlled under the Atomic Energy Act (see section 2 of this interpretation). Transportation Order T-2 applies to the transportation of commodities of any kind which are destined to Communist China (Order T-2 also prohibits American ships and aircraft from calling at any port or place in Communist China). Since Communist China is in Sub-Group A, the restrictions of both orders apply to the transportation of commodities to Communist China or to any other point in transit to Communist China.

**PART 403—SHIPPING RESTRICTIONS; NORTH KOREA AND THE COMMUNIST-CONTROLLED AREA OF VIET NAM (T-2)**

Sec.

- 403.1 Prohibition of movement of American carriers to North Korea.
- 403.2 Prohibition on transportation of goods destined for North Korea.
- 403.3 Persons affected.
- 403.4 Reports.
- 403.5 Records.
- 403.6 Defense against claims for damages.
- 403.7 Violations.

AUTHORITY: Sec. 704, 64 Stat. 816, as amended; 50 U.S.C. app. 2154.<sup>1</sup> Interpret or apply sec. 101, 64 Stat. 799, as amended; 50 U.S.C. app. 2071; E.O. 10480, 18 FR 4939, 3 CFR, 1953. Supp.; and sec. 4(a), Pub. L. 89-670, 80 Stat. 933; 49 U.S.C. 1653.

SOURCE: Transportation Order T-2 (Amended), 37 FR 25040, Nov. 25, 1972. Redesignated at 45 FR 44574, July 1, 1980, unless otherwise noted.

**§403.1 Prohibition of movement of American carriers to North Korea.**

No person shall sail, fly, navigate, or otherwise take any ship documented under the laws of the United States or any aircraft registered under the laws of the United States to North Korea.

[59 FR 8413, Feb. 22, 1994]

**§403.2 Prohibition on transportation of goods destined for North Korea.**

No person shall transport, in any ship documented under the laws of the United States, or in any aircraft registered under the laws of the United States, to North Korea, any material, commodity, or cargo of any kind. No person shall take on board any ship documented under the laws of the United States or any aircraft registered under the laws of the United States any material, commodity, or cargo of any kind if that person knows or has reason to believe that the material, commodity, or cargo is destined, directly or indirectly for North Korea. No person shall discharge from any ship documented under the laws of the United States or from any aircraft registered under the laws of the United States, at any place other than the port where the cargo was loaded, or within territory under the jurisdiction of the United States any material, commodity, or cargo of any kind which that person knows or has reason to believe is destined for North Korea.

[59 FR 8413, Feb. 22, 1994]

**§403.3 Persons affected.**

The prohibitions of this order apply to the owner of the ship or aircraft, to the master of the ship or aircraft, and to any other officer, employee, or

agent of the owner of the ship or to any other person who participates in the prohibited activities.

**§403.4 Reports.**

Persons subject to this order shall submit such reports to either the Assistant Secretary of Commerce for Domestic and International Business, Assistant Secretary of Commerce for Maritime Affairs, or the Assistant Secretary of Transportation for Policy and International Affairs, for, respectively, cargoes, vessels or aircraft as shall be required, subject to the terms of the Federal Reports Act.

**§403.5 Records.**

Each person participating in any transaction covered by this order shall retain in his possession, for at least 2 years, records of voyages and shipments in sufficient detail to permit an audit that will determine for each transaction that the provisions of this order have been met. This provision does not require any particular accounting method and does not require alteration of the system customarily maintained, provided such records supply an adequate basis for audit. Records may be retained in the form of microfilm or other photographic copies instead of the originals.

**§403.6 Defense against claims for damages.**

No person shall be held liable for damages or penalties for any default under any contract or order which shall result directly or indirectly from compliance with this order or any provision, thereof, notwithstanding that this order or such provision shall thereafter be declared by judicial or other competent authority to be invalid.

**§403.7 Violations.**

Any person who willfully violates any provisions of this order, or willfully conceals a material fact, or furnishes false information in the course of operation under this order, shall, upon conviction, be punished by fine or imprisonment, or both. In addition, administrative action may be taken against any such person, denying him

<sup>1</sup>Public Law 92-325, approved June 30, 1972, extended the Defense Production Act of 1950, as amended, to June 30, 1974.

§ 403.7

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the privileges generally accorded under  
this order.

**PARTS 404-499 [RESERVED]**