

may record with the Secretary of Transportation a notice of that person's lien claim on the vessel. To be recordable, the notice must—

- (1) state the nature of the lien;
  - (2) state the date the lien was established;
  - (3) state the amount of the lien;
  - (4) state the name and address of the person;
- and
- (5) be signed and acknowledged.

(b)(1) The Secretary shall record a notice complying with subsection (a) of this section if, when the notice is presented to the Secretary for recording, the person having the claim files with the notice a declaration stating the following:

(A) The information in the notice is true and correct to the best of the knowledge, information, and belief of the individual who signed it.

(B) A copy of the notice, as presented for recordation, has been sent to each of the following:

- (i) The owner of the vessel.
- (ii) Each person that recorded under subsection (a) of this section an unexpired notice of a claim of an undischarged lien on the vessel.
- (iii) The mortgagee of each mortgage filed or recorded under section 31321 of this title that is an undischarged mortgage on the vessel.

(2) A declaration under this subsection filed by a person that is not an individual must be signed by the president, member, partner, trustee, or other individual authorized to execute the declaration on behalf of the person.

(c)(1) On full and final discharge of the indebtedness that is the basis for a notice of claim of lien recorded under subsection (b) of this section, the person having the claim shall provide the Secretary with an acknowledged certificate of discharge of the indebtedness. The Secretary shall record the certificate.

(2) The district courts of the United States shall have jurisdiction over a civil action in Admiralty to declare that a vessel is not subject to a lien claimed under subsection (b) of this section, or that the vessel is not subject to the notice of claim of lien, or both, regardless of the amount in controversy or the citizenship of the parties. Venue in such an action shall be in the district where the vessel is found or where the claimant resides or where the notice of claim of lien is recorded. The court may award costs and attorneys fees to the prevailing party, unless the court finds that the position of the other party was substantially justified or other circumstances make an award of costs and attorneys fees unjust. The Secretary shall record any such declaratory order.

(d) A person claiming a lien on a vessel covered by a preferred mortgage under section 31322(d) of this title must record and discharge the lien as provided by the law of the State in which the vessel is titled.

(e) A notice of claim of lien recorded under subsection (b) of this section shall expire 3 years after the date the lien was established, as such date is stated in the notice under subsection (a) of this section.

(f) This section does not alter in any respect the law pertaining to the establishment of a

maritime lien, the remedy provided by such a lien, or the defenses thereto, including any defense under the doctrine of laches.

(Pub. L. 100-710, title I, §102(c), Nov. 23, 1988, 102 Stat. 4748; Pub. L. 107-295, title II, §205(a)(1), Nov. 25, 2002, 116 Stat. 2095.)

HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source section (U.S. Code)</i>
31343 .....	46:925

Section 31343 provides that any person claiming a lien on a vessel covered by a preferred mortgage may record a notice of lien. This notice must state the nature of the lien, date it was established; the amount; and the name and address of the person claiming a lien, and it must be acknowledged. The Secretary must record a notice of lien if it complies with these requirements. When any part of the indebtedness is discharged, the claimant shall provide the Secretary with a written, acknowledged certificate of discharge of the indebtedness, and the Secretary shall record the certificate. This section makes no substantive change to law.

Section 31343(c) provides that, on the full and final discharge of an indebtedness that is the basis for a claim, the person having the claim shall provide the Secretary with an acknowledged certificate of discharge on the request of the Secretary or owner of the vessel. This subsection makes a substantive change to law by not requiring partial discharges to be filed, as well as making the filing of discharge certificates only at the request of the Secretary or owner of the vessel.

HOUSE FLOOR STATEMENT

Subsection (d) of this section requires a person claiming a lien on a vessel covered by a preferred mortgage under section 31322(d) to record and discharge the lien as provided by the law of the State in which the vessel is titled.

AMENDMENTS

2002—Pub. L. 107-295, §205(a)(1)(A), substituted “notices of claim of maritime lien” for “liens on preferred mortgage vessels” in section catchline.

Subsec. (a). Pub. L. 107-295, §205(a)(1)(B), substituted “documented, or for which an application for documentation has been filed, under chapter 121” for “covered by a preferred mortgage filed or recorded under this chapter” in introductory provisions.

Subsec. (b). Pub. L. 107-295, §205(a)(1)(C), amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: “The Secretary shall record a notice complying with subsection (a) of this section.”

Subsec. (c). Pub. L. 107-295, §205(a)(1)(D), amended subsec. (c) generally. Prior to amendment, subsec. (c) read as follows: “On full and final discharge of the indebtedness that is the basis for a claim recorded under subsection (b) of this section, on request of the Secretary or owner, the person having the claim shall provide the Secretary with an acknowledged certificate of discharge of the indebtedness. The Secretary shall record the certificate.”

Subsecs. (e), (f). Pub. L. 107-295, §205(a)(1)(E), added subsecs. (e) and (f).

EFFECTIVE DATE OF 2002 AMENDMENT

Amendment by Pub. L. 107-295 effective Jan. 1, 2003, see section 205(e) of Pub. L. 107-295, set out as a note under section 31325 of this title.

**Subtitle IV—Regulation of Ocean Shipping**

PART A—OCEAN SHIPPING

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Chapter	Sec.
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PART A—OCEAN SHIPPING

CHAPTER 401—GENERAL

Sec.	
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40102.	Definitions.
40103.	Administrative exemptions.
40104.	Reports filed with the Commission.

§ 40101. Purposes

The purposes of this part are to—

- (1) establish a nondiscriminatory regulatory process for the common carriage of goods by water in the foreign commerce of the United States with a minimum of government intervention and regulatory costs;
- (2) provide an efficient and economic transportation system in the ocean commerce of the United States that is, insofar as possible, in harmony with, and responsive to, international shipping practices;
- (3) encourage the development of an economically sound and efficient liner fleet of vessels of the United States capable of meeting national security needs; and
- (4) promote the growth and development of United States exports through competitive and efficient ocean transportation and by placing a greater reliance on the marketplace.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1523.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40101 .....	46 App.:1701.	Pub. L. 98-237, §2, Mar. 20, 1984, 98 Stat. 67; Pub. L. 105-258, title I, §101, Oct. 14, 1998, 112 Stat. 1902.

EFFECTS ON CERTAIN AGREEMENTS AND CONTRACTS

Pub. L. 98-237, §20(d), Mar. 20, 1984, 98 Stat. 90; Pub. L. 105-258, title I, §117(1), Oct. 14, 1998, 112 Stat. 1914, provided that: “All agreements, contracts, modifications, licenses, and exemptions previously issued, approved, or effective under the Shipping Act, 1916 [former 46 U.S.C. App. 801 et seq., see Disposition Table preceding section 101 of this title], or the Shipping Act of 1984 [former 46 U.S.C. App. 1701 et seq., see Disposition Table preceding section 101 of this title], shall continue in force and effect as if issued or effective under this Act, as amended by the Ocean Shipping Reform Act of 1998 [Pub. L. 105-258, Oct. 14, 1998, 112 Stat. 1902], and all new agreements, contracts, and modifications to existing, pending, or new contracts or agreements

shall be considered under this Act, as amended by the Ocean Shipping Reform Act of 1998.”

§ 40102. Definitions

In this part:

- (1) AGREEMENT.—The term “agreement”—
  - (A) means a written or oral understanding, arrangement, or association, and any modification or cancellation thereof; but
  - (B) does not include a maritime labor agreement.
- (2) ANTITRUST LAWS.—The term “antitrust laws” means—
  - (A) the Sherman Act (15 U.S.C. 1 et seq.);
  - (B) sections 73 and 74 of the Wilson Tariff Act (15 U.S.C. 8, 9);
  - (C) the Clayton Act (15 U.S.C. 12 et seq.);
  - (D) the Act of June 19, 1936 (15 U.S.C. 13, 13a, 13b, 21a);
  - (E) the Federal Trade Commission Act (15 U.S.C. 41 et seq.);
  - (F) the Antitrust Civil Process Act (15 U.S.C. 1311 et seq.); and
  - (G) Acts supplementary to those Acts.

(3) ASSESSMENT AGREEMENT.—The term “assessment agreement” means an agreement, whether part of a collective bargaining agreement or negotiated separately, to the extent the agreement provides for the funding of collectively bargained fringe-benefit obligations on other than a uniform worker-hour basis, regardless of the cargo handled or type of vessel or equipment used.

(4) BULK CARGO.—The term “bulk cargo” means cargo that is loaded and carried in bulk without mark or count.

(5) CHEMICAL PARCEL-TANKER.—The term “chemical parcel-tanker” means a vessel that has—

- (A) a cargo-carrying capability consisting of individual cargo tanks for bulk chemicals that—
  - (i) are a permanent part of the vessel; and
  - (ii) have segregation capability with piping systems to permit simultaneous carriage of several bulk chemical cargoes with minimum risk of cross-contamination; and

(B) a valid certificate of fitness under the International Maritime Organization Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk.

(6) COMMON CARRIER.—The term “common carrier”—

- (A) means a person that—
  - (i) holds itself out to the general public to provide transportation by water of passengers or cargo between the United States and a foreign country for compensation;
  - (ii) assumes responsibility for the transportation from the port or point of receipt to the port or point of destination; and
  - (iii) uses, for all or part of that transportation, a vessel operating on the high seas or the Great Lakes between a port in the United States and a port in a foreign country; but

(B) does not include a carrier engaged in ocean transportation by ferry boat, ocean tramp, or chemical parcel-tanker, or by vessel when primarily engaged in the carriage of perishable agricultural commodities—

(i) if the carrier and the owner of those commodities are wholly-owned, directly or indirectly, by a person primarily engaged in the marketing and distribution of those commodities; and

(ii) only with respect to the carriage of those commodities.

(7) CONFERENCE.—The term “conference”—

(A) means an association of ocean common carriers permitted, pursuant to an approved or effective agreement, to engage in concerted activity and to use a common tariff; but

(B) does not include a joint service, consortium, pooling, sailing, or transshipment agreement.

(8) CONTROLLED CARRIER.—The term “controlled carrier” means an ocean common carrier that is, or whose operating assets are, directly or indirectly, owned or controlled by a government, with ownership or control by a government being deemed to exist for a carrier if—

(A) a majority of the interest in the carrier is owned or controlled in any manner by that government, an agency of that government, or a public or private person controlled by that government; or

(B) that government has the right to appoint or disapprove the appointment of a majority of the directors, the chief operating officer, or the chief executive officer of the carrier.

(9) DEFERRED REBATE.—The term “deferred rebate” means a return by a common carrier of any freight money to a shipper, where the return is—

(A) consideration for the shipper giving all or any portion of its shipments to that or any other common carrier over a fixed period of time;

(B) deferred beyond the completion of the service for which it was paid; and

(C) made only if the shipper has agreed to make a further shipment with that or any other common carrier.

(10) FOREST PRODUCTS.—The term “forest products” includes lumber in bundles, rough timber, ties, poles, piling, laminated beams, bundled siding, bundled plywood, bundled core stock or veneers, bundled particle or fiber boards, bundled hardwood, wood pulp in rolls, wood pulp in unitized bales, and paper and paper board in rolls or in pallet or skid-sized sheets.

(11) INLAND DIVISION.—The term “inland division” means the amount paid by a common carrier to an inland carrier for the inland portion of through transportation offered to the public by the common carrier.

(12) INLAND PORTION.—The term “inland portion” means the charge to the public by a common carrier for the non-ocean portion of through transportation.

(13) LOYALTY CONTRACT.—The term “loyalty contract” means a contract with an ocean common carrier or agreement providing for—

(A) a shipper to obtain lower rates by committing all or a fixed portion of its cargo to that carrier or agreement; and

(B) a deferred rebate arrangement.

(14) MARINE TERMINAL OPERATOR.—The term “marine terminal operator” means a person engaged in the United States in the business of providing wharfage, dock, warehouse, or other terminal facilities in connection with a common carrier, or in connection with a common carrier and a water carrier subject to subchapter II of chapter 135 of title 49.

(15) MARITIME LABOR AGREEMENT.—The term “maritime labor agreement”—

(A) means—

(i) a collective bargaining agreement between an employer subject to this part, or a group of such employers, and a labor organization representing employees in the maritime or stevedoring industry;

(ii) an agreement preparatory to such a collective bargaining agreement among members of a multi-employer bargaining group; or

(iii) an agreement specifically implementing provisions of such a collective bargaining agreement or providing for the formation, financing, or administration of a multi-employer bargaining group; but

(B) does not include an assessment agreement.

(16) NON-VESSEL-OPERATING COMMON CARRIER.—The term “non-vessel-operating common carrier” means a common carrier that—

(A) does not operate the vessels by which the ocean transportation is provided; and

(B) is a shipper in its relationship with an ocean common carrier.

(17) OCEAN COMMON CARRIER.—The term “ocean common carrier” means a vessel-operating common carrier.

(18) OCEAN FREIGHT FORWARDER.—The term “ocean freight forwarder” means a person that—

(A) in the United States, dispatches shipments from the United States via a common carrier and books or otherwise arranges space for those shipments on behalf of shippers; and

(B) processes the documentation or performs related activities incident to those shipments.

(19) OCEAN TRANSPORTATION INTERMEDIARY.—The term “ocean transportation intermediary” means an ocean freight forwarder or a non-vessel-operating common carrier.

(20) SERVICE CONTRACT.—The term “service contract” means a written contract, other than a bill of lading or receipt, between one or more shippers, on the one hand, and an individual ocean common carrier or an agreement between or among ocean common carriers, on the other, in which—

(A) the shipper or shippers commit to providing a certain volume or portion of cargo over a fixed time period; and

(B) the ocean common carrier or the agreement commits to a certain rate or rate schedule and a defined service level, such as assured space, transit time, port rotation, or similar service features.

(21) SHIPMENT.—The term “shipment” means all of the cargo carried under the terms of a single bill of lading.

(22) SHIPPER.—The term “shipper” means—

- (A) a cargo owner;
- (B) the person for whose account the ocean transportation of cargo is provided;
- (C) the person to whom delivery is to be made;
- (D) a shippers’ association; or
- (E) a non-vessel-operating common carrier that accepts responsibility for payment of all charges applicable under the tariff or service contract.

(23) SHIPPERS’ ASSOCIATION.—The term “shippers’ association” means a group of shippers that consolidates or distributes freight on a nonprofit basis for the members of the group to obtain carload, truckload, or other volume rates or service contracts.

(24) THROUGH RATE.—The term “through rate” means the single amount charged by a common carrier in connection with through transportation.

(25) THROUGH TRANSPORTATION.—The term “through transportation” means continuous transportation between origin and destination for which a through rate is assessed and which is offered or performed by one or more carriers, at least one of which is a common carrier, between a United States port or point and a foreign port or point.

(Pub. L. 109–304, § 7, Oct. 6, 2006, 120 Stat. 1523.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40102(1) .....	46 App.:1702(1).	Pub. L. 98–237, § 3, Mar. 20, 1984, 98 Stat. 67; Pub. L. 99–307, § 11, May 19, 1986, 100 Stat. 447; Pub. L. 105–258, title I, § 102, Oct. 14, 1998, 112 Stat. 1902; Pub. L. 105–383, title IV, § 424(d), Nov. 13, 1998, 112 Stat. 3441.
40102(2) .....	46 App.:1702(2).	
40102(3) .....	46 App.:1702(3).	
40102(4) .....	46 App.:1702(4).	
40102(5) .....	46 App.:1702(6) (last sentence).	
40102(6) .....	46 App.:1702(6) (1st sentence).	
40102(7) .....	46 App.:1702(7).	
40102(8) .....	46 App.:1702(8).	
40102(9) .....	46 App.:1702(9).	
40102(10) .....	46 App.:1702(10).	
40102(11) .....	46 App.:1702(11).	
40102(12) .....	46 App.:1702(12).	
40102(13) .....	46 App.:1702(13).	
40102(14) .....	46 App.:1702(14).	
40102(15) .....	46 App.:1702(15).	
40102(16) .....	46 App.:1702(17)(B).	
40102(17) .....	46 App.:1702(16).	
40102(18) .....	46 App.:1702(17)(A).	
40102(19) .....	46 App.:1702(17) (1st sentence).	
40102(20) .....	46 App.:1702(19).	
40102(21) .....	46 App.:1702(20).	
40102(22) .....	46 App.:1702(21).	
40102(23) .....	46 App.:1702(22).	
40102(24) .....	46 App.:1702(23).	
40102(25) .....	46 App.:1702(24).	

In the definition of “service contract”, the words “The contract may also specify provisions in the event of nonperformance on the part of any party” are omitted as unnecessary and inappropriate for a definition.

In the definition of “shipper”, the words “non-vessel-operating common carrier” are substituted for “ocean transportation intermediary, as defined in paragraph (17)(B) of this section” because paragraph (17)(B) contains a definition of “non-vessel-operating common carrier” which is restated as a separate definition.

The definition of “Commission” is omitted because the full name of the Federal Maritime Commission is used the first time the Commission is referred to in each section. The definition of “person” is omitted as unnecessary because of 1 U.S.C. 1. The definition of “United States” is omitted because the term is defined in chapter 1 of the revised title for purposes of the title.

REFERENCES IN TEXT

The Sherman Act, referred to in par. (2)(A), is act July 2, 1890, ch. 647, 26 Stat. 209, which is classified to sections 1 to 7 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1 of Title 15 and Tables.

The Clayton Act, referred to in par. (2)(C), is act Oct. 15, 1914, ch. 323, 38 Stat. 730, which is classified generally to sections 12, 13, 14 to 19, 21, and 22 to 27 of Title 15, Commerce and Trade, and sections 52 and 53 of Title 29, Labor. For further details and complete classification of this Act to the Code, see References in Text note set out under section 12 of Title 15 and Tables.

Act of June 19, 1936, referred to in par. (2)(D), is act June 19, 1936, ch. 592, 49 Stat. 1526, popularly known as the Robinson-Patman Act, the Robinson-Patman Antidiscrimination Act, and the Robinson-Patman Price Discrimination Act, which enacted sections 13a, 13b, and 21a of Title 15, Commerce and Trade, and amended section 13 of Title 15. For complete classification of this Act to the Code, see Short Title note set out under section 13 of Title 15 and Tables.

The Federal Trade Commission Act, referred to in par. (2)(E), is act Sept. 26, 1914, ch. 311, 38 Stat. 717, which is classified generally to subchapter I (§ 41 et seq.) of chapter 2 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see section 58 of Title 15 and Tables.

The Antitrust Civil Process Act, referred to in par. (2)(F), is Pub. L. 87–664, Sept. 19, 1962, 76 Stat. 548, which is classified generally to chapter 34 (§ 1311 et seq.) of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1311 of Title 15 and Tables.

§ 40103. Administrative exemptions

(a) IN GENERAL.—The Federal Maritime Commission, on application or its own motion, may by order or regulation exempt for the future any class of agreements between persons subject to this part or any specified activity of those persons from any requirement of this part if the Commission finds that the exemption will not result in substantial reduction in competition or be detrimental to commerce. The Commission may attach conditions to an exemption and may, by order, revoke an exemption.

(b) OPPORTUNITY FOR HEARING.—An order or regulation of exemption or revocation of an exemption may be issued only if the Commission has provided an opportunity for a hearing to interested persons and departments and agencies of the United States Government.

(Pub. L. 109–304, § 7, Oct. 6, 2006, 120 Stat. 1527.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40103 .....	46 App.:1715.	Pub. L. 98–237, § 16, Mar. 20, 1984, 98 Stat. 84; Pub. L. 105–258, title I, § 114, Oct. 14, 1998, 112 Stat. 1912.

**§ 40104. Reports filed with the Commission**

(a) IN GENERAL.—The Federal Maritime Commission may require a common carrier or an officer, receiver, trustee, lessee, agent, or employee of the carrier to file with the Commission a periodical or special report, an account, record, rate, or charge, or a memorandum of facts and transactions related to the business of the carrier. The report, account, record, rate, charge, or memorandum shall be made under oath if the Commission requires, and shall be filed in the form and within the time prescribed by the Commission.

(b) CONFERENCE MINUTES.—Conference minutes required to be filed with the Commission under this section may not be released to third parties or published by the Commission.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1527.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40104 .....	46 App.:1714.	Pub. L. 98-237, §15, Mar. 20, 1984, 98 Stat. 84; Pub. L. 98-595, §3(b)(3), Oct. 30, 1984, 98 Stat. 3133; Pub. L. 105-258, title I, §113, Oct. 14, 1998, 112 Stat. 1912.

**CHAPTER 403—AGREEMENTS**

Sec.	
40301.	Application.
40302.	Filing requirements.
40303.	Content requirements.
40304.	Commission action.
40305.	Assessment agreements.
40306.	Nondisclosure of information.
40307.	Exemption from antitrust laws.

**§ 40301. Application**

(a) OCEAN COMMON CARRIER AGREEMENTS.—This part applies to an agreement between or among ocean common carriers to—

- (1) discuss, fix, or regulate transportation rates, including through rates, cargo space accommodations, and other conditions of service;
- (2) pool or apportion traffic, revenues, earnings, or losses;
- (3) allot ports or regulate the number and character of voyages between ports;
- (4) regulate the volume or character of cargo or passenger traffic to be carried;
- (5) engage in an exclusive, preferential, or cooperative working arrangement between themselves or with a marine terminal operator;
- (6) control, regulate, or prevent competition in international ocean transportation; or
- (7) discuss and agree on any matter related to a service contract.

(b) MARINE TERMINAL OPERATOR AGREEMENTS.—This part applies to an agreement between or among marine terminal operators, or between or among one or more marine terminal operators and one or more ocean common carriers, to—

- (1) discuss, fix, or regulate rates or other conditions of service; or
- (2) engage in exclusive, preferential, or cooperative working arrangements, to the extent

the agreement involves ocean transportation in the foreign commerce of the United States.

(c) ACQUISITIONS.—This part does not apply to an acquisition by any person, directly or indirectly, of any voting security or assets of any other person.

(d) MARITIME LABOR AGREEMENTS.—This part does not apply to a maritime labor agreement. However, this subsection does not exempt from this part any rate, charge, regulation, or practice of a common carrier that is required to be set forth in a tariff or is an essential term of a service contract, whether or not the rate, charge, regulation, or practice arises out of, or is otherwise related to, a maritime labor agreement.

(e) ASSESSMENT AGREEMENTS.—This part (except sections 40305 and 40307(a)) does not apply to an assessment agreement.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1528.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40301(a) .....	46 App.:1703(a).	Pub. L. 98-237, §4, Mar. 20, 1984, 98 Stat. 70; Pub. L. 105-258, title I, §103, Oct. 14, 1998, 112 Stat. 1904.
40301(b) .....	46 App.:1703(b).	
40301(c) .....	46 App.:1703(c).	
40301(d) .....	46 App.:1704(f).	Pub. L. 98-237, §5(e) (last sentence), (f), Mar. 20, 1984, 98 Stat. 70; Pub. L. 104-88, title III, §335(c)(2), Dec. 29, 1995, 109 Stat. 954; Pub. L. 105-258, title I, §104(a)(2), (b), Oct. 14, 1998, 112 Stat. 1904, 1905.
40301(e) .....	46 App.:1704(e) (last sentence).	

**§ 40302. Filing requirements**

(a) IN GENERAL.—A true copy of every agreement referred to in section 40301(a) or (b) of this title shall be filed with the Federal Maritime Commission. If the agreement is oral, a complete memorandum specifying in detail the substance of the agreement shall be filed.

(b) EXCEPTIONS.—Subsection (a) does not apply to—

- (1) an agreement related to transportation to be performed within or between foreign countries; or
- (2) an agreement among common carriers to establish, operate, or maintain a marine terminal in the United States.

(c) REGULATIONS.—The Commission may by regulation prescribe the form and manner in which an agreement shall be filed and any additional information and documents necessary to evaluate the agreement.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1528.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40302 .....	46 App.:1704(a).	Pub. L. 98-237, §5(a), Mar. 20, 1984, 98 Stat. 70; Pub. L. 98-595, §3(b)(1), Oct. 30, 1984, 98 Stat. 3132.

**§ 40303. Content requirements**

(a) OCEAN COMMON CARRIER AGREEMENTS.—

(1) RESTRICTIONS.—An ocean common carrier agreement may not—

(A) prohibit or restrict a member of the agreement from engaging in negotiations for a service contract with a shipper;

(B) require a member of the agreement to disclose a negotiation on a service contract, or the terms of a service contract, other than those terms required to be published under section 40502(d) of this title; or

(C) adopt mandatory rules or requirements affecting the right of an agreement member to negotiate and enter into a service contract.

(2) VOLUNTARY GUIDELINES.—An ocean common carrier agreement may provide authority to adopt voluntary guidelines relating to the terms and procedures of an agreement member's service contracts if the guidelines explicitly state the right of members of the agreement not to follow the guidelines. Any guidelines adopted shall be submitted confidentially to the Federal Maritime Commission.

(b) CONFERENCE AGREEMENTS.—Each conference agreement must—

(1) state its purpose;

(2) provide reasonable and equal terms for admission and readmission to conference membership for any ocean common carrier willing to serve the particular trade or route;

(3) permit any member to withdraw from conference membership on reasonable notice without penalty;

(4) at the request of any member, require an independent neutral body to police fully the obligations of the conference and its members;

(5) prohibit the conference from engaging in conduct prohibited by section 41105(1) or (3) of this title;

(6) provide for a consultation process designed to promote—

(A) commercial resolution of disputes; and

(B) cooperation with shippers in preventing and eliminating malpractices;

(7) establish procedures for promptly and fairly considering requests and complaints of shippers; and

(8) provide that—

(A) any member of the conference may take independent action on a rate or service item on not more than 5 days' notice to the conference; and

(B) except for an exempt commodity not published in the conference tariff, the conference will include the new rate or service item in its tariff for use by that member, effective no later than 5 days after receipt of the notice, and by any other member that notifies the conference that it elects to adopt the independent rate or service item on or after its effective date, in lieu of the existing conference tariff provision for that rate or service item.

(c) INTERCONFERENCE AGREEMENTS.—Each agreement between carriers not members of the same conference must provide the right of independent action for each carrier. Each agreement between conferences must provide the right of independent action for each conference.

(d) VESSEL SHARING AGREEMENTS.—

(1) IN GENERAL.—An ocean common carrier that is the owner, operator, or bareboat, time, or slot charterer of a liner vessel documented under section 12103 or 12111(c) of this title may agree with an ocean common carrier described in paragraph (2) to which it charters or sub-charters the vessel or space on the vessel that the charterer or subcharterer may not use or make available space on the vessel for the carriage of cargo reserved by law for vessels of the United States.

(2) CARRIER DESCRIBED.—An ocean common carrier described in this paragraph is one that is not the owner, operator, or bareboat charterer for at least one year of liner vessels of the United States that are eligible to be included in the Maritime Security Fleet Program and are enrolled in an Emergency Preparedness Program under chapter 531 of this title.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1529.)

#### HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40303(a) .....	46 App.:1704(c).	Pub. L. 98-237, §5(b)-(d), Mar. 20, 1984, 98 Stat. 70; Pub. L. 105-258, title I, §104(a), Oct. 14, 1998, 112 Stat. 1904.
40303(b) .....	46 App.:1704(b).	
40303(c) .....	46 App.:1704(d).	
40303(d) .....	46 App.:1704(g).	Pub. L. 98-237, §5(g), Mar. 20, 1984; as added Pub. L. 105-383, title IV, §424(a), Nov. 13, 1998, 112 Stat. 3440.

In subsection (c)(8), the word "calendar" is omitted as unnecessary.

In subsection (d), the words "vessel of the United States" are substituted for "United States-flag vessel" (and similar variations) for consistency in the revised title.

#### § 40304. Commission action

(a) NOTICE OF FILING.—Within 7 days after an agreement is filed, the Federal Maritime Commission shall transmit a notice of the filing to the Federal Register for publication.

(b) PRELIMINARY REVIEW AND REJECTION.—After preliminary review, the Commission shall reject an agreement that it finds does not meet the requirements of sections 40302 and 40303 of this title. The Commission shall notify in writing the person filing the agreement of the reason for rejection.

(c) REVIEW AND EFFECTIVE DATE.—Unless rejected under subsection (b), an agreement (other than an assessment agreement) is effective—

(1) on the 45th day after filing, or on the 30th day after notice of the filing is published in the Federal Register, whichever is later; or

(2) if additional information or documents are requested under subsection (d)—

(A) on the 45th day after the Commission receives all the additional information and documents; or

(B) if the request is not fully complied with, on the 45th day after the Commission receives the information and documents submitted and a statement of the reasons for noncompliance with the request.

(d) REQUEST FOR ADDITIONAL INFORMATION.—Before the expiration of the period specified in

subsection (c)(1), the Commission may request from the person filing the agreement any additional information and documents the Commission considers necessary to make the determinations required by this section.

(e) MODIFICATION OF REVIEW PERIOD.—

(1) SHORTENING.—On request of the party filing an agreement, the Commission may shorten a period specified in subsection (c), but not to a date that is less than 14 days after notice of the filing of the agreement is published in the Federal Register.

(2) EXTENSION.—The period specified in subsection (c)(2) may be extended only by the United States District Court for the District of Columbia in a civil action brought by the Commission under section 41307(c) of this title.

(f) FIXED TERMS.—The Commission may not limit the effectiveness of an agreement to a fixed term.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1530.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40304(a) .....	46 App.:1705(a).	Pub. L. 98-237, §6(a)-(f), Mar. 20, 1984, 98 Stat. 72.
40304(b) .....	46 App.:1705(b).	
40304(c) .....	46 App.:1705(c) (1st sentence).	
40304(d) .....	46 App.:1705(d).	
40304(e)(1) ..	46 App.:1705(e).	
40304(e)(2) ..	46 App.:1705(c) (last sentence).	
40304(f) .....	46 App.:1705(f).	

§ 40305. Assessment agreements

(a) FILING REQUIREMENT.—An assessment agreement shall be filed with the Federal Maritime Commission and is effective on filing.

(b) COMPLAINTS.—If a complaint is filed with the Commission within 2 years after the date of an assessment agreement, the Commission shall disapprove, cancel, or modify the agreement, or an assessment or charge pursuant to the agreement, that the Commission finds, after notice and opportunity for a hearing, to be unjustly discriminatory or unfair as between carriers, shippers, or ports. The Commission shall issue its final decision in the proceeding within one year after the date the complaint is filed.

(c) ADJUSTMENTS OF ASSESSMENTS AND CHARGES.—To the extent that the Commission finds under subsection (b) that an assessment or charge is unjustly discriminatory or unfair as between carriers, shippers, or ports, the Commission shall adjust the assessment or charge for the period between the filing of the complaint and the final decision by awarding prospective credits or debits to future assessments and charges. However, if the complainant has ceased activities subject to the assessment or charge, the Commission may award reparations.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1531.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40305 .....	46 App.:1704(e) (less last sentence).	Pub. L. 98-237, §5(e) (less last sentence), Mar. 20, 1984, 98 Stat. 70; Pub. L. 105-258, title I, §104(a)(2), (b)(1), Oct. 14, 1998, 112 Stat. 1904, 1905.

§ 40306. Nondisclosure of information

Information and documents (other than an agreement) filed with the Federal Maritime Commission under this chapter are exempt from disclosure under section 552 of title 5 and may not be made public except as may be relevant to an administrative or judicial proceeding. This section does not prevent disclosure to either House of Congress or to a duly authorized committee or subcommittee of Congress.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1531.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40306 .....	46 App.:1705(j).	Pub. L. 98-237, §6(j), Mar. 20, 1984, 98 Stat. 73.

The words “judicial proceeding” are substituted for “judicial action or proceeding” to eliminate unnecessary words.

§ 40307. Exemption from antitrust laws

(a) IN GENERAL.—The antitrust laws do not apply to—

(1) an agreement (including an assessment agreement) that has been filed and is effective under this chapter;

(2) an agreement that is exempt under section 40103 of this title from any requirement of this part;

(3) an agreement or activity within the scope of this part, whether permitted under or prohibited by this part, undertaken or entered into with a reasonable basis to conclude that it is—

(A) pursuant to an agreement on file with the Federal Maritime Commission and in effect when the activity takes place; or

(B) exempt under section 40103 of this title from any filing or publication requirement of this part;

(4) an agreement or activity relating to transportation services within or between foreign countries, whether or not via the United States, unless the agreement or activity has a direct, substantial, and reasonably foreseeable effect on the commerce of the United States;

(5) an agreement or activity relating to the foreign inland segment of through transportation that is part of transportation provided in a United States import or export trade;

(6) an agreement or activity to provide wharfage, dock, warehouse, or other terminal facilities outside the United States; or

(7) an agreement, modification, or cancellation approved before June 18, 1984, by the Commission under section 15 of the Shipping Act, 1916, or permitted under section 14b of that Act, and any properly published tariff, rate, fare, or charge, or classification, rule, or regulation explanatory thereof implementing that agreement, modification, or cancellation.

(b) EXCEPTIONS.—This part does not extend antitrust immunity to—

(1) an agreement with or among air carriers, rail carriers, motor carriers, or common carriers by water not subject to this part relating to transportation within the United States;

(2) a discussion or agreement among common carriers subject to this part relating to the inland divisions (as opposed to the inland portions) of through rates within the United States;

(3) an agreement among common carriers subject to this part to establish, operate, or maintain a marine terminal in the United States; or

(4) a loyalty contract.

(c) **RETROACTIVE EFFECT OF DETERMINATIONS.**—A determination by an agency or court that results in the denial or removal of the immunity to the antitrust laws under subsection (a) does not remove or alter the antitrust immunity for the period before the determination.

(d) **RELIEF UNDER CLAYTON ACT.**—A person may not recover damages under section 4 of the Clayton Act (15 U.S.C. 15), or obtain injunctive relief under section 16 of that Act (15 U.S.C. 26), for conduct prohibited by this part.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1531.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40307 .....	46 App.:1706.	Pub. L. 98-237, §7, Mar. 20, 1984, 98 Stat. 73; Pub. L. 105-258, title I, §105, Oct. 14, 1998, 112 Stat. 1905.

Subsection (a)(1) is substituted for “any agreement that has been filed under section 1704 of this Appendix and is effective under section 1704(d) [redesignated as (e)] or section 1705 of this Appendix” for clarity and to eliminate unnecessary words.

Subsection (a)(2) is substituted for “any agreement that . . . is exempt under section 1715 of this Appendix from any requirement of this chapter” in 46 App. U.S.C. 1706(a)(1) for clarity.

In subsection (a)(7), the words “subject to section 1719(e)(2) of this Appendix” are omitted as obsolete.

REFERENCES IN TEXT

Section 15 of the Shipping Act, 1916, referred to in subsec. (a)(7), which was classified to section 814 of the former Appendix to this title, was repealed by Pub. L. 104-88, title III, §335(b)(3), Dec. 29, 1996, 109 Stat. 954.

Section 14b of the Shipping Act, 1916, referred to in subsec. (a)(7), which was classified to section 813a of former Title 46, Shipping, was repealed by Pub. L. 98-237, §20(a), Mar. 20, 1984, 98 Stat. 88.

**CHAPTER 405—TARIFFS, SERVICE CONTRACTS, REFUNDS, AND WAIVERS**

Sec.	
40501.	General rate and tariff requirements.
40502.	Service contracts.
40503.	Refunds and waivers.

**§ 40501. General rate and tariff requirements**

(a) **AUTOMATED TARIFF SYSTEM.**—

(1) **IN GENERAL.**—Each common carrier and conference shall keep open to public inspection in an automated tariff system, tariffs showing all its rates, charges, classifications, rules, and practices between all points or ports on its own route and on any through transportation route that has been established. However, a common carrier is not required to state separately or otherwise reveal in tariffs the inland divisions of a through rate.

(2) **EXCEPTIONS.**—Paragraph (1) does not apply with respect to bulk cargo, forest prod-

ucts, recycled metal scrap, new assembled motor vehicles, waste paper, or paper waste.

(b) **CONTENTS OF TARIFFS.**—A tariff under subsection (a) shall—

(1) state the places between which cargo will be carried;

(2) list each classification of cargo in use;

(3) state the level of compensation, if any, of any ocean freight forwarder by a carrier or conference;

(4) state separately each terminal or other charge, privilege, or facility under the control of the carrier or conference and any rules that in any way change, affect, or determine any part or the total of the rates or charges;

(5) include sample copies of any bill of lading, contract of affreightment, or other document evidencing the transportation agreement; and

(6) include copies of any loyalty contract, omitting the shipper’s name.

(c) **ELECTRONIC ACCESS.**—A tariff under subsection (a) shall be made available electronically to any person, without time, quantity, or other limitation, through appropriate access from remote locations. A reasonable fee may be charged for such access, except that no fee may be charged for access by a Federal agency.

(d) **TIME-VOLUME RATES.**—A rate contained in a tariff under subsection (a) may vary with the volume of cargo offered over a specified period of time.

(e) **EFFECTIVE DATES.**—

(1) **INCREASES.**—A new or initial rate or change in an existing rate that results in an increased cost to a shipper may not become effective earlier than 30 days after publication. However, for good cause, the Federal Maritime Commission may allow the rate to become effective sooner.

(2) **DECREASES.**—A change in an existing rate that results in a decreased cost to a shipper may become effective on publication.

(f) **MARINE TERMINAL OPERATOR SCHEDULES.**—A marine terminal operator may make available to the public a schedule of rates, regulations, and practices, including limitations of liability for cargo loss or damage, pertaining to receiving, delivering, handling, or storing property at its marine terminal. Any such schedule made available to the public is enforceable by an appropriate court as an implied contract without proof of actual knowledge of its provisions.

(g) **REGULATIONS.**—

(1) **IN GENERAL.**—The Commission shall by regulation prescribe the requirements for the accessibility and accuracy of automated tariff systems established under this section. The Commission, after periodic review, may prohibit the use of any automated tariff system that fails to meet the requirements established under this section.

(2) **REMOTE TERMINALS.**—The Commission may not require a common carrier to provide a remote terminal for electronic access under subsection (c).

(3) **MARINE TERMINAL OPERATOR SCHEDULES.**—The Commission shall by regulation prescribe the form and manner in which marine terminal operator schedules authorized by this section shall be published.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1532.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
40501(a) .....	46 App.:1707(a)(1) (1st, 2d sentences).	Pub. L. 98-237, §8(a), (b), (d), (f), (g), Mar. 20, 1984, 98 Stat. 74; Pub. L. 105-258, title I, §106(a), (c), (e), (f), Oct. 14, 1998, 112 Stat. 1905, 1907.
40501(b) .....	46 App.:1707(a)(1) (last sentence).	
40501(c) .....	46 App.:1707(a)(2).	
40501(d) .....	46 App.:1707(b).	
40501(e) .....	46 App.:1707(d).	
40501(f) .....	46 App.:1707(f).	
40501(g) .....	46 App.:1707(g).	

In subsection (b)(3), the words “ocean freight forwarder” are substituted for “ocean transportation intermediary, as defined in section 1702(17)(A) of this Appendix” because the definition of “ocean transportation intermediary” in section 1702(17)(A) contains a definition of “ocean freight forwarder” which is re-stated as a separate definition.

In subsection (e), the word “calendar” is omitted as unnecessary.

In subsection (f)(1), the words “subject to section 1709(d) of this Appendix” are omitted as unnecessary.

**§ 40502. Service contracts**

(a) **IN GENERAL.**—An individual ocean common carrier or an agreement between or among ocean common carriers may enter into a service contract with one or more shippers subject to the requirements of this part.

(b) **FILING REQUIREMENTS.**—

(1) **IN GENERAL.**—Each service contract entered into under this section by an individual ocean common carrier or an agreement shall be filed confidentially with the Federal Maritime Commission.

(2) **EXCEPTIONS.**—Paragraph (1) does not apply to contracts regarding bulk cargo, forest products, recycled metal scrap, new assembled motor vehicles, waste paper, or paper waste.

(c) **ESSENTIAL TERMS.**—Each service contract shall include—

- (1) the origin and destination port ranges;
- (2) the origin and destination geographic areas in the case of through intermodal movements;
- (3) the commodities involved;
- (4) the minimum volume or portion;
- (5) the line-haul rate;
- (6) the duration;
- (7) service commitments; and
- (8) the liquidated damages for nonperformance, if any.

(d) **PUBLICATION OF CERTAIN TERMS.**—When a service contract is filed confidentially with the Commission, a concise statement of the essential terms specified in paragraphs (1), (3), (4), and (6) of subsection (c) shall be published and made available to the general public in tariff format.

(e) **DISCLOSURE OF CERTAIN TERMS.**—

(1) **DEFINITIONS.**—In this subsection, the terms “dock area” and “within the port area” have the same meaning and scope as in the applicable collective bargaining agreement between the requesting labor organization and the carrier.

(2) **DISCLOSURE.**—An ocean common carrier that is a party to or is otherwise subject to a

collective bargaining agreement with a labor organization shall, in response to a written request by the labor organization, state whether it is responsible for the following work at a dock area or within a port area in the United States with respect to cargo transportation under a service contract:

(A) The movement of the shipper’s cargo on a dock area or within the port area or to or from railroad cars on a dock area or within the port area.

(B) The assignment of intraport carriage of the shipper’s cargo between areas on a dock or within the port area.

(C) The assignment of the carriage of the shipper’s cargo between a container yard on a dock area or within the port area and a rail yard adjacent to the container yard.

(D) The assignment of container freight station work and container maintenance and repair work performed at a dock area or within the port area.

(3) **WITHIN REASONABLE TIME.**—The common carrier shall provide the information described in paragraph (2) to the requesting labor organization within a reasonable period of time.

(4) **EXISTENCE OF COLLECTIVE BARGAINING AGREEMENT.**—This subsection does not require the disclosure of information by an ocean common carrier unless there exists an applicable and otherwise lawful collective bargaining agreement pertaining to that carrier. A disclosure by an ocean common carrier may not be deemed an admission or an agreement that any work is covered by a collective bargaining agreement. A dispute about whether any work is covered by a collective bargaining agreement and the responsibility of an ocean common carrier under a collective bargaining agreement shall be resolved solely in accordance with the dispute resolution procedures contained in the collective bargaining agreement and the National Labor Relations Act (29 U.S.C. 151 et seq.), and without reference to this subsection.

(5) **EFFECT UNDER OTHER LAWS.**—This subsection does not affect the lawfulness or unlawfulness under this part or any other Federal or State law of any collective bargaining agreement or element thereof, including any element that constitutes an essential term of a service contract.

(f) **REMEDY FOR BREACH.**—Unless the parties agree otherwise, the exclusive remedy for a breach of a service contract is an action in an appropriate court. The contract dispute resolution forum may not be controlled by or in any way affiliated with a controlled carrier or by the government that owns or controls the carrier.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1533.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
40502(a) .....	46 App.:1707(c)(1) (1st sentence).	Pub. L. 98-237, §8(c), Mar. 20, 1984, 98 Stat. 75; re-stated Pub. L. 105-258, title I, §106(b), Oct. 14, 1998, 112 Stat. 1905.
40502(b) .....	46 App.:1707(c)(2) (1st sentence).	

HISTORICAL AND REVISION NOTES—CONTINUED

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40502(c) .....	46 App.:1707(c)(2) (last sentence).	
40502(d) .....	46 App.:1707(c)(3).	
40502(e) .....	46 App.:1707(c)(4).	
40502(f) .....	46 App.:1707(c)(1) (2d. last sentences).	

In subsection (e)(5), the words “the National Labor Relations Act [29 U.S.C. 151 et seq.], the Taft-Hartley Act [29 U.S.C. 141 et seq.], the Federal Trade Commission Act [15 U.S.C. 41 et seq.], the antitrust laws” are omitted as unnecessary because of the reference to “any other Federal or State law”.

REFERENCES IN TEXT

The National Labor Relations Act, referred to in subsection (e)(4), is act July 5, 1935, ch. 372, 49 Stat. 449, which is classified generally to subchapter II (§151 et seq.) of chapter 7 of Title 29, Labor. For complete classification of this Act to the Code, see section 167 of Title 29 and Tables.

§ 40503. Refunds and waivers

The Federal Maritime Commission, on application of a carrier or shipper, may permit a common carrier or conference to refund a portion of the freight charges collected from a shipper, or to waive collection of a portion of the charges from a shipper, if—

- (1) there is an error in a tariff, a failure to publish a new tariff, or an error in quoting a tariff, and the refund or waiver will not result in discrimination among shippers, ports, or carriers;
- (2) the common carrier or conference, before filing an application for authority to refund or waive any charges for an error in a tariff or a failure to publish a tariff, has published a new tariff setting forth the rate on which the refund or waiver would be based; and
- (3) the application for the refund or waiver is filed with the Commission within 180 days from the date of shipment.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1535.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40503 .....	46 App.:1707(e).	Pub. L. 98-237, §8(e), Mar. 20, 1984, 98 Stat. 75; Pub. L. 105-258, title I, §106(d), Oct. 14, 1998, 112 Stat. 1907.

In paragraph (1), the words “an error in a tariff, a failure to publish a new tariff” are substituted for “an error in a, in failing to publish a new tariff” to correct an obvious error in the underlying statute.

In paragraph (2), the words “or waive” are added for consistency with the reference to a waiver later in the paragraph.

CHAPTER 407—CONTROLLED CARRIERS

Sec.	
40701.	Rates.
40702.	Rate standards.
40703.	Effective date of rates.
40704.	Commission review.
40705.	Presidential review of Commission orders.
40706.	Exceptions.

§ 40701. Rates

(a) IN GENERAL.—A controlled carrier may not—

(1) maintain a rate or charge in a tariff or service contract, or charge or assess a rate, that is below a just and reasonable level; or

(2) establish, maintain, or enforce in a tariff or service contract a classification, rule, or regulation that results, or is likely to result, in the carriage or handling of cargo at a rate or charge that is below a just and reasonable level.

(b) COMMISSION PROHIBITION.—The Federal Maritime Commission, at any time after notice and opportunity for a hearing, may prohibit the publication or use of a rate, charge, classification, rule, or regulation that a controlled carrier has failed to demonstrate is just and reasonable.

(c) BURDEN OF PROOF.—In a proceeding under this section, the burden of proof is on the controlled carrier to demonstrate that its rate, charge, classification, rule, or regulation is just and reasonable.

(d) VOIDNESS.—A rate, charge, classification, rule, or regulation that has been suspended or prohibited by the Commission is void and its use is unlawful.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1535.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40701 .....	46 App.:1708(a).	Pub. L. 98-237, §9(a), Mar. 20, 1984, 98 Stat. 76; Pub. L. 102-100, §5(a), Aug. 17, 1991, 105 Stat. 492; Pub. L. 105-258, title I, §108(1)-(4), Oct. 14, 1998, 112 Stat. 1908.

§ 40702. Rate standards

(a) DEFINITION.—In this section, the term “constructive costs” means the costs of another carrier, other than a controlled carrier, operating similar vessels and equipment in the same or a similar trade.

(b) STANDARDS.—In determining whether a rate, charge, classification, rule, or regulation of a controlled carrier is just and reasonable, the Federal Maritime Commission—

(1) shall take into account whether the rate or charge that has been published or assessed, or that would result from the pertinent classification, rule, or regulation, is below a level that is fully compensatory to the controlled carrier based on the carrier’s actual costs or constructive costs; and

(2) may take into account other appropriate factors, including whether the rate, charge, classification, rule, or regulation is—

- (A) the same as, or similar to, those published or assessed by other carriers in the same trade;
- (B) required to ensure movement of particular cargo in the same trade; or
- (C) required to maintain acceptable continuity, level, or quality of common carrier service to or from affected ports.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1536.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
40702 .....	46 App.:1708(b).	Pub. L. 98-237, §9(b), Mar. 20, 1984, 98 Stat. 76; Pub. L. 105-258, title I, §108(5)-(7), Oct. 14, 1998, 112 Stat. 1908.

§ 40703. **Effective date of rates**

Notwithstanding section 40501(e) of this title and except for service contracts, a rate, charge, classification, rule, or regulation of a controlled carrier may not become effective, without special permission of the Federal Maritime Commission, until the 30th day after publication.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1536.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
40703 .....	46 App.:1708(c) (1st sentence).	Pub. L. 98-237, §9(c) (1st sentence), Mar. 20, 1984, 98 Stat. 76; Pub. L. 102-100, §5(b), Aug. 17, 1991, 105 Stat. 492; Pub. L. 105-258, title I, §108(8), Oct. 14, 1998, 112 Stat. 1908.

§ 40704. **Commission review**

(a) REQUEST FOR JUSTIFICATION.—On request of the Federal Maritime Commission, a controlled carrier shall file with the Commission, within 20 days of the request, a statement of justification that sufficiently details the carrier’s need and purpose for an existing or proposed rate, charge, classification, rule, or regulation and upon which the Commission may reasonably base a determination of its lawfulness.

(b) DETERMINATION.—Within 120 days after receipt of information requested under subsection (a), the Commission shall determine whether the rate, charge, classification, rule, or regulation may be unjust and unreasonable.

(c) SHOW CAUSE ORDER.—Whenever the Commission is of the opinion that a rate, charge, classification, rule, or regulation published or assessed by a controlled carrier may be unjust and unreasonable, the Commission shall issue an order to the controlled carrier to show cause why the rate, charge, classification, rule, or regulation should not be prohibited.

(d) SUSPENSION PENDING DETERMINATION.—

(1) NOT YET EFFECTIVE.—Pending a determination of the lawfulness of a rate, charge, classification, rule, or regulation in a proceeding under subsection (c), the Commission may suspend the rate, charge, classification, rule, or regulation at any time before its effective date.

(2) ALREADY EFFECTIVE.—If a rate, charge, classification, rule, or regulation has already become effective, the Commission, on issuance of an order to show cause, may suspend the rate, charge, classification, rule, or regulation on at least 30 days’ notice to the controlled carrier.

(3) MAXIMUM SUSPENSION.—A period of suspension under this subsection may not exceed 180 days.

(e) REPLACEMENT DURING SUSPENSION.—Whenever the Commission has suspended a rate,

charge, classification, rule, or regulation under this section, the controlled carrier may publish a new rate, charge, classification, rule, or regulation to take effect immediately during the suspension in lieu of the suspended rate, charge, classification, rule, or regulation. However, the Commission may reject the new rate, charge, classification, rule, or regulation if the Commission believes it is unjust and unreasonable.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1536.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
40704 .....	46 App.:1708(c) (last sentence), (d).	Pub. L. 98-237, §9(c) (last sentence), (d), Mar. 20, 1984, 98 Stat. 76; Pub. L. 105-258, title I, §108(9)-(15), Oct. 14, 1998, 112 Stat. 1908.

In subsection (d)(1), the words “in a proceeding under subsection (c)” are substituted for “in such a proceeding” for clarity.

§ 40705. **Presidential review of Commission orders**

(a) TRANSMISSION TO PRESIDENT.—The Federal Maritime Commission shall transmit to the President, concurrently with publication thereof, each order of suspension or final order of prohibition issued under section 40704 of this title.

(b) PRESIDENTIAL REQUEST AND COMMISSION ACTION.—Within 10 days after receipt or the effective date of a Commission order referred to in subsection (a), the President, in writing, may request the Commission to stay the effect of the order if the President finds that the stay is required for reasons of national defense or foreign policy. The reasons shall be specified in the request. The Commission shall immediately grant the request by issuing an order in which the President’s request shall be described. During a stay, the President shall, whenever practicable, attempt to resolve the matter by negotiating with representatives of the applicable foreign governments.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1537.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
40705 .....	46 App.:1708(e).	Pub. L. 98-237, §9(e), Mar. 20, 1984, 98 Stat. 77; Pub. L. 105-258, title I, §108(16), Oct. 14, 1998, 112 Stat. 1909.

In subsection (b), the words “Notwithstanding any other law” are omitted as unnecessary.

§ 40706. **Exceptions**

This chapter does not apply to—

(1) a controlled carrier of a foreign country whose vessels are entitled by a treaty of the United States to receive national or most-favored-nation treatment; or

(2) a trade served only by controlled carriers.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1537.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40706 .....	46 App.:1708(f).	Pub. L. 98-237, §9(f), Mar. 20, 1984, 98 Stat. 77; Pub. L. 105-258, title I, §108(17)-(19), Oct. 14, 1998, 112 Stat. 1909.

In paragraph (1), the words “foreign country” are substituted for “state” for clarity and consistency.

**CHAPTER 409—OCEAN TRANSPORTATION INTERMEDIARIES**

- Sec.  
 40901. License requirement.  
 40902. Financial responsibility.  
 40903. Suspension or revocation of license.  
 40904. Compensation by common carriers.

**§ 40901. License requirement**

(a) IN GENERAL.—A person in the United States may not act as an ocean transportation intermediary unless the person holds an ocean transportation intermediary’s license issued by the Federal Maritime Commission. The Commission shall issue a license to a person that the Commission determines to be qualified by experience and character to act as an ocean transportation intermediary.

(b) EXCEPTION.—A person whose primary business is the sale of merchandise may forward shipments of the merchandise for its own account without an ocean transportation intermediary’s license.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1538.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40901(a) .....	46 App.:1718(a).	Pub. L. 98-237, §19(a), (d), Mar. 20, 1984, 98 Stat. 87, 88; Pub. L. 105-258, title I, §116, Oct. 14, 1998, 112 Stat. 1912.
40901(b) .....	46 App.:1718(d).	

**§ 40902. Financial responsibility**

(a) IN GENERAL.—A person may not act as an ocean transportation intermediary unless the person furnishes a bond, proof of insurance, or other surety—

(1) in a form and amount determined by the Federal Maritime Commission to insure financial responsibility; and

(2) issued by a surety company found acceptable by the Secretary of the Treasury.

(b) SCOPE OF FINANCIAL RESPONSIBILITY.—A bond, insurance, or other surety obtained under this section—

(1) shall be available to pay any penalty assessed under section 41109 of this title or any order for reparation issued under section 41305 of this title;

(2) may be available to pay any claim against an ocean transportation intermediary arising from its transportation-related activities—

(A) with the consent of the insured ocean transportation intermediary and subject to review by the surety company; or

(B) when the claim is deemed valid by the surety company after the ocean transpor-

tation intermediary has failed to respond to adequate notice to address the validity of the claim; and

(3) shall be available to pay any judgment for damages against an ocean transportation intermediary arising from its transportation-related activities, if the claimant has first attempted to resolve the claim under paragraph (2) and the claim has not been resolved within a reasonable period of time.

(c) REGULATIONS ON COURT JUDGMENTS.—The Commission shall prescribe regulations for the purpose of protecting the interests of claimants, ocean transportation intermediaries, and surety companies with respect to the process of pursuing claims against ocean transportation intermediary bonds, insurance, or sureties through court judgments. The regulations shall provide that a judgment for monetary damages may not be enforced except to the extent that the damages claimed arise from the transportation-related activities of the insured ocean transportation intermediary, as defined by the Commission.

(d) RESIDENT AGENT.—An ocean transportation intermediary not domiciled in the United States shall designate a resident agent in the United States for receipt of service of judicial and administrative process, including subpoenas.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1538.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40902 .....	46 App.:1718(b).	Pub. L. 98-237, §19(b), Mar. 20, 1984; added Pub. L. 105-258, title I, §116(4), Oct. 14, 1998, 112 Stat. 1913.

In subsection (b), in paragraphs (2) and (3), the words “described in section 1702(17) of this Appendix” are omitted as unnecessary.

**§ 40903. Suspension or revocation of license**

(a) FAILURE TO MAINTAIN QUALIFICATIONS OR TO COMPLY.—The Federal Maritime Commission, after notice and opportunity for a hearing, shall suspend or revoke an ocean transportation intermediary’s license if the Commission finds that the ocean transportation intermediary—

(1) is not qualified to provide intermediary services; or

(2) willfully failed to comply with a provision of this part or with an order or regulation of the Commission.

(b) FAILURE TO MAINTAIN BOND, PROOF OF INSURANCE, OR OTHER SURETY.—The Commission may revoke an ocean transportation intermediary’s license for failure to maintain a bond, proof of insurance, or other surety as required by section 40902(a) of this title.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1539.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
40903 .....	46 App.:1718(c).	Pub. L. 98-237, §19(c), Mar. 20, 1984, 98 Stat. 88; Pub. L. 105-258, title I, §116, Oct. 14, 1998, 112 Stat. 1912.

In subsection (a)(2), the words “lawful” and “rule” are omitted as unnecessary.

§ 40904. Compensation by common carriers

(a) CERTIFICATION OF LICENSE AND SERVICES.—A common carrier may compensate an ocean freight forwarder for a shipment dispatched for others only when the ocean freight forwarder has certified in writing that it holds an ocean transportation intermediary’s license (if required under section 40901 of this title) and has—

(1) engaged, booked, secured, reserved, or contracted directly with the carrier or its agent for space aboard a vessel or confirmed the availability of the space; and

(2) prepared and processed the ocean bill of lading, dock receipt, or other similar document for the shipment.

(b) DUAL COMPENSATION.—A common carrier may not pay compensation for services described in subsection (a) more than once on the same shipment.

(c) BENEFICIAL INTEREST SHIPMENTS.—An ocean freight forwarder may not receive compensation from a common carrier for a shipment in which the ocean freight forwarder has a direct or indirect beneficial interest. A common carrier may not knowingly pay compensation on that shipment.

(d) LIMITS ON AUTHORITY OF CONFERENCE OR GROUP.—A conference or group of two or more ocean common carriers in the foreign commerce of the United States that is authorized to agree on the level of compensation paid to an ocean freight forwarder may not—

(1) deny a member of the conference or group the right, upon notice of not more than 5 days, to take independent action on any level of compensation paid to an ocean freight forwarder; or

(2) agree to limit the payment of compensation to an ocean freight forwarder to less than 1.25 percent of the aggregate of all rates and charges applicable under a tariff and assessed against the cargo on which the services of the ocean freight forwarder are provided.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1539.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 40904, 46 App.:1718(e), Pub. L. 98–237, §19(e), Mar. 20, 1984, 98 Stat. 88; Pub. L. 105–258, title I, §116, Oct. 14, 1998, 112 Stat. 1912.

In this section, the words “ocean freight forwarder” are substituted for “ocean transportation intermediary, as defined in section 1702(17)(A) of this Appendix” and “ocean transportation intermediary” because the definition of “ocean transportation intermediary” in section 1702(17)(A) contains a definition of “ocean freight forwarder” which is restated as a separate definition.

In subsection (d)(1), the word “calendar” is omitted as unnecessary.

CHAPTER 411—PROHIBITIONS AND PENALTIES

Table with 2 columns: Sec., Description. Row 1: 41101, Joint ventures and consortiums. Row 2: 41102, General prohibitions.

Table with 2 columns: Sec., Description. Row 1: 41103, Disclosure of information. Row 2: 41104, Common carriers. Row 3: 41105, Concerted action. Row 4: 41106, Marine terminal operators. Row 5: 41107, Monetary penalties. Row 6: 41108, Additional penalties. Row 7: 41109, Assessment of penalties.

§ 41101. Joint ventures and consortiums

In this chapter, a joint venture or consortium of two or more common carriers operating as a single entity is deemed to be a single common carrier.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1540.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 41101, 46 App.:1709(e), Pub. L. 98–237, §10(e), Mar. 20, 1984, 98 Stat. 80.

§ 41102. General prohibitions

(a) OBTAINING TRANSPORTATION AT LESS THAN APPLICABLE RATES.—A person may not knowingly and willfully, directly or indirectly, by means of false billing, false classification, false weighing, false report of weight, false measurement, or any other unjust or unfair device or means, obtain or attempt to obtain ocean transportation for property at less than the rates or charges that would otherwise apply.

(b) OPERATING CONTRARY TO AGREEMENT.—A person may not operate under an agreement required to be filed under section 40302 or 40305 of this title if—

(1) the agreement has not become effective under section 40304 of this title or has been rejected, disapproved, or canceled; or

(2) the operation is not in accordance with the terms of the agreement or any modifications to the agreement made by the Federal Maritime Commission.

(c) PRACTICES IN HANDLING PROPERTY.—A common carrier, marine terminal operator, or ocean transportation intermediary may not fail to establish, observe, and enforce just and reasonable regulations and practices relating to or connected with receiving, handling, storing, or delivering property.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1540.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 41102(a), 46 App.:1709(a)(1), Pub. L. 98–237, §10(a), Mar. 20, 1984, 98 Stat. 77. Row 2: 41102(b), 46 App.:1709(a)(2), (3). Row 3: 41102(c), 46 App.:1709(d)(1), Pub. L. 98–237, §10(d)(1), Mar. 20, 1984, 98 Stat. 77; Pub. L. 105–258, title I, §109(c)(2), Oct. 14, 1998, 112 Stat. 1909.

§ 41103. Disclosure of information

(a) PROHIBITION.—A common carrier, marine terminal operator, or ocean freight forwarder, either alone or in conjunction with any other person, directly or indirectly, may not knowingly disclose, offer, solicit, or receive any infor-

mation concerning the nature, kind, quantity, destination, consignee, or routing of any property tendered or delivered to a common carrier, without the consent of the shipper or consignee, if the information—

- (1) may be used to the detriment or prejudice of the shipper, the consignee, or any common carrier; or
- (2) may improperly disclose its business transaction to a competitor.

(b) EXCEPTIONS.—Subsection (a) does not prevent providing the information—

- (1) in response to legal process;
- (2) to the Federal Maritime Commission or an agency of the United States Government; or
- (3) to an independent neutral body operating within the scope of its authority to fulfill the policing obligations of the parties to an agreement effective under this part.

(c) DISCLOSURE FOR DETERMINING BREACH OR COMPILING STATISTICS.—An ocean common carrier that is a party to a conference agreement approved under this part, a receiver, trustee, lessee, agent, or employee of the carrier, or any other person authorized by the carrier to receive information—

- (1) may give information to the conference or any person or agency designated by the conference, for the purpose of—
  - (A) determining whether a shipper or consignee has breached an agreement with the conference or its member lines;
  - (B) determining whether a member of the conference has breached the conference agreement; or
  - (C) compiling statistics of cargo movement; and
- (2) may not prevent the conference or its designee from soliciting or receiving information for any of those purposes.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1540.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
41103(a) .....	46 App.:1709(b)(13), (d)(3) (related to (b)(13)), (5).	Pub. L. 98-237, §10(b)(13), (words after cl. (13)), (d)(3) (related to (b)(13)), (5), Mar. 20, 1984, 98 Stat. 79, 80; Pub. L. 101-595, title VII, §710(c)(1), (2), Nov. 16, 1990, 104 Stat. 2997; Pub. L. 105-258, title I, §109(a)(10), (11), (16), (17), (c)(3), Oct. 14, 1998, 112 Stat. 1910, 1911.
41103(b) .....	46 App.:1709(b) (next-to-last sentence).	
41103(c) .....	46 App.:1709(b) (last sentence).	

In subsection (a), the words “marine terminal operator, or ocean freight forwarder” are added because of 46 App. U.S.C. 1709(d)(3) and (5). The words “ocean freight forwarder” are substituted for “ocean transportation intermediaries, as defined by section 1702(17)(A) of this Appendix” in 46 App. U.S.C. 1709(d)(5) because the definition of “ocean transportation intermediary” in section 1702(17)(A) contains a definition of “ocean freight forwarder” which is restated as a separate definition.

In subsection (b), the words “does not prevent” are substituted for “Nothing . . . shall be construed to prevent” to eliminate unnecessary words.

In subsection (c)(1), the words “may give information” are substituted for “Nor shall it be prohibited

. . . to give information” to eliminate unnecessary words. The words “firm, corporation” are omitted as unnecessary because firms and corporations are persons.

In subsection (c)(2), the words “may not prevent” are substituted for “Nor shall it be prohibited . . . to prevent” to reflect the probable intent of Congress. The words “but the use of such information for any other purpose prohibited by this chapter or any other Act is prohibited” are omitted as unnecessary.

§ 41104. Common carriers

A common carrier, either alone or in conjunction with any other person, directly or indirectly, may not—

- (1) allow a person to obtain transportation for property at less than the rates or charges established by the carrier in its tariff or service contract by means of false billing, false classification, false weighing, false measurement, or any other unjust or unfair device or means;

- (2) provide service in the liner trade that is—

(A) not in accordance with the rates, charges, classifications, rules, and practices contained in a tariff published or a service contract entered into under chapter 405 of this title, unless excepted or exempted under section 40103 or 40501(a)(2) of this title; or

(B) under a tariff or service contract that has been suspended or prohibited by the Federal Maritime Commission under chapter 407 or 423 of this title;

- (3) retaliate against a shipper by refusing, or threatening to refuse, cargo space accommodations when available, or resort to other unfair or unjustly discriminatory methods because the shipper has patronized another carrier, or has filed a complaint, or for any other reason;

- (4) for service pursuant to a tariff, engage in any unfair or unjustly discriminatory practice in the matter of—

- (A) rates or charges;
- (B) cargo classifications;
- (C) cargo space accommodations or other facilities, with due regard being given to the proper loading of the vessel and the available tonnage;
- (D) loading and landing of freight; or
- (E) adjustment and settlement of claims;

- (5) for service pursuant to a service contract, engage in any unfair or unjustly discriminatory practice in the matter of rates or charges with respect to any port;

- (6) use a vessel in a particular trade for the purpose of excluding, preventing, or reducing competition by driving another ocean common carrier out of that trade;

- (7) offer or pay any deferred rebates;

- (8) for service pursuant to a tariff, give any undue or unreasonable preference or advantage or impose any undue or unreasonable prejudice or disadvantage;

- (9) for service pursuant to a service contract, give any undue or unreasonable preference or advantage or impose any undue or unreasonable prejudice or disadvantage with respect to any port;

- (10) unreasonably refuse to deal or negotiate;

- (11) knowingly and willfully accept cargo from or transport cargo for the account of an

ocean transportation intermediary that does not have a tariff as required by section 40501 of this title and a bond, insurance, or other surety as required by section 40902 of this title; or

(12) knowingly and willfully enter into a service contract with an ocean transportation intermediary that does not have a tariff as required by section 40501 of this title and a bond, insurance, or other surety as required by section 40902 of this title, or with an affiliate of such an ocean transportation intermediary.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1541.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
41104 .....	46 App.:1709(b)(1)-(12).	Pub. L. 98-237, §10(b)(1)-(12), Mar. 20, 1984, 98 Stat. 77; Pub. L. 101-595, title VII, §710(c), Nov. 16, 1990, 104 Stat. 2997; Pub. L. 102-251, title II, §201(b), Mar. 9, 1992, 106 Stat. 60; Pub. L. 105-258, title I, §109(a), Oct. 14, 1998, 112 Stat. 1909; Pub. L. 105-383, title IV, §424(b), Nov. 13, 1998, 112 Stat. 3441.

**§ 41105. Concerted action**

A conference or group of two or more common carriers may not—

(1) boycott or take any other concerted action resulting in an unreasonable refusal to deal;

(2) engage in conduct that unreasonably restricts the use of intermodal services or technological innovations;

(3) engage in any predatory practice designed to eliminate the participation, or deny the entry, in a particular trade of a common carrier not a member of the conference, a group of common carriers, an ocean tramp, or a bulk carrier;

(4) negotiate with a non-ocean carrier or group of non-ocean carriers (such as truck, rail, or air operators) on any matter relating to rates or services provided to ocean common carriers within the United States by those non-ocean carriers, unless the negotiations and any resulting agreements are not in violation of the antitrust laws and are consistent with the purposes of this part, except that this paragraph does not prohibit the setting and publishing of a joint through rate by a conference, joint venture, or association of ocean common carriers;

(5) deny in the export foreign commerce of the United States compensation to an ocean freight forwarder or limit that compensation to less than a reasonable amount;

(6) allocate shippers among specific carriers that are parties to the agreement or prohibit a carrier that is a party to the agreement from soliciting cargo from a particular shipper, except as—

(A) authorized by section 40303(d) of this title;

(B) required by the law of the United States or the importing or exporting country; or

(C) agreed to by a shipper in a service contract;

(7) for service pursuant to a service contract, engage in any unjustly discriminatory practice in the matter of rates or charges with respect to any locality, port, or person due to the person's status as a shippers' association or ocean transportation intermediary; or

(8) for service pursuant to a service contract, give any undue or unreasonable preference or advantage or impose any undue or unreasonable prejudice or disadvantage with respect to any locality, port, or person due to the person's status as a shippers' association or ocean transportation intermediary.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1542.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
41105 .....	46 App.:1709(c).	Pub. L. 98-237, §10(c), Mar. 20, 1984, 98 Stat. 77; Pub. L. 105-258, title I, §109(b), Oct. 14, 1998, 112 Stat. 1910; Pub. L. 105-383, title IV, §424(b), Nov. 13, 1998, 112 Stat. 3441.

In paragraph (5), the words "ocean freight forwarder" are substituted for "ocean transportation intermediary, as defined by section 1702(17)(A) of this Appendix" because the definition of "ocean transportation intermediary" in section 1702(17)(A) contains a definition of "ocean freight forwarder" which is restated as a separate definition.

**§ 41106. Marine terminal operators**

A marine terminal operator may not—

(1) agree with another marine terminal operator or with a common carrier to boycott, or unreasonably discriminate in the provision of terminal services to, a common carrier or ocean tramp;

(2) give any undue or unreasonable preference or advantage or impose any undue or unreasonable prejudice or disadvantage with respect to any person; or

(3) unreasonably refuse to deal or negotiate.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1543.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
41106(1) .....	46 App.:1709(d)(2).	Pub. L. 98-237, §10(d)(2), (3) (related to (b)(10)), (4), Mar. 20, 1984, 98 Stat. 77; Pub. L. 105-258, title I, §109(c), Oct. 14, 1998, 112 Stat. 1910.
41106(2) .....	46 App.:1709(d)(4).	
41106(3) .....	46 App.:1709(d)(3) (related to (b)(10)).	

**§ 41107. Monetary penalties**

(a) IN GENERAL.—A person that violates this part or a regulation or order of the Federal Maritime Commission issued under this part is liable to the United States Government for a civil penalty. Unless otherwise provided in this part, the amount of the penalty may not exceed \$5,000 for each violation or, if the violation was willfully and knowingly committed, \$25,000 for each violation. Each day of a continuing violation is a separate violation.

(b) LIEN ON CARRIER'S VESSELS.—The amount of a civil penalty imposed on a common carrier

under this section constitutes a lien on the vessels operated by the carrier. Any such vessel is subject to an action in rem to enforce the lien in the district court of the United States for the district in which it is found.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1543.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
41107 .....	46 App.:1712(a).	Pub. L. 98-237, §13(a), Mar. 20, 1984, 98 Stat. 82; Pub. L. 105-258, title I, §112(a), Oct. 14, 1998, 112 Stat. 1911.

In subsection (b), the words “is subject to an action in rem to enforce the lien” are substituted for “may be libeled therefore” to modernize the language.

**§ 41108. Additional penalties**

(a) **SUSPENSION OF TARIFFS.**—For a violation of section 41104(1), (2), or (7) of this title, the Federal Maritime Commission may suspend any or all tariffs of the common carrier, or that common carrier’s right to use any or all tariffs of conferences of which it is a member, for a period not to exceed 12 months.

(b) **OPERATING UNDER SUSPENDED TARIFF.**—A common carrier that accepts or handles cargo for carriage under a tariff that has been suspended, or after its right to use that tariff has been suspended, is liable to the United States Government for a civil penalty of not more than \$50,000 for each shipment.

(c) **FAILURE TO PROVIDE INFORMATION.**—

(1) **PENALTIES.**—If the Commission finds, after notice and opportunity for a hearing, that a common carrier has failed to supply information ordered to be produced or compelled by subpoena under section 41303 of this title, the Commission may—

(A) suspend any or all tariffs of the carrier or the carrier’s right to use any or all tariffs of conferences of which it is a member; and

(B) request the Secretary of Homeland Security to refuse or revoke any clearance required for a vessel operated by the carrier, and when so requested, the Secretary shall refuse or revoke the clearance.

(2) **DEFENSE BASED ON FOREIGN LAW.**—If, in defense of its failure to comply with a subpoena or discovery order, a common carrier alleges that information or documents located in a foreign country cannot be produced because of the laws of that country, the Commission shall immediately notify the Secretary of State of the failure to comply and of the allegation relating to foreign laws. On receiving the notification, the Secretary of State shall promptly consult with the government of the nation within which the information or documents are alleged to be located for the purpose of assisting the Commission in obtaining the information or documents.

(d) **IMPAIRING ACCESS TO FOREIGN TRADE.**—If the Commission finds, after notice and opportunity for a hearing, that the action of a common carrier, acting alone or in concert with another person, or a foreign government has unduly impaired access of a vessel documented under the laws of the United States to ocean

trade between foreign ports, the Commission shall take action that it finds appropriate, including imposing any of the penalties authorized by this section. The Commission also may take any of the actions authorized by sections 42304 and 42305 of this title.

(e) **SUBMISSION OF ORDER TO PRESIDENT.**—Before an order under this section becomes effective, it shall be submitted immediately to the President. The President, within 10 days after receiving it, may disapprove it if the President finds that disapproval is required for reasons of national defense or foreign policy.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1543.)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
41108(a) .....	46 App.:1712(b)(1).	Pub. L. 98-237, §13(b), Mar. 20, 1984, 98 Stat. 82; Pub. L. 105-258, title I, §112(b), Oct. 14, 1998, 112 Stat. 1911.
41108(b) .....	46 App.:1712(b)(3).	
41108(c) .....	46 App.:1712(b)(2), (4), (5).	
41108(d) .....	46 App.:1712(b)(6), 46 App.:1710a(h) (related to 1712(b)(6)).	Pub. L. 100-418, title X, §1002(h) (related to §13(b)(6)), Aug. 23, 1988, 102 Stat. 1572; Pub. L. 105-258, title I, §111(7), Oct. 14, 1998, 112 Stat. 1911.
41108(e) .....	46 App.:1712(b)(7).	

In subsection (c)(1)(B), the words “Secretary of Homeland Security” are substituted for “Secretary of the Treasury” because the functions of the Secretary of the Treasury relating to the Customs Service were transferred to the Secretary of Homeland Security by section 403(1) of the Homeland Security Act of 2002 (Pub. L. 107-296, 116 Stat. 2178).

**§ 41109. Assessment of penalties**

(a) **GENERAL AUTHORITY.**—Until a matter is referred to the Attorney General, the Federal Maritime Commission may, after notice and opportunity for a hearing, assess a civil penalty provided for in this part. The Commission may compromise, modify, or remit, with or without conditions, a civil penalty.

(b) **FACTORS IN DETERMINING AMOUNT.**—In determining the amount of a civil penalty, the Commission shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the violator, the degree of culpability, history of prior offenses, ability to pay, and other matters justice may require.

(c) **EXCEPTION.**—A civil penalty may not be imposed for conspiracy to violate section 41102(a) or 41104(1) or (2) of this title or to defraud the Commission by concealing such a violation.

(d) **PROHIBITED BASIS OF PENALTY.**—The Commission or a court may not order a person to pay the difference between the amount billed and agreed upon in writing with a common carrier or its agent and the amount set forth in a tariff or service contract by that common carrier for the transportation service provided.

(e) **TIME LIMIT.**—A proceeding to assess a civil penalty under this section must be commenced within 5 years after the date of the violation.

(f) **REVIEW OF CIVIL PENALTY.**—A person against whom a civil penalty is assessed under this section may obtain review under chapter 158 of title 28.

(g) CIVIL ACTIONS TO COLLECT.—If a person does not pay an assessment of a civil penalty after it has become final or after the appropriate court has entered final judgment in favor of the Commission, the Attorney General at the request of the Commission may seek to collect the amount assessed in an appropriate district court of the United States. The court shall enforce the order of the Commission unless it finds that the order was not regularly made and duly issued.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1544.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
41109(a) .....	46 App.:1712(c) (1st, last sentences).	Pub. L. 98-237, §13(c)-(f), Mar. 20, 1984, 98 Stat. 82; Pub. L. 105-258, title I, §112(c), Oct. 14, 1998, 112 Stat. 1912.
41109(b) .....	46 App.:1712(c) (2d sentence).	
41109(c) .....	46 App.:1712(f)(1) (1st sentence).	
41109(d) .....	46 App.:1712(f)(1) (last sentence).	
41109(e) .....	46 App.:1712(f)(2).	
41109(f) .....	46 App.:1712(d).	
41109(g) .....	46 App.:1712(e).	

CHAPTER 413—ENFORCEMENT

- Sec.
- 41301. Complaints.
- 41302. Investigations.
- 41303. Discovery and subpoenas.
- 41304. Hearings and orders.
- 41305. Award of reparations.
- 41306. Injunctive relief sought by complainants.
- 41307. Injunctive relief sought by the Commission.
- 41308. Enforcement of subpoenas and orders.
- 41309. Enforcement of reparation orders.

§ 41301. Complaints

(a) IN GENERAL.—A person may file with the Federal Maritime Commission a sworn complaint alleging a violation of this part, except section 41307(b)(1). If the complaint is filed within 3 years after the claim accrues, the complainant may seek reparations for an injury to the complainant caused by the violation.

(b) NOTICE AND RESPONSE.—The Commission shall provide a copy of the complaint to the person named in the complaint. Within a reasonable time specified by the Commission, the person shall satisfy the complaint or answer it in writing.

(c) IF COMPLAINT NOT SATISFIED.—If the complaint is not satisfied, the Commission shall investigate the complaint in an appropriate manner and make an appropriate order.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1545.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
41301(a) .....	46 App.:1710(a), (g) (related to time limit).	Pub. L. 98-237, §11(a), (b), (g) (related to time limit), Mar. 20, 1984, 98 Stat. 80; Pub. L. 98-595, §3(b)(2), Oct. 30, 1984, 98 Stat. 3132; Pub. L. 105-258, title I, §110, Oct. 14, 1998, 112 Stat. 1911.
41301(b) .....	46 App.:1710(b) (1st sentence).	
41301(c) .....	46 App.:1710(b) (last sentence).	

In subsection (a), the words “If the complaint is filed within 3 years after the claim accrues” are substituted for “For any complaint filed within 3 years after the cause of action accrued” in 46 App. U.S.C. 1710(g) to alert the reader to that time limitation.

§ 41302. Investigations

(a) IN GENERAL.—The Federal Maritime Commission, on complaint or its own motion, may investigate any conduct or agreement that the Commission believes may be in violation of this part. The Commission may by order disapprove, cancel, or modify any agreement that operates in violation of this part.

(b) EFFECTIVENESS OF AGREEMENT DURING INVESTIGATION.—Unless an injunction is issued under section 41306 or 41307 of this title, an agreement under investigation by the Commission remains in effect until the Commission issues its order.

(c) DATE FOR DECISION.—Within 10 days after the initiation of a proceeding under this section or section 41301 of this title, the Commission shall set a date by which it will issue its final decision. The Commission by order may extend the date for good cause.

(d) SANCTIONS FOR DELAY.—If, within the period for final decision under subsection (c), the Commission determines that it is unable to issue a final decision because of undue delay caused by a party to the proceeding, the Commission may impose sanctions, including issuing a decision adverse to the delaying party.

(e) REPORT.—The Commission shall make a written report of every investigation under this part in which a hearing was held, stating its conclusions, decisions, findings of fact, and order. The Commission shall provide a copy of the report to all parties and publish the report for public information. A published report is competent evidence in a court of the United States.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1545.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
41302(a) .....	46 App.:1710(c) (1st, 3d sentences).	Pub. L. 98-237, §11(c)-(f), Mar. 20, 1984, 98 Stat. 80.
41302(b) .....	46 App.:1710(c) (2d sentence).	
41302(c) .....	46 App.:1710(d).	
41302(d) .....	46 App.:1710(e).	
41302(e) .....	46 App.:1710(f).	

§ 41303. Discovery and subpoenas

(a) IN GENERAL.—In an investigation or adjudicatory proceeding under this part—

(1) the Federal Maritime Commission may subpoena witnesses and evidence; and

(2) a party may use depositions, written interrogatories, and discovery procedures under regulations prescribed by the Commission that, to the extent practicable, shall conform to the Federal Rules of Civil Procedure (28 App. U.S.C.).

(b) WITNESS FEES.—Unless otherwise prohibited by law, a witness is entitled to the same fees and mileage as in the courts of the United States.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1545.)

## HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
41303 .....	46 App.:1711.	Pub. L. 98-237, §12, Mar. 20, 1984, 98 Stat. 81.

In subsection (a)(1), the words “may subpoena witnesses and evidence” are substituted for “may by subpoena compel the attendance of witnesses and the production of books, papers, documents, and other evidence” to eliminate unnecessary words.

In subsection (a)(2), the words “shall conform to the Federal Rules of Civil Procedure (28 App. U.S.C.)” are substituted for “shall be in conformity with the rules applicable in civil proceedings in the district courts of the United States” for clarity.

**§ 41304. Hearings and orders**

(a) OPPORTUNITY FOR HEARING.—The Federal Maritime Commission shall provide an opportunity for a hearing before issuing an order relating to a violation of this part or a regulation prescribed under this part.

(b) MODIFICATION OF ORDER.—The Commission may reverse, suspend, or modify any of its orders.

(c) REHEARING.—On application of a party to a proceeding, the Commission may grant a rehearing of the same or any matter determined in the proceeding. Except by order of the Commission, a rehearing does not operate as a stay of an order.

(d) PERIOD OF EFFECTIVENESS.—An order of the Commission remains in effect for the period specified in the order or until suspended, modified, or set aside by the Commission or a court of competent jurisdiction.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1546.)

## HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
41304(a) .....	46 App.:1713(a) (1st sentence).	Pub. L. 98-237, §14(a), (b), Mar. 20, 1984, 98 Stat. 83.
41304(b) .....	46 App.:1713(b) (1st sentence 1st–12th words).	
41304(c) .....	46 App.:1713(b) (1st sentence 13th–last words, last sentence).	
41304(d) .....	46 App.:1713(a) (last sentence).	

In subsection (a), the words “upon sworn complaint or on its own motion” are omitted as unnecessary.

**§ 41305. Award of reparations**

(a) DEFINITION.—In this section, the term “actual injury” includes the loss of interest at commercial rates compounded from the date of injury.

(b) BASIC AMOUNT.—If the complaint was filed within the period specified in section 41301(a) of this title, the Federal Maritime Commission shall direct the payment of reparations to the complainant for actual injury caused by a violation of this part, plus reasonable attorney fees.

(c) ADDITIONAL AMOUNTS.—On a showing that the injury was caused by an activity prohibited by section 41102(b), 41104(3) or (6), or 41105(1) or (3) of this title, the Commission may order the payment of additional amounts, but the total recovery of a complainant may not exceed twice the amount of the actual injury.

(d) DIFFERENCE BETWEEN RATES.—If the injury was caused by an activity prohibited by section 41104(4)(A) or (B) of this title, the amount of the injury shall be the difference between the rate paid by the injured shipper and the most favorable rate paid by another shipper.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1546.)

## HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
41305 .....	46 App.:1710(g) (less time limit).	Pub. L. 98-237, §11(g) (less time limit), Mar. 20, 1984, 98 Stat. 80; Pub. L. 98-595, §3(b)(2), Oct. 30, 1984, 98 Stat. 3132; Pub. L. 105-258, title I, §110, Oct. 14, 1998, 112 Stat. 1911.

In subsection (b), the words “within the period specified in section 41301(a) of this title” are substituted for “within 3 years after the cause of action accrued” because the time limit is restated in section 41301(a) instead of in this section. The words “upon petition of the complainant” are omitted as unnecessary. The words “after notice and hearing” are omitted as unnecessary because of section 41304(a) of the revised title.

**§ 41306. Injunctive relief sought by complainants**

(a) IN GENERAL.—After filing a complaint with the Federal Maritime Commission under section 41301 of this title, the complainant may bring a civil action in a district court of the United States to enjoin conduct in violation of this part.

(b) VENUE.—The action must be brought in the judicial district in which—

(1) the Commission has brought a civil action against the defendant under section 41307(a) of this title; or

(2) the defendant resides or transacts business, if the Commission has not brought such an action.

(c) REMEDIES BY COURT.—After notice to the defendant, and a showing that the standards for granting injunctive relief by courts of equity are met, the court may grant a temporary restraining order or preliminary injunction for a period not to exceed 10 days after the Commission has issued an order disposing of the complaint.

(d) ATTORNEY FEES.—A defendant prevailing in a civil action under this section shall be allowed reasonable attorney fees to be assessed and collected as part of the costs of the action.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1546.)

## HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
41306 .....	46 App.:1710(h)(2).	Pub. L. 98-237, §11(h)(2), Mar. 20, 1984, 98 Stat. 81.

**§ 41307. Injunctive relief sought by the Commission**

(a) GENERAL VIOLATIONS.—In connection with an investigation under section 41301 or 41302 of this title, the Federal Maritime Commission may bring a civil action to enjoin conduct in violation of this part. The action must be brought in the district court of the United States for any judicial district in which the defendant resides or transacts business. After no-

tice to the defendant, and a showing that the standards for granting injunctive relief by courts of equity are met, the court may grant a temporary restraining order or preliminary injunction for a period not to exceed 10 days after the Commission has issued an order disposing of the issues under investigation.

(b) REDUCTION IN COMPETITION.—

(1) ACTION BY COMMISSION.—If, at any time after the filing or effective date of an agreement under chapter 403 of this title, the Commission determines that the agreement is likely, by a reduction in competition, to produce an unreasonable reduction in transportation service or an unreasonable increase in transportation cost, the Commission, after notice to the person filing the agreement, may bring a civil action in the United States District Court for the District of Columbia to enjoin the operation of the agreement. The Commission's sole remedy with respect to an agreement likely to have such an effect is an action under this subsection.

(2) REMEDIES BY COURT.—In an action under this subsection, the court may issue—

(A) a temporary restraining order or a preliminary injunction; and

(B) a permanent injunction after a showing that the agreement is likely to have the effect described in paragraph (1).

(3) BURDEN OF PROOF AND THIRD PARTIES.—In an action under this subsection, the burden of proof is on the Commission. The court may not allow a third party to intervene.

(c) FAILURE TO PROVIDE INFORMATION.—If a person filing an agreement, or an officer, director, partner, agent, or employee of the person, fails substantially to comply with a request for the submission of additional information or documents within the period provided in section 40304(c) of this title, the Commission may bring a civil action in the United States District Court for the District of Columbia. At the request of the Commission, the Court—

(1) may order compliance;

(2) shall extend the period specified in section 40304(c)(2) of this title until there has been substantial compliance; and

(3) may grant other equitable relief that the court decides is appropriate.

(d) REPRESENTATION.—The Commission may represent itself in a proceeding under this section in—

(1) a district court of the United States, on notice to the Attorney General; and

(2) a court of appeals of the United States, with the approval of the Attorney General.

(Pub. L. 109-304, § 7, Oct. 6, 2006, 120 Stat. 1547.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
41307(a) .....	46 App.:1710(h)(1).	Pub. L. 98-237, §11(c) (last sentence), (h)(1), Mar. 20, 1984, 98 Stat. 80, 81.
41307(b)(1) ..	46 App.:1705(g), (h) (1st sentence).	Pub. L. 98-237, §6(g)-(i), (k), Mar. 20, 1984, 98 Stat. 72, 73.
	46 App.:1710(c) (last sentence).	
41307(b)(2) ..	46 App.:1705(h) (2d sentence).	

HISTORICAL AND REVISION NOTES—CONTINUED

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
41307(b)(3) ..	46 App.:1705(h) (3d, last sentences).	
41307(c) .....	46 App.:1705(i).	
41307(d) .....	46 App.:1705(k).	

§ 41308. Enforcement of subpoenas and orders

(a) CIVIL ACTION.—If a person does not comply with a subpoena or order of the Federal Maritime Commission, the Attorney General, at the request of the Commission, or an injured party, may seek enforcement in a district court of the United States having jurisdiction over the parties. If, after hearing, the court determines that the subpoena or order was regularly made and duly issued, the court shall enforce the subpoena or order.

(b) TIME LIMIT ON BRINGING ACTIONS.—An action under this section to enforce an order of the Commission must be brought within 3 years after the date the order was violated.

(Pub. L. 109-304, § 7, Oct. 6, 2006, 120 Stat. 1548.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
41308(a) .....	46 App.:1713(c).	Pub. L. 98-237, §14(e), (e), Mar. 20, 1984, 98 Stat. 83, 84.
41308(b) .....	46 App.:1713(e).	

In subsection (a), the words “subpoena or” are added in the second sentence for consistency in the subsection. The words “by an appropriate injunction or other process, mandatory or otherwise” are omitted as unnecessary. The words “regularly made and duly issued” are substituted for “properly made and duly issued” for consistency in the subtitle.

§ 41309. Enforcement of reparation orders

(a) CIVIL ACTION.—If a person does not comply with an order of the Federal Maritime Commission for the payment of reparation, the person to whom the award was made may seek enforcement of the order in a district court of the United States having jurisdiction over the parties.

(b) PARTIES AND SERVICE OF PROCESS.—All parties in whose favor the Commission has made an award of reparation by a single order may be joined as plaintiffs, and all other parties in the order may be joined as defendants, in a single action in a judicial district in which any one plaintiff could maintain an action against any one defendant. Service of process against a defendant not found in that district may be made in a district in which any office of that defendant is located or in which any port of call on a regular route operated by that defendant is located. Judgment may be entered for any plaintiff against the defendant liable to that plaintiff.

(c) NATURE OF REVIEW.—In an action under this section, the findings and order of the Commission are prima facie evidence of the facts stated in the findings and order.

(d) COSTS AND ATTORNEY FEES.—The plaintiff is not liable for costs of the action or for costs of any subsequent stage of the proceedings unless they accrue on the plaintiff's appeal. A pre-

vailing plaintiff shall be allowed reasonable attorney fees to be assessed and collected as part of the costs of the action.

(e) TIME LIMIT ON BRINGING ACTIONS.—An action under this section to enforce an order of the Commission must be brought within 3 years after the date the order was violated.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1548.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
41309(a) .....	46 App.:1713(d)(1).	Pub. L. 98–237, §14(d), (e), Mar. 20, 1984, 98 Stat. 83, 84.
41309(b) .....	46 App.:1713(d)(3).	
41309(c) .....	46 App.:1713(d)(2) (1st sentence 1st–23d words).	
41309(d) .....	46 App.:1713(d)(2) (1st sentence 24th–last words, last sentence).	
41309(e) .....	46 App.:1713(e).	

PART B—ACTIONS TO ADDRESS FOREIGN PRACTICES

CHAPTER 421—REGULATIONS AFFECTING SHIPPING IN FOREIGN TRADE

Sec.	
42101.	Regulations of the Commission.
42102.	Regulations of other agencies.
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42107.	Refusal of clearance and entry.
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42109.	Consultation with other agencies.

§ 42101. Regulations of the Commission

(a) UNFAVORABLE CONDITIONS.—To further the objectives and policy set forth in section 50101 of this title, the Federal Maritime Commission shall prescribe regulations affecting shipping in foreign trade, not in conflict with law, to adjust or meet general or special conditions unfavorable to shipping in foreign trade, whether in a particular trade or on a particular route or in commerce generally, including intermodal movements, terminal operations, cargo solicitation, agency services, ocean transportation intermediary services and operations, and other activities and services integral to transportation systems, and which arise out of or result from laws or regulations of a foreign country or competitive methods, pricing practices, or other practices employed by owners, operators, agents, or masters of vessels of a foreign country.

(b) INITIATION OF REGULATION.—A regulation under subsection (a) may be initiated by the Commission on its own motion or on the petition of any person, including another component of the United States Government.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1548.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42101(a) .....	46 App.:876(a)(2).	June 5, 1920, ch. 250, §19(a)(2), (e), 41 Stat. 995; Ex. Ord. No. 6166, §12, eff. June 10, 1933; June 29, 1936, ch. 858, title II, §204, title IX, §904, 49 Stat. 1987, 2016; Pub. L. 97–31, §12(46), Aug. 6, 1981, 95 Stat. 157; Pub. L. 101–595, title I, §103, Nov. 16, 1990, 104 Stat. 2979; Pub. L. 102–587, title VI, §6205(b), Nov. 4, 1992, 106 Stat. 5094; Pub. L. 105–258, title III, §301, Oct. 14, 1998, 112 Stat. 1915.
	46 App.:1710a(h) (related to 876(a)(2)).	Pub. L. 100–418, title X, §10002(h) (related to §19(b)(1)(b)), Aug. 23, 1988, 102 Stat. 1572; Pub. L. 105–258, title I, §111(7), Oct. 14, 1998, 112 Stat. 1911.
42101(b) .....	46 App.:876(e).	

In subsection (a), the word “shall” is substituted for “is authorized and directed”, and the words “prescribe regulations” are substituted for “make rules and regulations”, for consistency in the revised title and to eliminate unnecessary words. The text of 46 App. U.S.C. 1710a(h), insofar as it relates to 46 App. U.S.C. 876(a)(2), is omitted as unnecessary because this chapter already provides for the same remedies as those authorized by the omitted provision.

In subsection (b), the words “on the petition of any person, including another component of the United States Government” are substituted for “pursuant to a petition. Any person, including a common carrier, tramp operator, bulk operator, shipper, shippers’ association, ocean transportation intermediary, marine terminal operator, or any component of the Government of the United States, may file a petition for relief under subsection (a)(2) of this section.” for consistency with section 42302(b) of the revised title and to eliminate unnecessary words.

§ 42102. Regulations of other agencies

(a) REQUEST TO AGENCY.—To further the objectives and policy set forth in section 50101 of this title, the Federal Maritime Commission shall request the head of a department, agency, or instrumentality of the United States Government to suspend, modify, or annul any existing regulations, or to make new regulations, affecting shipping in the foreign trade, except regulations relating to the Public Health Service, the Consular Service, or the inspection of vessels.

(b) PRIOR REVIEW AND APPROVAL.—A department, agency, or instrumentality of the Government may not prescribe a regulation affecting shipping in the foreign trade (except a regulation affecting the Public Health Service, the Consular Service, or the inspection of vessels) until the regulation has been submitted to the Commission for its approval and final action has been taken by the Commission or the President.

(c) SUBMISSION TO PRESIDENT.—If the head of a department, agency, or instrumentality of the Government refuses to comply with a request under subsection (a) or objects to a decision of the Commission under subsection (b), the Commission or the head of the department, agency, or instrumentality may submit the facts to the President. The President may establish, suspend, modify, or annul the regulation.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1549.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42102(a) .....	46 App.:876(a)(3).	June 5, 1920, ch. 250, §19(a)(3), (b), (c), 41 Stat. 995; Ex. Ord. No. 6166, §12, eff. June 10, 1933; June 29, 1936, ch. 858, title II, §204, title IX, §904, 49 Stat. 1987, 2016; Pub. L. 97-31, §12(46), Aug. 6, 1981, 95 Stat. 157; Pub. L. 105-258, title III, §301, Oct. 14, 1998, 112 Stat. 1915.
42102(b) .....	46 App.:876(b).	
42102(c) .....	46 App.:876(c).	

In this section, the words “department, agency, or instrumentality” are substituted for “department, board, bureau, or agency” for consistency in the revised title. The words “the inspection of vessels” are substituted for “the steamboat inspection service” because the Steamboat Inspection Service has been abolished and its functions are now carried out by the Coast Guard.

In subsection (a), the word “shall” is substituted for “is authorized and directed” for consistency in the revised title and to eliminate unnecessary words.

**§ 42103. No preference to Government-owned vessels**

A regulation may not give a vessel owned by the United States Government a preference over a vessel owned by citizens of the United States and documented under the laws of the United States.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1549.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42103 .....	46 App.:876(d).	June 5, 1920, ch. 250, §19(d), 41 Stat. 995; Ex. Ord. No. 6166, §12, eff. June 10, 1933; June 29, 1936, ch. 858, title II, §204, title IX, §904, 49 Stat. 1987, 2016; Pub. L. 105-258, title III, §301, Oct. 14, 1998, 112 Stat. 1915.

**§ 42104. Information, witnesses, and evidence**

(a) ORDER TO SUPPLY INFORMATION.—In carrying out section 42101 of this title, the Federal Maritime Commission may order any person (including a common carrier, tramp operator, bulk operator, shipper, shippers’ association, ocean transportation intermediary, or marine terminal operator, or an officer, receiver, trustee, lessee, agent, or employee thereof) to file with the Commission a report, answers to questions, documentary material, or other information the Commission considers necessary or appropriate. The Commission may require the response to any such order to be made under oath. The response shall be provided in the form and within the time specified by the Commission.

(b) SUBPOENAS AND DISCOVERY.—In carrying out section 42101 of this title, the Commission may—

- (1) subpoena witnesses and evidence; and
- (2) authorize a party to use depositions, written interrogatories, and discovery procedures that, to the extent practicable, conform to the Federal Rules of Civil Procedure (28 App. U.S.C.).

(c) WITNESS FEES.—Unless otherwise prohibited by law, and subject to funds being appro-

priated, a witness in a proceeding under section 42101 of this title is entitled to the same fees and mileage as in the courts of the United States.

(d) PENALTIES.—For failure to supply information ordered to be produced or compelled by subpoena under this section, the Commission may—

- (1) after notice and opportunity for a hearing, suspend tariffs and service contracts of a common carrier or the common carrier’s right to use tariffs of conferences and service contracts of agreements of which it is a member; or

- (2) assess a civil penalty of not more than \$5,000 for each day that the information is not provided.

(e) ENFORCEMENT.—If a person does not comply with an order or subpoena of the Commission under this section, the Commission may seek enforcement in a district court of the United States having jurisdiction over the parties. If, after hearing, the court determines that the order or subpoena was regularly made and duly issued, the court shall enforce the order or subpoena.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1549.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42104(a) .....	46 App.:876(f)(1)–(3).	June 5, 1920, ch. 250, §19(f), (g); as added Pub. L. 101-595, title I, §103(2), Nov. 16, 1990, 104 Stat. 2979; Pub. L. 102-587, title VI, §6205(b)(2), Nov. 4, 1992, 106 Stat. 5094; Pub. L. 105-258, title III, §301, Oct. 14, 1998, 112 Stat. 1915.
42104(b) .....	46 App.:876(g)(1), (2).	
42104(c) .....	46 App.:876(g)(3).	
42104(d) .....	46 App.:876(f)(4), (g)(4).	
42104(e) .....	46 App.:876(g)(5).	

In subsections (a) and (b), the words “In carrying out” are substituted for “In furtherance of the purposes of” and “In proceedings under” for clarity and consistency.

In subsection (b)(1), the words “subpoena witnesses and evidence” are substituted for “by subpoena compel the attendance of witnesses and the production of books, papers, documents, and other evidence” for consistency in the revised title and to eliminate unnecessary words.

In subsection (b)(2), the words “conform to the Federal Rules of Civil Procedure (28 App. U.S.C.)” are substituted for “are in conformity with the rules applicable in civil proceedings in the district courts of the United States” for clarity.

In subsection (d)(2), the penalties from 46 App. U.S.C. 876(f)(4) and (g)(4)(B) are combined because they are redundant.

In subsection (e), the words “by an appropriate injunction or other process, mandatory or otherwise” are omitted as unnecessary.

**§ 42105. Disclosure to public**

Notwithstanding any other provision of law, the Federal Maritime Commission may refuse to disclose to the public a response or other information submitted to it under this chapter.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1550.)

## HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42105 .....	46 App.:876(h).	June 5, 1920, ch. 250, §19(h); as added Pub. L. 101-595, title I, §103(2), Nov. 16, 1990, 104 Stat. 2979; Pub. L. 105-258, title III, §301, Oct. 14, 1998, 112 Stat. 1915.

**§ 42106. Other actions to remedy unfavorable conditions**

If the Federal Maritime Commission finds that conditions unfavorable to shipping in foreign trade as described in section 42101 of this title exist, the Commission may—

(1) limit voyages to and from United States ports or the amount or type of cargo carried;

(2) suspend, in whole or in part, tariffs and service contracts for carriage to or from United States ports, including a common carrier's right to use tariffs of conferences and service contracts of agreements in United States trades of which it is a member for any period the Commission specifies;

(3) suspend, in whole or in part, an ocean common carrier's right to operate under any agreement filed with the Commission, including any agreement authorizing preferential treatment at terminals, preferential terminal leases, space chartering, or pooling of cargo or revenue with other ocean common carriers;

(4) impose a fee not to exceed \$1,000,000 per voyage; or

(5) take any other action the Commission finds necessary and appropriate to adjust or meet any condition unfavorable to shipping in the foreign trade of the United States.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1550.)

## HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42106 .....	46 App.:876(i).	June 5, 1920, ch. 250, §19(i); as added Pub. L. 101-595, title I, §103(2), Nov. 16, 1990, 104 Stat. 2979; Pub. L. 105-258, title III, §301, Oct. 14, 1998, 112 Stat. 1915.

**§ 42107. Refusal of clearance and entry**

At the request of the Federal Maritime Commission—

(1) the Secretary of Homeland Security shall—

(A) refuse the clearance required by section 60105 of this title to a vessel of a country that is named in a regulation prescribed by the Commission under section 42101 of this title; and

(B) collect any fees imposed by the Commission under section 42106(4) of this title; and

(2) the Secretary of the department in which the Coast Guard is operating shall—

(A) deny entry, for purposes of oceanborne trade, of a vessel of a country that is named in a regulation prescribed by the Commission under section 42101 of this title, to a port or place in the United States or the navigable waters of the United States; or

(B) detain the vessel at the port or place in the United States from which it is about to depart for another port or place in the United States.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1551.)

## HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42107 .....	46 App.:876(j).	June 5, 1920, ch. 250, §19(j); as added Pub. L. 101-595, title I, §103(2), Nov. 16, 1990, 104 Stat. 2979; Pub. L. 105-258, title III, §301, Oct. 14, 1998, 112 Stat. 1915.

In paragraph (1), the words “Secretary of Homeland Security” are substituted for “collector of customs at the port or place of destination in the United States” because the functions of the Customs Service and of the Secretary of the Treasury relating thereto were transferred to the Secretary of Homeland Security by section 403(1) of the Homeland Security Act of 2002 (Pub. L. 107-296, 116 Stat. 2178). The functions of the collector of customs previously were vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950, and the office of collector of customs previously was abolished by Reorganization Plan No. 1 of 1965.

**§ 42108. Penalty for operating under suspended tariff or service contract**

A common carrier that accepts or handles cargo for carriage under a tariff or service contract that has been suspended under section 42104(d)(1) or 42106(2) of this title, or after its right to use another tariff or service contract has been suspended under those provisions, is liable to the United States Government for a civil penalty of not more than \$50,000 for each day that it is found to be operating under a suspended tariff or service contract.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1551.)

## HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42108 .....	46 App.:876(k).	June 5, 1920, ch. 250, §19(k); as added Pub. L. 101-595, title I, §103(2), Nov. 16, 1990, 104 Stat. 2979; Pub. L. 105-258, title III, §301, Oct. 14, 1998, 112 Stat. 1915.

**§ 42109. Consultation with other agencies**

The Federal Maritime Commission may consult with, seek the cooperation of, or make recommendations to other appropriate agencies of the United States Government prior to taking any action under this chapter.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1551.)

## HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42109 .....	46 App.:876(l).	June 5, 1920, ch. 250, §19(l); as added Pub. L. 101-595, title I, §103(2), Nov. 16, 1990, 104 Stat. 2979; Pub. L. 105-258, title III, §301, Oct. 14, 1998, 112 Stat. 1915.

**CHAPTER 423—FOREIGN SHIPPING PRACTICES**

Sec.  
42301. Definitions.

Sec.	
42302.	Investigations.
42303.	Information requests.
42304.	Action against foreign carriers.
42305.	Refusal of clearance and entry.
42306.	Submission of determinations to President.
42307.	Review of regulations and orders.

§ 42301. Definitions

(a) DEFINED IN PART A.—In this chapter, the terms “common carrier”, “marine terminal operator”, “ocean common carrier”, “ocean transportation intermediary”, “shipper”, and “shippers’ association” have the meaning given those terms in section 40102 of this title.

(b) OTHER DEFINITIONS.—In this chapter:

(1) FOREIGN CARRIER.—The term “foreign carrier” means an ocean common carrier a majority of whose vessels are documented under the laws of a foreign country.

(2) MARITIME SERVICES.—The term “maritime services” means port-to-port transportation of cargo by vessels operated by an ocean common carrier.

(3) MARITIME-RELATED SERVICES.—The term “maritime-related services” means intermodal operations, terminal operations, cargo solicitation, agency services, ocean transportation intermediary services and operations, and all other activities and services integral to total transportation systems of ocean common carriers and their foreign domiciled affiliates for themselves and others.

(4) UNITED STATES CARRIER.—The term “United States carrier” means an ocean common carrier operating vessels documented under the laws of the United States.

(5) UNITED STATES OCEANBORNE TRADE.—The term “United States oceanborne trade” means the carriage of cargo between the United States and a foreign country, whether directly or indirectly, by an ocean common carrier.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1551.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42301 .....	46 App.:1710a(a).	Pub. L. 100-418, title X, §10002(a), Aug. 23, 1988, 102 Stat. 1570; Pub. L. 105-258, title I, §111(1)-(3), Oct. 14, 1998, 112 Stat. 1911.

§ 42302. Investigations

(a) IN GENERAL.—The Federal Maritime Commission shall investigate whether any laws, rules, regulations, policies, or practices of a foreign government, or any practices of a foreign carrier or other person providing maritime or maritime-related services in a foreign country, result in the existence of conditions that—

(1) adversely affect the operations of United States carriers in United States oceanborne trade; and

(2) do not exist for foreign carriers of that country in the United States under the laws of the United States or as a result of acts of United States carriers or other persons providing maritime or maritime-related services in the United States.

(b) INITIATION OF INVESTIGATION.—An investigation under subsection (a) may be initiated

by the Commission on its own motion or on the petition of any person, including another component of the United States Government.

(c) TIME FOR DECISION.—The Commission shall complete an investigation under this section and render a decision within 120 days after it is initiated. However, the Commission may extend this 120-day period for an additional 90 days if the Commission is unable to obtain sufficient information to determine whether a condition specified in subsection (a) exists. A notice providing an extension shall state clearly the reasons for the extension.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1552.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42302(a) .....	46 App.:1710a(b).	Pub. L. 100-418, title X, §10002(b), (c), Aug. 23, 1988, 102 Stat. 1570; Pub. L. 105-258, title I, §111(4), Oct. 14, 1998, 112 Stat. 1911.
42302(b) .....	46 App.:1710a(c)(1).	
42302(c) .....	46 App.:1710a(c)(2).	

In subsection (b), the words “including another component of the United States Government” are substituted for “including any common carrier, shipper, shippers’ association, ocean transportation intermediary, or marine terminal operator, or any branch, department, agency, or other component of the Government of the United States” for consistency with section 42101(b) of the revised title and to eliminate unnecessary words.

§ 42303. Information requests

(a) IN GENERAL.—To further the purposes of section 42302(a) of this title, the Federal Maritime Commission may order any person (including a common carrier, shipper, shippers’ association, ocean transportation intermediary, or marine terminal operator, or an officer, receiver, trustee, lessee, agent or employee thereof) to file with the Commission any periodic or special report, answers to questions, documentary material, or other information the Commission considers necessary or appropriate. The Commission may require the response to any such order to be made under oath. The response shall be provided in the form and within the time specified by the Commission.

(b) SUBPOENAS.—In an investigation under section 42302 of this title, the Commission may subpoena witnesses and evidence.

(c) NONDISCLOSURE.—Notwithstanding any other provision of law, the Commission may determine that any information submitted to it in response to a request under this section, or otherwise, shall not be disclosed to the public.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1552.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
42303 .....	46 App.:1710a(d)	Pub. L. 100-418, title X, §10002(d), Aug. 23, 1988, 102 Stat. 1571; Pub. L. 105-258, title I, §111(4), Oct. 14, 1998, 112 Stat. 1911.

In subsection (b), the words “subpoena witnesses and evidence” are substituted for “issue subpoenas to compel the attendance and testimony of witnesses and the

production of records or other evidence” for consistency in the revised title and to eliminate unnecessary words.

In subsection (c), the words “in its discretion” are omitted as unnecessary.

§ 42304. Action against foreign carriers

(a) IN GENERAL.—Subject to section 42306 of this title, whenever the Federal Maritime Commission, after notice and opportunity for comment or hearing, determines that the conditions specified in section 42302(a) of this title exist, the Commission shall take such action to offset those conditions as it considers necessary and appropriate against any foreign carrier that is a contributing cause, or whose government is a contributing cause, to those conditions. The action may include—

(1) limitations on voyages to and from United States ports or on the amount or type of cargo carried;

(2) suspension, in whole or in part, of any or all tariffs and service contracts, including an ocean common carrier’s right to use any or all tariffs and service contracts of conferences in United States trades of which it is a member for any period the Commission specifies;

(3) suspension, in whole or in part, of an ocean common carrier’s right to operate under any agreement filed with the Commission, including any agreement authorizing preferential treatment at terminals, preferential terminal leases, space chartering, or pooling of cargo or revenue with other ocean common carriers; and

(4) a fee not to exceed \$1,000,000 per voyage.

(b) CONSULTATION.—The Commission may consult with, seek the cooperation of, or make recommendations to other appropriate agencies of the United States Government prior to taking any action under subsection (a).

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1553.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Rows for 42304(a) and 42304(b).

In subsection (a), the words “Subject to section 42306 of this title” are added to alert the reader to the application of that section.

§ 42305. Refusal of clearance and entry

Subject to section 42306 of this title, whenever the Federal Maritime Commission determines that the conditions specified in section 42302(a) of this title exist, then at the request of the Commission—

(1) the Secretary of Homeland Security shall refuse the clearance required by section 60105 of this title to a vessel of a foreign carrier that is identified by the Commission under section 42304 of this title; and

(2) the Secretary of the department in which the Coast Guard is operating shall—

(A) deny entry, for purposes of oceanborne trade, of a vessel of a foreign carrier that is

identified by the Commission under section 42304 of this title, to a port or place in the United States or the navigable waters of the United States; or

(B) detain the vessel at the port or place in the United States from which it is about to depart for another port or place in the United States.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1553.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row for 42305.

Before paragraph (1), the words “Subject to section 42306 of this title” are added to alert the reader to the application of that section. The word “determines” is substituted for “finds” for consistency with section 42306 of the revised title.

In paragraph (1), the words “Secretary of Homeland Security” are substituted for “collector of customs at any port or place of destination in the United States” because the functions of the Customs Service and of the Secretary of the Treasury relating thereto were transferred to the Secretary of Homeland Security by section 403(1) of the Homeland Security Act of 2002 (Pub. L. 107–296, 116 Stat. 2178). The functions of the collector of customs previously were vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950, and the office of collector of customs previously was abolished by Reorganization Plan No. 1 of 1965.

§ 42306. Submission of determinations to President

Before a determination under section 42304 of this title becomes effective or a request is made under section 42305 of this title, the determination shall be submitted immediately to the President. The President, within 10 days after receiving it, may disapprove it in writing, setting forth the reasons for the disapproval, if the President finds that disapproval is required for reasons of national defense or foreign policy.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1553.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row for 42306.

§ 42307. Review of regulations and orders

A regulation or final order of the Federal Maritime Commission under this chapter is reviewable exclusively in the same forum and in the same manner as provided in section 2342(3)(B) of title 28.

(Pub. L. 109–304, §7, Oct. 6, 2006, 120 Stat. 1554.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row for 42307.

PART C—MISCELLANEOUS

**CHAPTER 441—EVIDENCE OF FINANCIAL RESPONSIBILITY FOR PASSENGER TRANSPORTATION**

Sec.	
44101.	Application.
44102.	Financial responsibility to indemnify passengers for nonperformance of transportation.
44103.	Financial responsibility to pay liability for death or injury.
44104.	Civil penalty.
44105.	Refusal of clearance.
44106.	Conduct of proceedings.

**§ 44101. Application**

This chapter applies to a vessel that—

- (1) has berth or stateroom accommodations for at least 50 passengers; and
- (2) boards passengers at a port in the United States.

(Pub. L. 109-304, § 7, Oct. 6, 2006, 120 Stat. 1554.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
44101 .....	46 App.:817d(a) (6th-28th words).  46 App.:817e(a) (15th-36th words).	Pub. L. 89-777, §§2(a) (6th-28th words), 3(a) (15th-36th words), Nov. 6, 1966, 80 Stat. 1356, 1357.

**§ 44102. Financial responsibility to indemnify passengers for nonperformance of transportation**

(a) FILING REQUIREMENT.—A person in the United States may not arrange, offer, advertise, or provide transportation on a vessel to which this chapter applies unless the person has filed with the Federal Maritime Commission evidence of financial responsibility to indemnify passengers for nonperformance of the transportation.

(b) SATISFACTORY EVIDENCE.—To satisfy subsection (a), a person must file—

- (1) information the Commission considers necessary; or
- (2) a copy of a bond or other security, in such form as the Commission by regulation may require.

(c) AUTHORIZED ISSUER OF BOND.—If a bond is filed, it must be issued by a bonding company authorized to do business in the United States.

(Pub. L. 109-304, § 7, Oct. 6, 2006, 120 Stat. 1554.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
44102 .....	46 App.:817e(a) (1st-14th, 37th-last words), (b).	Pub. L. 89-777, §3(a) (1st-14th, 37th-last words), (b), Nov. 6, 1966, 80 Stat. 1357; Pub. L. 103-206, title III, § 320, Dec. 20, 1993, 107 Stat. 2427.

In subsection (c), the words “or any State thereof, or the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands or any territory or possession of the United States” are omitted as unnecessary because of the definition of “United States” in chapter 1 of the revised title.

**§ 44103. Financial responsibility to pay liability for death or injury**

(a) GENERAL REQUIREMENT.—The owner or charterer of a vessel to which this chapter applies shall establish, under regulations prescribed by the Federal Maritime Commission, financial responsibility to meet liability for death or injury to passengers or other individuals on a voyage to or from a port in the United States.

(b) AMOUNTS.—

(1) IN GENERAL.—The amount of financial responsibility required under subsection (a) shall be based on the number of passenger accommodations as follows:

- (A) \$20,000 for each of the first 500 passenger accommodations.
- (B) \$15,000 for each additional passenger accommodation between 501 and 1,000.
- (C) \$10,000 for each additional passenger accommodation between 1,001 and 1,500.
- (D) \$5,000 for each additional passenger accommodation over 1,500.

(2) MULTIPLE VESSELS.—If the owner or charterer is operating more than one vessel subject to this chapter, the amount of financial responsibility shall be based on the number of passenger accommodations on the vessel with the largest number of passenger accommodations.

(c) AVAILABILITY TO PAY JUDGMENT.—The amount determined under subsection (b) shall be available to pay a judgment for damages (whether less than or more than \$20,000) for death or injury to a passenger or other individual on a voyage to or from a port in the United States.

(d) MEANS OF ESTABLISHING.—Financial responsibility under this section may be established by one or more of the following if acceptable to the Commission:

- (1) Insurance.
- (2) Surety bond issued by a bonding company authorized to do business in the United States.
- (3) Qualification as a self-insurer.
- (4) Other evidence of financial responsibility.

(Pub. L. 109-304, § 7, Oct. 6, 2006, 120 Stat. 1554.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
44103 .....	46 App.:817d(a) (1st-5th, 29th-last words), (b).	Pub. L. 89-777, §2(a) (1st-5th, 29th-last words), (b), Nov. 6, 1966, 80 Stat. 1356.

In subsection (d)(2), the words “issued by a bonding company authorized to do business in the United States” are substituted for 46 App. U.S.C. 817d(b) to eliminate unnecessary words. The words “or any State thereof or the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, or any territory or possession of the United States” are omitted as unnecessary because of the definition of “United States” in chapter 1 of the revised title.

**§ 44104. Civil penalty**

A person that violates section 44102 or 44103 of this title is liable to the United States Government for a civil penalty of not more than \$5,000, plus \$200 for each passage sold, to be assessed by the Federal Maritime Commission. The Commission may remit or mitigate the penalty on terms the Commission considers proper.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1555.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 44104, 46 App.:817d(c), Pub. L. 89-777, §§2(c), 3(c), Nov. 6, 1966, 80 Stat. 1357. Row 2: 46 App.:817e(c).

§ 44105. Refusal of clearance

The Secretary of Homeland Security shall refuse the clearance required by section 60105 of this title, at the port or place of departure from the United States, of a vessel that is subject to this chapter and does not have evidence issued by the Federal Maritime Commission of compliance with sections 44102 and 44103 of this title.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1555.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 44105, 46 App.:817d(e), Pub. L. 89-777, §§2(e), 3(e), Nov. 6, 1966, 80 Stat. 1357, 1358; Pub. L. 103-182, title VI, §689(c), Dec. 8, 1993, 107 Stat. 2222. Row 2: 46 App.:817e(e).

The words "Secretary of Homeland Security" are substituted for "Customs Service" because the functions of the Customs Service and of the Secretary of the Treasury relating thereto were transferred to the Secretary of Homeland Security by section 403(1) of the Homeland Security Act of 2002 (Pub. L. 107-296, 116 Stat. 2178).

§ 44106. Conduct of proceedings

Part A of this subtitle applies to proceedings conducted by the Federal Maritime Commission under this chapter.

(Pub. L. 109-304, §7, Oct. 6, 2006, 120 Stat. 1555.)

HISTORICAL AND REVISION NOTES

Table with 3 columns: Revised Section, Source (U.S. Code), Source (Statutes at Large). Row 1: 44106, 46 App.:817d(d), Pub. L. 89-777, §§2(d), 3(d), Nov. 6, 1966, 80 Stat. 1357, 1358; Pub. L. 104-324, title VII, §746(c), Oct. 19, 1996, 110 Stat. 3943. Row 2: 46 App.:817e(d).

The authority to prescribe regulations is omitted as unnecessary because it is already provided by section 305 of the revised title.

Subtitle V—Merchant Marine

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AMENDMENTS

2006—Pub. L. 109-304, §8(a), Oct. 6, 2006, 120 Stat. 1555, amended subtitle analysis generally. Prior to amendment, analysis consisted of item for chapter 531 "Maritime Security Fleet".

PART A—GENERAL

CHAPTER 501—POLICY, STUDIES, AND REPORTS

Sec. 50101. Objectives and policy.
50102. Survey of merchant marine.
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50104. Studies of general maritime problems.
50105. Studies and cooperation relating to the construction of vessels.
50106. Studies on the operation of vessels.
50107. Studies on marine insurance.
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50110. Securing preference to vessels of the United States.
50111. Reports to Congress.
50112. National Maritime Enhancement Institutes.
50113. Use and performance reports by operators of vessels.

§ 50101. Objectives and policy

(a) OBJECTIVES.—It is necessary for the national defense and the development of the domestic and foreign commerce of the United States that the United States have a merchant marine—

(1) sufficient to carry the waterborne domestic commerce and a substantial part of the waterborne export and import foreign commerce of the United States and to provide shipping service essential for maintaining the flow of the waterborne domestic and foreign commerce at all times;

(2) capable of serving as a naval and military auxiliary in time of war or national emergency;