§ 506.2 Definitions.

(a) Commission means the Federal Maritime Commission.
(b) Civil Monetary Penalty means any penalty, fine, or other sanction that:
   (1)(i) Is for a specific monetary amount as provided by Federal law; or
   (ii) Has a maximum amount provided by Federal law;
(2) Is assessed or enforced by the Commission pursuant to Federal law; and
(3) Is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal Courts.
(c) Consumer Price Index means the Consumer Price Index for all urban consumers published by the Department of Labor.

§ 506.3 Civil monetary penalty inflation adjustment.

The Commission shall, not later than October 23, 1996, and at least once every 4 years thereafter—
(a) By regulation adjust each civil monetary penalty provided by law within the jurisdiction of the Commission by the inflation adjustment described in § 506.4; and
(b) Publish each such regulation in the FEDERAL REGISTER.

§ 506.4 Cost of living adjustments of civil monetary penalties.

(a) The inflation adjustment under § 506.3 shall be determined by increasing the maximum civil monetary penalty for each civil monetary penalty by the cost-of-living adjustment. Any increase determined under this subsection shall be rounded to the nearest:
   (1) Multiple of $10 in the case of penalties less than or equal to $100;
   (2) Multiple of $100 in the case of penalties greater than $100 but less than or equal to $1,000;
   (3) Multiple of $1,000 in the case of penalties greater than $1,000 but less than or equal to $10,000;
   (4) Multiple of $5,000 in the case of penalties greater than $10,000 but less than or equal to $100,000;
   (5) Multiple of $10,000 in the case of penalties greater than $100,000 but less than or equal to $200,000; and
   (6) Multiple of $25,000 in the case of penalties greater than $200,000.
(b) For purposes of paragraph (a) of this section, the term ‘cost-of-living adjustment’ means the percentage (if any) for each civil monetary penalty by which the Consumer Price Index for the month of June of the calendar year preceding the adjustment, exceeds the Consumer Price Index for the month of June of the calendar year in which the amount of such civil monetary penalty was last set or adjusted pursuant to law.
(c) Limitation on initial adjustment.
The first adjustment of civil monetary penalty pursuant to § 506.3 may not exceed 10 percent of such penalty.
(d) Inflation adjustment. Maximum Civil Monetary Penalties within the jurisdiction of the Federal Maritime Commission are adjusted for inflation as follows:

<table>
<thead>
<tr>
<th>United States Code citation</th>
<th>Civil Monetary Penalty description</th>
<th>Current maximum penalty amount</th>
<th>New adjusted maximum penalty amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>46 U.S.C. 42304</td>
<td>Adverse impact on U.S. carriers by foreign shipping practices</td>
<td>1,500,000</td>
<td>1,600,000</td>
</tr>
<tr>
<td>46 U.S.C. 41107(a)</td>
<td>Knowing and Willful violation/Shipping Act of 1984, or Commission regulation or order</td>
<td>40,000</td>
<td>45,000</td>
</tr>
<tr>
<td>46 U.S.C. 41107(b)</td>
<td>Violation of Shipping Act of 1984, Commission regulation or order, not knowing and willful</td>
<td>8,000</td>
<td>9,000</td>
</tr>
<tr>
<td>46 U.S.C. 41106(b)</td>
<td>Operating in foreign commerce after tariff suspension</td>
<td>75,000</td>
<td>80,000</td>
</tr>
<tr>
<td>46 U.S.C. 42106</td>
<td>Failure to provide required reports, etc./Merchant Marine Act of 1920</td>
<td>8,000</td>
<td>9,000</td>
</tr>
<tr>
<td>46 U.S.C. 42106</td>
<td>Operating after tariff or service contract suspension/Merchant Marine Act of 1920</td>
<td>75,000</td>
<td>80,000</td>
</tr>
<tr>
<td>46 U.S.C. 44102</td>
<td>Failure to establish financial responsibility for non-performance of transportation</td>
<td>8,000</td>
<td>9,000</td>
</tr>
<tr>
<td>46 U.S.C. 44103</td>
<td>Failure to establish financial responsibility for death or injury</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>31 U.S.C. 3802(a)(1)</td>
<td>Program Fraud Civil Remedies Act/makes false claim</td>
<td>8,000</td>
<td>9,000</td>
</tr>
</tbody>
</table>

3 Application of the statutory rounding resulted in no increase to these penalties.
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