Eleventh Annual Report

of the

Federal Maritime Commission

Fiscal Year Ended June 30, 1972

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FEDERAL MARITIME COMMISSION
WASHINGTON, D.C.

June 30, 1972

HELEN DELICH BENTLEY, *Chairman*
ASHTON C. BARRETT, *Vice Chairman*
JAMES V. DAY, *Member*
GEORGE H. HEARN, *Member*
CLARENCE MORSE, *Member*

LETTER OF TRANSMITTAL

Federal Maritime Commission
Washington, D.C. 20573

Office of the Chairman

July 1, 1972

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

Pursuant to section 103(e) of Reorganization Plan No. 7 of 1961, and section 208 of the Merchant Marine Act, 1936, I respectfully submit the Annual Report of the Federal Maritime Commission for the fiscal year 1972.

Sincerely,

Helen Delich Bentley

Helen Delich Bentley
Chairman

Federal Maritime Commission (Fiscal Year 1972)

Clarence Morse | James V. Day | Helen Delich Bentley, Chairman | Ashton C. Barrett, Vice Chairman | George H. Hearn

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SCOPE OF AUTHORITY AND BASIC FUNCTIONS

The Federal Maritime Commission was established as an independent agency by Reorganization Plan No. 7, effective August 12, 1961. Its basic regulatory authorities are derived from the Shipping Act, 1916; Merchant Marine Act, 1920; Intercoastal Shipping Act, 1933; Merchant Marine Act, 1936; Public Law 89–777 of November 6, 1966; and Public Law 91–224, approved April 3, 1970.[1]

The Commission is composed of five Commissioners appointed by the President with the advice and consent of the Senate. The Commissioners are appointed for 5-year terms, with not more than three of the Commissioners being appointed from the same political party. The President designates one of the Commissioners to be the Chairman, who also serves as the chief executive and administrative officer of the agency.

The statutory authorities and functions of the Commission embrace the following principal areas: (1) Regulation of services, practices, and agreements of common carriers by water and certain other persons engaged in the foreign commerce of the United States; (2) acceptance, rejection, or disapproval of tariff filings of common carriers engaged in the foreign commerce of the United States; (3) regulation of rates, fares, charges, classifications, tariffs, regulations, and practices of common carriers by water in the domestic offshore trades of the United States; (4) licensing independent ocean freight forwarders; (5) investigation of discriminatory rates, charges, classifications, and practices in the waterborne foreign and domestic off-

[1] Executive Order 11548, dated July 20, 1970, delegates to the Federal Maritime Commission the responsibility and authority, pursuant to Public Law 91–224 "Water Quality Improvement Act of 1970," to issue regulations concerning requirements for the certification by the Commission of proof of financial responsibility of certain vessels to meet the liability to the United States for the discharge of oil.

shore commerce; (6) issuance of certificates evidencing financial responsibility of vessel owners or charterers to pay judgments for personal injury or death, or to repay fares in the event of nonperformance of voyages or cruises; (7) issuance of certificates evidencing financial responsibility of vessel owners, charterers and operators to meet the liability to the United States for the discharge of oil; and (8) rendering decisions, issuing orders, and making rules and regulations governing and affecting common carriers by water, terminal operators, freight forwarders, and other persons subject to the Commission's jurisdiction.

The Commission's headquarters is located at 1405 I Street NW., Washington, D.C. 20573. There are four field offices located as follows:

Atlantic District	26 Federal Plaza, Room 4012, New York, N.Y. 10007.
Pacific District	681 Market Street, Room 618, San Francisco, Calif. 94105.
Pacific District (Southern California).	Post Office Box 3184, Terminal Island Station, San Pedro, Calif. 90731.
Gulf District	Post Office Box 30550, 610 South Street, Room 945, New Orleans, La. 70190.
Puerto Rico Office	Old San Juan Post Office Building, Room 108A, Comerico and Tanca Streets, Post Office Box 3168, San Juan, P.R. 00904.

HIGHLIGHTS AND REFLECTIONS OF THE YEAR

Fiscal 1972 found the Federal Maritime Commission in its 11th year as an accepted and respected entity in the application of realistic regulation as envisioned by the Congress of the United States in the various Shipping Statutes over which the F.M.C. has jurisdiction.

The shipping industry, in 1972, gave concrete evidence that the Federal regulatory authority could be relied upon in the solution of vexing ocean transport problems. The Commission came firmly to grips with the peculiar and often unique problems of ocean shipping in which commerce and economics so often become inextricably bound to the well-being and defense of the United States.

Tough Problems Tackled

The Commission displayed the courage and willingness to tackle areas of shipping and shipper concern, and to pursue solutions rather than palliatives.

In the field of military rate levels the Commission moved boldly forward to assure a more equitable sharing of military cargoes and in studying the effect of "cut-throat" competitive practices.

The Commission fully shouldered a responsible share of the task of examining military rates to determine if they placed an adverse transport burden upon U.S. trade and commerce.

The Chairman testified successfully for the proposition that the Navy, because it understood the needs of merchant shipping, be allowed to retain a control position on military ocean transport.

Intermodalism Spurred

On intermodalism, the Commission sought legislation to spur through shipping on simplified bills of lading under single-factor rates and single-factor licensed responsibility.

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Travel agents gained a new respect for deliberative processes when the Federal Maritime Commission testified that there was no demonstrated need for more intensive travel agent regulation.

There has been in 1972 a deeper and more sympathetic understanding in the United States and abroad of the Commission's need to require a steady flow of basic and reliable information. This information is used to better assure fair treatment and mutually beneficial protection to the worldwide shipping industry.

Clashes Carefully Avoided

Outstanding in fiscal 1972 has been the fact that nowhere has F.M.C. regulation created an impasse between the regulatory authority and those whom we regulate.

Negotiations with Canada were mutually informative and friendly.

Problems in Japan are definitely being handled in an atmosphere which, it is believed, will produce results.

In the vital area of military carriage we have carefully and exhaustively studied the problems and have cooperated with the Maritime Administration, U.S. Department of Commerce and the Military Sealift Command in our endeavor to contribute to stability.

Relationships Grow Firmer

Relationships with the Congress found the Federal Maritime Commission grateful for the aid extended by the Commerce Committee of the Senate, and the Merchant Marine and Fisheries Committee, the Armed Services Committee, and the Interstate and Foreign Commerce Committee of the House.

In our dealings with the Department of Justice, the Department of State, the Interstate Commerce Commission, the Civil Aeronautics Board, the Price Commission, the Environmental Protective Agency and others, fiscal year 1972 saw new, deeper understandings.

In the field of freight forwarding, new ground has been gained in that industry's professional responsibility and respect for regulatory requirements.

Position Fluid, Dynamic

In the shipping world of 1972 it is essential, against the background of burgeoning technological advance, that the outlook and

and philosophy of the Federal Maritime Commission be fluid and dynamic.

There has been a great need to apply Commission expertise and accumulated knowledge to anticipate, to consider and to weigh changing theories and transportation patterns, and yet guard against pressures for change where proof of the efficacy of such proposed changes have not been substantiated.

Ship-operator consolidations beyond conventional conference concepts faced the Commission in 1972, in such areas as the Sea-Land/U.S. lines merger proposal and the activation of the Japanese container consortium.

The F.M.C. continues to weigh, count and analyze all such propositions in keeping with our responsibilities under law, and our firm conviction to actively address ourselves to assuring that all Commission activity will exert an optimum impact for trade growth and improved ocean shipping prosperity.

Significant Decisions

Significant decisions of the Federal Maritime Commission during the period covered by this report were addressed to areas of regulatory activity which have been of concern in past years.

These decisions, it is hoped, will serve as beacons in such matters as malpractices in the ocean shipping trades, cooperative-working agreements in major ports, the relationship of labor agreements to the F.M.C.'s responsibilities, and in regard to the fair and reasonable fixing of surcharges to compensate for unexpected rises in over-all or specific operating costs.

While decisions of the Federal Maritime Commission are covered in other pages of this report, the following are of significant importance and it is believed their impact upon the regulatory scheme will be of a continuing and recurring nature.

Malpractices Bring Fines

Docket No. 68–44—*Malpractices—Brazil/United States Trade*—On December 13, 1971, the Commission served its report in this proceeding wherein respondents Companhia de Navegacao Maritima Netumar, Norton Line, Companhia de Navegacao Loide Brasileiro, Empresa Lineas Maritimas Argentinas, and Navegacao Mercantil

S/A Navem were found to have violated sections 16 Second of the Shipping Act, 1916 by allowing shippers to obtain transportation at less than the regular rates by unjust and unfair means, and section 18(b)(3) of the Shipping Act, 1916 by receiving less or different compensation for the transportation of coffee than specified in the applicable tariff.

This decision was the culmination of an investigation which had started in October 1968 as a result of indications of the existence of widespread rebating and malpractices in the U.S. Atlantic and gulf coast/Brazil trades.

Upon issuance of its findings and report, the Commission pursued enforcement claims against respondent carriers pursuant to the Federal Claims Collection Act. These proceedings resulted in the settlement of the claims, with the Commission accepting compromised cash payments as penalty for the violations.

Cooperative-Working Pacts

Docket No. 69–57—*Agreement No. T–2336 New York Shipping Association Cooperative Working Arrangement,* consolidated with Dockets Nos. 71–2, 71–8, 71–26, and 71–34—*Transamerican Trailer Transport, Inc., Seatrain Lines, Inc., Daniels and Kennedy, Inc., Chandris America Lines, Inc., Greek Lines, Inc., Home Line Agency, Inc., Incres Line* v. *New York Shipping Association.*

Docket No. 69–57 involves an investigation of the Commission into the approvability under section 15 of the Shipping Act, 1916 of an agreement of the New York Shipping Association providing an assessment formula for its members to meet certain fringe benefit obligations in collective bargaining agreements with the International Longshoremen's Union.

The Commission first issued its decision in the matter on November 11, 1970. However, upon reconsideration, the matter was reopened and remanded to an Examiner for further consideration and for consolidation with various complaint proceedings which raised new and related issues.

In its latest report served June 14, 1972, the Commission has determined to approve the assessment agreement in question subject to certain modifications.

As modified, all cargoes to and from Puerto Rico and the Port of New York would obtain partial "excepted" status in determining

assessments for cargo, "excepted status" meaning assessments at a lower level than other cargo.

Automobile and newsprint interests also were deemed entitled to assessments at lower levels than provided originally by the agreement.

The June 14, 1972, decision is pending review by the U.S. Court of Appeals for the Second Circuit.

Labor-Relations

Docket No. 70–3—*United Stevedoring Corporation* v. *Boston Shipping Association*—The Commission served its report and order in this proceeding November 9, 1971, wherein it was concluded that the Boston Shipping Association, a multiemployer collective bargaining unit was subject to the Shipping Act, 1916.

Also found subject to section 15 of the act were the incorporation papers and bylaws forming the association, the agreement as to allocation of labor gangs among stevedores, and the agreement among and between the association members as to the "first call-recall" system implemented via the labor agreement.

Evidence was insufficient to find the labor practices of the association in regard to these agreements to be violative of sections 16 and 17 of the act.

The Commission affirmed this decision on reconsideration by order of January 19, 1972.

"Remand" Obtained

As a result of the views expressed by the Departments of Justice, Labor, and the National Labor Relations Board, following a petition to review in the First Circuit Court of Appeals, the Commission sought and obtained a remand for purpose of considering the views of these parties who had not previously participated in the case. The matter was reopened by order of June 6, 1972 and was pending at the end of the year.

International Relations

The Federal Maritime Commission in fiscal year 1972, on numerous occasions, directed its attention to matters in the international field which affected U.S. shipping.

The Commission noted a spreading area of discrimination against American shipping which ranged from difficulties relative to pier space and services in Japan to sophisticated cargo direction in Columbia which favored national flagships against United States and other carriers.

Spotlight on Discriminations

Discriminatory governmental actions have steadily reduced the percentage of most Latin American cargoes carried by U.S. ships. While the impact varies there is generally a downward trend. The American shipping industry has reported that the share of one U.S. carrier to Chile, southbound, has declined from 44 percent of tonnage moved in 1967 to 19.5 percent in 1971. The Chilean lines' share, conversely, was reported to be increasing from 49.7 percent to 69.3 percent during the same period.

Studying practices in various Latin American countries, the Commission noted that in the past, discrimination against U.S. ships had been applied through taxes and customs duties and was measurable in dollar amounts. Tax and customs discriminations were susceptible to solution by countervailing dollar remedies based upon section 19 of the Merchant Marine Act of 1920. Pooling agreements and equal access provisions were presented to the Federal Maritime Commission as a means of countering discriminatory tendencies and providing trade stability.

F.M.C. Concern Deepens

Two factors in the past year have caused the Commission deep concern. The Commission has noted that discriminations now largely take the form of cargo reservation.

Traditional pooling is often no longer considered a satisfactory answer because of the increasing variety and sophistication of discriminatory practices.

The Federal Maritime Commission is also aware of increasing laxity on the part of foreign lines, party to agreements, to adhere equitably to agreement provisions.

Merchants who might prefer to support U.S.-flag vessels find themselves facing a dilemma posed by sophisticated prejudicial restrictions against U.S. flagships.

Associated-Status Ambiguities

In the past years much Commission effort has been expended in assuring carrier status for American ships. A notable example was the cooperation between the U.S. Government and Brazilian authorities which resulted in the dropping of the ambiguous "associated carrier" status and adoption of forthright authorization by Brazil that shipments in U.S. trade and commerce may be made on vessels of Brazilian companies or ships flying the U.S. flag.

The Commission has noted in 1972, with growing alarm, protracted cases of U.S. ships experiencing financial damage by discrimination, of American-flag carriers suffering irreparable financial loss and arriving, after substantial concession, at a tolerated, usually inferior, position in a given trade.

Solutions Under Study

The Commission must undertake in the year ahead a firmer stance on the question of equitable U.S.-flag participation in U.S. foreign commerce.

There must be new serious study of possible legislation that could lay the groundwork for long-term solutions which will recognize the legitimate right of other nations to carry a fair share of their own trade while protecting the equally legitimate right of U.S. flag carriers to a fair share of U.S. oceanborne trade and commerce.

In maintaining close liaison in matters of international regulatory concern the Federal Maritime Commission was represented at the Third Session of the United Nations Conference on Trade and Development in Chile, April 13 to May 19, 1972.

Pact Held Un-Approvable

In the South American shipping sector a Federal Maritime Commission Hearing Examiner held, in Docket No. 71–71, that an agreement between Prudential-Grace Lines, Inc. and Compania Peruana de Vapores covering pooling and sailing arrangements and equal access to Government-controlled cargo could not be approved. The Commission was asked to hear oral argument in this case.

Canada Parley Held

The Chairman of the Federal Maritime Commission, on June 8 and 9, 1972, met with top Canadian Transport officials to discuss

international trade matters of mutual concern including United States-Canada overseas trade diversion.

U.S. ports, from time to time, expressed concern over ocean-cargo-flow patterns in areas of the United States-Canadian border.

On Wednesday, June 21, 1972, the Commission released a study of United States-Canadian Overseas Trade Diversion prepared for the Commission by Manalytics of San Francisco.

This study concluded that economic and regulatory differences in Canada and the United States seem to be working in significant measure to the advantage of Canadian ports and carriers.

Japan-Trade Disparities

In keeping with a continuing concern for international equity in freight rates and the treatment of U.S. shipping in foreign countries, the Federal Maritime Commission participated, with the Department of State and with Japanese government representatives, in review of alleged rate disparity situations in United States-Japan trade.

At the close of Fiscal 1972 it appeared that acceptance of U.S. LASH ships in Japanese ports was near solution.

U.S. OCEANBORNE COMMERCE IN REVIEW

Freight Rates and Surcharges in Foreign Commerce

Worldwide inflation continued during Fiscal Year 1972 and as a result numerous general rate increases were filed by carriers and conferences engaged in our foreign commerce. The increases were attributed to rising costs of stevedoring, crew wages, port and handling charges and administration. Additionally, surcharges are maintained to cover bunker costs and currency variations.

Currency Surcharges

Since the official devaluation of the dollar was delayed beyond the time it was being implemented commercially, the Commission was required to advise many dual rate conferences that the application of a currency surcharge would have to be delayed in accordance with the terms of the Merchants Freighting Agreement. The practical effect of such advice was the postponement of the surcharges until appropriate tariff filings were filed allowing 90 days' notice prior to implementation.

In instances in which a carrier or conference did not employ a dual rate system under the Merchants Freighting Agreement, currency surcharges could not be implemented on less than 30 days' notice unless good cause was shown as to why the surcharge should be put into effect prior to 30 days' notice.

Port Surcharges

Where port surcharges are implemented as a result of congestion at foreign ports, the Department of State is called upon to provide information concerning conditions at the foreign ports. The Department of State's information has been most beneficial in determining

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the validity of port surcharges, particularly when it is deemed necessary to request that a surcharge be reduced or eliminated.

Bunker Surcharge

The price of bunker fuel contained to fluctuate during the year but most carriers and conferences continued the bunker surcharges as filed, with some increases. In a few trades there was a downward trend in prices and subsequent reductions in the surcharges, some voluntarily, others at the request of the Commission.

War Risk Surcharges

Following the India-Pakistan war and after problems in the Cambodian and Vietnam port areas, the Commission kept in close contact with the Insurance Division, Maritime Administration, Department of Commerce, in order to be certain that carriers and conferences that had established war risk insurance surcharges, adjusted or eliminated such charges as soon as practical. Action to adjust or eliminate was accomplished either voluntarily or at the request of the Commission.

Wharfage and Handling Charges Shifted

The Associated Latin American Freight Conferences, representing a group of 10 active conferences, and the Association of West Coast Steamship Companies operate in trades between U.S. Atlantic and Gulf ports and ports in Central and South America and various neighboring islands.

In the latter part of 1971, these conferences revised their tariff rules regarding wharfage and handling charges so as to generally shift the assessment of such charges at U.S. Atlantic and Gulf ports from carrier to cargo.

This resulted in the assessment of charges by the conferences which varied in amount from port-to-port in the continental United States.

Protests Received

The Commission received formal protests against these charges from the Governors of the States of New York, Pennsylvania, New Jersey, and Maryland.

Complaints were also received from the Maryland Port Administration, the Baltimore Marine Terminal Association, the Philadelphia Marine Terminal Association, and several shippers.

On November 19, 1971, the Commission instituted a show-cause proceeding (Docket No. 71–87) and an investigation (Docket No. 71–88).

The Commission found on January 18, 1972 (Docket No. 71–87) that the rules at issue contravene section 205 of the Merchant Marine Act, 1936, and therefore, were contrary to the public interest within the meaning of section 15 of the Shipping Act, 1916.

Subsequent thereto, the questioned rules were stricken from the tariffs. This action resolved the issues in Docket No. 71–88 and the proceeding was discontinued.

Disparities

North Atlantic Trade

The Commission is seriously concerned regarding the matter of rate disparities which adversely affect U.S. exporters. When ocean freight rates on the same or similar commodities appear to be higher in one direction than the other in a reciprocal trade, the Commission investigates and where necessary negotiates with conferences and carriers for the elimination of such disparate rates.

An extensive study was made of the rates published in the U.S. North Atlantic Continental European trade area. Numerous instances were found where rate disparities existed to the apparent detriment of American exporters. Since attempts to have these disparities removed through informal negotiations with the conferences and carriers proved unsuccessful, the Commission, as the fiscal year came to a close, was considering the issuance of a "Show-Cause Order" to remove any unjust discrimination existing in the export/import rate structures.

'Talking Agreements'

The introduction of "talking agreements" has been another attempt to rationalize service in the North Atlantic trade.

On November 20, 1970, the Commission approved Agreement No. 9899 among seven container operators, authorizing them for a period of three months, to exchange information and to cooperate in developing information concerning container services, practices, and traffic

between U.S. Atlantic ports, Europe and the Mediterranean to permit them to determine whether uniform or agreed container rules, practices and procedures would be feasible and beneficial to shippers and carriers in these trades.

Reports Required

One of the terms of the order of approval was that the parties report in writing to the Commission within 10 days of each and every exchange, discussion, or agreement transacted.

The result of this agreement was the filing of Pooling Agreement No. 10,000, which was placed under investigation in Docket No. 72–17. Most recently, the Commission approved Agreement No. 9899–6 extending approval thereof until October 27, 1972. The carriers' position was that they need the forum authorized by the agreement until the final decision is made in Docket No. 72–17.

Far East Trade

Alleged rate disparities in the United States/Japan trade were actively pursued with the four conferences operating in the trade. Additionally, meetings were also held with representatives of the Japanese Government. The conferences agreed to submit an application to the Commission for interconference authority to discuss rate matters involving both the outbound and inbound trades.

Some progress has been made toward codification and simplification of tariffs thus enabling the Commission to identify disparate rate situations.

Further, some rate adjustments have been made. Studies were also made of the tariffs filed by the major independent carriers serving this trade. Rate disparities that appeared to be detrimental to American exporters were called to their attention with a request that appropriate steps be taken to eliminate such disparities.

Pressing For Progress

These carriers have confirmed that they are actively reviewing the matter. The Commission is presently pressing through informal negotiations for more progress in resolving these disparities. Failing resolution at the informal level, it may be necessary to docket such disparities in a formal proceeding.

At present, full containership service between U.S. Atlantic coast ports and ports in the Far East is being provided by Sea-Land, U.S. Lines, Orient Overseas Container Line, and Zim Israel. Sea-train Lines competes through its "landbridge" service via the west coast.

On June 7, 1972, the Commission approved agreement No. 9718–2 authorizing four Japanese lines to increase from six to eight the number of their containerships in the Japan/California service. Agreement No. 9731–4 was approved on the same date authorizing two other Japanese lines to increase from three to four the number of their containerships in the Japan/California trade.

More "Rationalization" Due

More of such agreements, allowing parties to rationalize service competition between themselves, are expected to be filed to allow parties to realize maximum income from their containership services.

Latin American Trades

The trend to bilateralism through pooling, sailing, and equal access agreements between American-flag carriers and government-owned or controlled Latin American carriers continued to increase in fiscal year 1972. There are presently 12 such agreements in effect. One additional agreement of this type, agreement No. 9939, between Prudential-Grace Lines, Inc. and Peruvian State Line, covering the trade from U.S. Pacific coast ports to ports in Peru, is pending before the Commission in Docket No. 71–71.

The U.S. Atlantic and Gulf ports/Bermuda Rate Agreement No. 9449 was terminated on May 24, 1972 as there was only one active party to the agreement.

On January 20, 1972, the Commission approved the Inter-American Freight Conference—Puerto Rico and U.S. Virgin Islands Area Agreement No. 9968, covering the trade between ports in Brazil and ports in Puerto Rico and the U.S. Virgin Islands.

A stock purchase agreement (No. 9963) between Lykes-Youngstown Corp. and W. R. Grace & Co., each of whom owned 50 percent of the capital stock of the Ly-Gra Corp. whose sole operating asset was the Gulf & South American Steamship Co., a wholly owned subsidiary, was approved by the Commission on September 30, 1971.

Lykes-Youngstown bought from W. R. Grace 50 percent of the stock in Ly-Gra. The five vessels previously operated by Gulf & South

American Steamship Co., now operate under the name Lykes Bros. Steamship Co., Inc. in Trade Route 31, that is, between U.S. Gulf ports and the west coast of South America.

Intermodal Development

Section 18(b) of the Shipping Act, 1916, requires common carriers by water in the foreign commerce to publish tariffs setting out the rates charged by them, and in addition the rates and charges applicable over any through-route established.

Historically, tariffs providing rates in waterborne foreign commerce set forth only those rates applicable between ports in the United States and ports in foreign countries. However, during the 1960's rates were filed to include inland foreign transportation. There are no conflicts as to the Commission's jurisdiction as long as the water portion of the rate is clearly indicated.

Planning Facilitated

On April 21, 1970, this Commission amended its tariff filing regulations to keep pace with the advancing technology which even then indicated a need for regulatory procedures facilitating the offering of through intermodal services. The rule did not solve all of the problems posed by multiagency jurisdiction over such movements; however, it did foster a regulatory atmosphere in which common carriers by water could begin planning and establishing intermodal networks to inland points within the United States.

Through services to and from U.S. inland points in connection with ocean carriers did not develop immediately. Some laid this lag to uncertainties which existed under the Interstate Commerce Act and its administration, and to the apprehension caused by a lack of immunity from operation of the antitrust laws.

"Land-Bridge, "Mini-Bridge"

However, in December of 1971, two U.S. domiciled carriers filed the first of the so-called "land-bridge" and "mini-bridge" tariffs applicable from and to Europe via east coast and gulf ports, to and from U.S. west coast ports, as well as between the Far East and U.S. east coast ports via the west coast ports. These intermodal

services involve joint offerings to transport goods by ocean carrier and connecting railroads.

On March 30, 1972, the Commission approved Agreement No. 150–54 extending to the Trans-Pacific Freight Conference of Japan authority to offer through intermodal services between ports in Japan and inland points in the United States.

Prior to this action a number of the conference members had filed with the Commission so-called "land-bridge" tariffs providing for through water/rail services from Japan to Atlantic and Gulf points using domestic rail services across the United States.

At the close of the fiscal year, the Commission had received petitions to modify four other conference agreements involving our trade with Japan or other contries in the Far East.

Significant Portent

This development toward intermodalism in the Far East trade portends a significant impact on the conferences serving that area, particularly concerning the ability of a conference from Japan serving west coast ports to effectively compete with a conference serving Japan to or from east coast ports for the same traffic. The Commission is maintaining a close surveillance, in the Far East area, in order to insure that the carrier/conference practices do not harm our overall public interest and commercial welfare.

If the regulatory statutes are modified as proposed by this Commission, it is expected that intermodal services will develop covering hundreds, perhaps thousands, of points within the United States.

The Commission has approved modifications to 16 conference agreements extending application to inland points in the United States and/or inland points in other countries.

Inland Rates on File

Up to the present, only one conference has intermodal rates on file with the Commission, i.e., the North Atlantic Westbound Freight Association (Agreement No. 5850). This Association has a "Tariff of Inland Charges in England, Scotland, and Wales" which supplements the Association's F.M.C. Tariff No. 31 which names rates from Great Britain and Northern Ireland and Eire to North and South Atlantic ports of the United States.

Novel Approach

A novel approach to authorize intermodalism is Agreement No. 8660–5 of the Latin America/Pacific Coast Steamship Conference, approved by the Commission on May 23, 1972.

This modification authorizes the conference to enter into arrangements with other modes of transportation for the establishment of rates, charges and practices relating to through intermodal movements. However, any member desiring to establish for itself a through-movement rate, route, arrangement, or bill of lading is required to first present the matter to the conference.

Conference Holds Reins

Only in the event the conference is unable or unwilling within 90 days to establish the ends sought by the proposing line, shall that line be free to act unilaterally. The conference at any time has the power and authority to adopt through-movement provisions, and after such adoption to require the adherence of the said member line to the conference action.

Intermodal services have not yet developed to South America, the Middle East, Africa, and much of Southeast Asia partly because of the lack of necessary highway and port systems necessary to facilitate container handling and the mix of cargo in such trades.

LASH and SEABEE Operations

Since its introduction, LASH/SEABEE service has been in operation to only the more industrialized countries. However, these operators are considering expanding this type of service to Africa, Central America, South America, and Asia. LASH/SEABEE vessels both operate on the same principle, i.e., a mothership operates between deepwater ocean ports carrying barges. The barges are discharged at ocean ports or river points, from which they are moved by tug through rivers and other inland waterways to an ultimate destination.

An American-flag carrier took delivery in May 1972 of the first SEABEE vessel, with two other SEABEES scheduled to follow at 90-day intervals. The SEABEE barge is 97′6″ long, 35′ wide and 16′11″ in overall height. It has a capacity of 833 long tons and 39,000 cubic feet of cargo space. A SEABEE vessel can accommodate 38 SEABEE barges. The LASH barge is 61′6″ long, 31′2″ wide

and 14'5" in overall height. It has a capacity of 372 long tons and 19,900 cubic feet of cargo space. A LASH vessel can accommodate from 73 to 83 "lighter barges."

On June 30, 1972, the Commission conditionally approved Agreement No. 9980 between a U.S.-flag carrier and foreign-flag joint service (LASH operators), and a second U.S.-flag carrier (SEABEE operator). The agreement covers an arrangement for cooperation between the carriers concerning their transportation service with LASH/SEABEE vessels and barges, in the trades between U.S. Gulf ports and ports in the United Kingdom, Northern Ireland, Eire, Europe, Scandinavia, South America, and Africa, including ports and/or places or points on inland waterways, tributary ocean ports and ranges.

Involved in this agreement are two U.S.-flag carriers; Central Gulf Steamship Corporation, and Lykes Brothers Steamship Company, Inc. The foreign interest involved is Combi Line, which is a joint service of Hapag Lloyd, A.G. and Holland America Line; Biehl & Company, Inc., serves as General Agents for Combi Line.

Mini-Ship Service

The "mini-ship" service operating between U.S. Gulf/Mississippi River terminals and the Central America/Caribbean area now includes nine vessels. The mini-ship can carry 1,300 tons of cargo in river channels with a depth of 9 feet, and a total of 3,000 tons at sea.

These shallow-draft ships are capable of navigating inland waterways and docking at inland water points not accessible to the normal sized oceangoing ships.

Roll-On/Roll-Off

The Pacific Australia Direct Line Joint Service (PAD) operates pursuant to Agreement No. 9882 in the trade between the west coast of Canada and of the United States and Australia. PAD's use of roll-on/roll-off vessels is a result of its belief that it is combining the best features of containerization, unitization, and breakbulk techniques for a service calling at ports which do not provide the most sophisticated new equipment.

Each ship carries its own cargo-handling equipment, including two 18-ton cranes, four straddle carriers, six forklifts, and a sideloader for 40-foot containers. Roll-on access to the four cargo decks is by

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means of a diagonal ramp and a 23-foot-wide port in the starboard side near the stern. The ramp is lowered directly to a conventional wharf, eliminating the need for a special platform built out from the bulkhead, as is the case with roll-on ships loading through a stern port.

Terminal Operations and Modernization

Marine terminal operators are required to publish and file tariffs with the Commission setting forth rates, charges, rules and regulations for services. The activities of terminal operators are also regulated by the Commission. The number of terminal agreements filed with the Commission for approval has increased as the terminals move to create more modern, sophisticated, and complex facilities to handle the constantly burgeoning activities connected with containerization and intermodalism.

Large sums are being invested in new terminals and in modernizing existing facilities in all coastal areas. At the larger more modern terminals, the operators are able to offer, in addition to loading and unloading the vessel, complete terminal services at rates negotiated by the parties. The Commission has approved several of these agreements at both east and west coast ports.

The implementation of LASH/SEABEE and the so-called "miniship" type of operation has also expanded the Commission's jurisdiction to cover the terminals located at "up river" points. A program has been instituted to insure that all such terminals are complying with Commission regulations.

Development of Containerization

Due to the large capital outlay required for the purchase of containerships, carriers continue to enter into consortia, i.e., several carriers jointly advancing capital for the purchase of containerships, or coordinating their activities to most effectively utilize the containerships they operate.

On March 30, 1972, the Commission approved a combined containership service agreement between a British line, a Danish line, and a Swedish line (No. 9973) operating in the trade between the U.S. Pacific coast (including Hawaii and Alaska) and the United Kingdom, Eire, and Continental Europe (including Scandinavia

and Finland but excluding Mediterranean ports). The parties are authorized to cooperate in the operation of a regularly scheduled service to achieve optimum results through maximum utilization of container tonnage and equipment and by providing maximum sailings in the trade.

Initially the parties intend to schedule sailings at close to weekly intervals.

The Commission included reporting requirements and limited the life of the agreement to a period of 5 years.

Feeder Ships Active

The Trans-Pacific trades can now be considered substantially served by containership operators, with the remaining breakbulk operators clustered in the Southeast Asia trades. The quest for cargoes has resulted in service to many areas, particularly Korea and Hong Kong, via small feeder ships with transshipment occurring in Japan.

The Commission expects this trend to continue and accelerate as the larger vessels come into service.

In the North Atlantic-Europe trade, potentially the most profitable sea lane on the globe, containerships are so efficient that there is not enough traffic to keep them and the older ships filled.

Agreement 10,000 Filed

In attempting to moderate the overcapacity problem in the North Atlantic, American and European lines (all container operators) filed a revenue pooling arrangement with the Commission.

Even though container capacity is already far greater than available cargo, the operators have not been able to hold off delivery of new ships ordered several years ago in expectation of traffic growth.

Gulf Service Lags

The Gulf coast has lagged behind the Pacific and Atlantic coasts. Some ports are catching up; others are still in the process of developing plans. With their inland waterway connections offering another dimension to cargo movements, the Gulf ports are proceeding cautiously on investments in strictly container facilities.

There are a number of factors reportedly affecting their decisions—the use of LASH/SEABEE on the inland waterways to interior river ports, the roll-on/roll-off demands in trading areas south of the Gulf, and the potential movement of west coast OCP cargoes into areas near the Gulf ports have been cited.

Domestic Offshore Commerce

Puerto Rico

Puerto Rico was the subject of increases in rates by underlying water carriers and nonvessel operating common carriers during the 1972 fiscal year. Increases which had been proposed to be effective in April and May of 1971, had been suspended by the Commission and further postponed under requirements of the Economic Stabilization Act. After various changes in the requirements of the Economic Stabilization Act, the proposed increases of 15 and 25 percent for carriers serving between the U.S. Atlantic ports and Puerto Rico became effective in March 1972. West Coast/Puerto Rico increases of 15 percent were effective in February, and 10 and 20 percent increases became effective in March from Gulf ports to Puerto Rico. All of the increases are the subject of docketed proceedings now before the Commission.

NVO's Affected

As a result of the underlying water carrier increases being effected during this period, the nonvessel operating carriers utilizing their services were directly influenced. Many of these nonvessel operating carriers filed increases of a like percentage to that which they were being assessed. The Commission permitted many of these NVO increases to become effective without further investigation when the increases proved to be identical to those assessed by the water carrier. Under the Economic Stabilization Act these were handled as pass-through costs.

The Public Service Commission of Puerto Rico, which is exempt from Economic Stabilization Act controls, issued a resolution and order in late January 1972, approving increases in trucking rates on truckload pickup or delivery charges in Puerto Rico. The Federal Maritime Commission, realizing the plight of the water carriers,

granted special permission, upon request of water carriers, to effect like increased truckload pickup and delivery charges on 10 days' notice.

Fiscal year 1972 found an increase of 10 new nonvessel operating carriers entering the Puerto Rican trade by filing of appropriate tariffs during this period.

Alaska

Carriers in the Alaska trade continue to be plagued by increasing costs. In response to complaints received during fiscal year 1972, from Congressional and State Representatives, the Commission conducted an informal study into existing shipping problems in Northwestern Alaska. The basic problem is a lack of dock facilities which leaves carriers totally dependent on lighterage service which is both costly and inefficient. The additional expense of lighterage is passed on to the shipping public and results in high shipping rates. This could be alleviated by establishing adequate docking and terminal facilities which would eliminate the need for lighterage and enable the carriers to establish more equitable rates and more efficient service.

At the completion of its study, the Commission recommended to the State of Alaska that the appropriate State Legislative Committee explore the possibility of the U.S. Army Corps of Engineers surveying this area and assisting the State of Alaska in developing a feasible program to resolve the problem of inadequate facilities which is retarding development of Northwest Alaska. The State of Alaska has advised the Commission that it is exploring the recommended suggestions.

The Commission granted for the third consecutive year an exemption to carriers for the carriage of miscellaneous cargoes between Seattle, Wash. and Alaska's North Slope and between Houston, Tex. and the North Slope. The present exemption was granted for a 3-year period to expire on December 31, 1974, subject to a yearly review by the Commission.

It is anticipated that within the next 3 years there will be a major demand for movement to the North Slope to facilitate the development of oil fields discovered in that region in 1968. The movement depends largely on the decision reached regarding construction of the proposed Trans-Alaska oil pipeline. Should approval be granted the carriers must be in readiness to perform their services. The pro-

posed movement promises an enormous development of America's last frontier and should be highly beneficial to commerce.

Hawaii

The fiscal year saw a prolonged work stoppage by longshoremen on the west coast having a devastating impact on the economy of the State of Hawaii.

The Pacific Maritime Association estimated the direct wage loss during the initial 100-day strike at $36 million and the fringe benefit loss at $9 million for a direct wage loss of $45 million. Added to the labor loss is the severe impact the strike had on the Hawaiian economy. During the 100-day period there were reports of shortages of critical items including foodstuffs.

As a direct result of the work stoppage and the almost total dependence of Hawaii on oceanborne commerce, the State of Hawaii has been reported as considering favoring exemption from domestic maritime law requiring American-flag service. The proposed exemption would permit temporary suspension of the Merchant Marine Act of 1920, if American-flag vessels are immobilized, to permit the chartering of foreign-flag vessels to move vital cargoes.

The State of Hawaii is experiencing a building boom providing increased opportunities for west coast lumber carriers. A nearly unprecedented demand for lumber in support of a 70 percent increase in the dollar amount of new construction, has heightened activity and competition among carriers specializing in this commodity. These carriers have responded by adding additional service and, in some instances, reduced rates.

Virgin Islands

The Commission is watching with interest efforts to amend the Merchant Marine Act, 1920 (The Jones Act). The Jones Act provides that all waterborne commerce between U.S. ports, regarded as "coastwise" traffic, must move aboard U.S.-flag vessels.

The Virgin Islands is presently exempted from this Act.

Under the proposed provisions of H.R. 12886, the coastwise laws would also include the Virgin Islands. Of the 22 carriers presently filing tariffs with the Commission applying to the Virgin Islands, 16 are foreign-flag operated.

SURVEILLANCE/COMPLIANCE/ ENFORCEMENT

Agreements Review

Pursuant to the Shipping Act, 1916, the Commission reviews section 15 agreements and applications for permission to institute dual rate contracts under section 14b in order to establish whether these agreements should be approved, disapproved or modified.

All such agreements require prior approval of the Commission. If such agreements are implemented prior to approval, the parties are subject to statutory penalties of not more than $1,000 for each day such violation continues.

Approval by the Commission of such agreements and dual rate contracts grants the parties immunity from the application of the U.S. antitrust statutes.

During the fiscal year 1972, 130 carrier agreements and 116 terminal agreements were filed for Commission consideration. A statistical table of receipts, approvals, and total active agreements is attached as appendix A.

Conference Minutes

In fiscal 1972, 1,866 minutes of meetings of conferences and rate-making agreements were filed with the Commission and reviewed by the staff.

Careful review of all actions reported in minutes is necessary to determine if the parties are acting within the prescribed limitations of the agreements, the applicable statutes, and Commission policies.

Self-policing of Conference and Rate Agreements

In fiscal year 1972, 245 self-policing reports were filed.

The intent of these reports is to keep the Commission informed of any malpractice or breach of any provisions of the agreements, tariffs or the rules and regulations.

On June 28, 1972, the Commission granted conditional approval to the Continental North Atlantic Westbound Freight Conference, the North Atlantic Continental Freight Conference, the North Atlantic French Atlantic Freight Conference, the North Atlantic United Kingdom Freight Conference and the North Atlantic Westbound Freight Association, to establish joint self-policing provisions to replace their individual self-policing systems.

Entire Trade Covered

The comprehensive and functionally independent system was to cover the entire trade between the U.S. North Atlantic and Continental Europe and the United Kingdom, and is administered by a full-time professional staff empowered to conduct investigations of possible malpractices on its own initiative.

The Commission is keenly interested in the daily progress and ultimate success of this new approach, since the results may merit application in other trades.

Shippers' Requests and Complaints

General Order 14 was promulgated by the Commission to implement the 1961 amendments of the Shipping Act which required that the Commission disapprove any agreement where it finds a failure or a refusal by the parties to "* * * adopt and maintain reasonable procedures for promptly and fairly hearing and considering shippers' requests and complaints."

During fiscal year 1972, 326 separate reports covering such requests and complaints were filed. These reports are submitted quarterly and are reviewed by the staff to determine whether shippers' requests for rates, rate reductions, and complaints are being handled promptly and fairly.

Dual Rate Contract Systems

There has been limited activity in the area of dual rate contract systems during fiscal year 1972. The Mediterranean-U.S.A. Great Lakes Westbound Freight Conference's dual rate contract system was approved by the Commission. The American West African Freight Conference's second dual rate contract system westbound, covering nine specific commodities, and the dual rate contract system of section A of the Inter-American Freight Conference are both pending

before the Commission. Twelve miscellaneous modifications, to the 61 dual rate contract systems in effect, were approved during fiscal year 1972.

Informal Complaints

This was the first full year of existence for the Office of Informal Complaints within the Bureau of Enforcement. The Office was established to provide the consuming public as well as the regulated industry with a point of contact to air grievances and secure prompt, inexpensive, and uniform resolution of the problems on an amicable, cooperative basis.

Difficulties Processed

There were 77 informal complaints pending at the beginning of fiscal year 1972 and during the year, 326 new ones were received. At the year's end only 50 were pending, final action having been concluded on 353. Of the new complaints received 258 (79 percent) related to practices of water carriers in the foreign and domestic offshore trades, 40 (12 percent) related to the activities of independent ocean freight forwarders, 25 (8 percent) related to practices of marine terminal operators and 3 (1 percent) related to shippers.

During fiscal 1972 the Bureau of Compliance received or initiated a total of 331 informal complaints relating to the level of rates, disputes as to commodity classifications, interpretation of tariff rules and third-country disparity problems. Two hundred forty-seven of these were processed to an appropriate conclusion on the basis of no violation or in a manner in which the Commission was able to negotiate with the parties concerned to obtain a satisfactory settlement of the issues involved and to assure that the shippers' ability to market the various products involved is not hampered by rate levels or discriminatory rates.

Cargo Loss and Damage

The Commission has no statutory authority to adjudicate loss and damage claims but does have general authority under sections 14, Fourth (c) and 17 of the Shipping Act, 1916, to correct practices found to be unfair or discriminatory.

The number of complaints against carriers relating to the adjustment and settlement of claims remained approximately the same

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as in fiscal year 1971, 99 in fiscal year 1972 and 102 in fiscal year 1971 or approximately 30 percent of the complaints received. There has been no increase in this type of claim even though there appears to be a greater awareness on the part of shippers of our efforts to assist in this area. The awareness probably is a result of the booklet "Ocean Freight Guidelines for Shippers" published and currently under revision by this Commission and the Department of Commerce, as well as other regulatory Commission activities and Congressional hearings.

I.C.C. Activity Noted

Recent rules promulgated by the Interstate Commerce Commission with respect to claims-handling practices of domestic carriers subject to I.C.C. jurisdiction, may generate additional complaints within our area of responsibility. Federal Maritime Commisson experience thus far, as evidenced by the number of such complaints received, has not indicated a need for this Commission to adopt rules similar to those of the I.C.C. It is recognized that the processing of claims on lost or damaged cargo moving in the foreign commerce may necessarily require more time. A more accurate reading in processing time will be available when the Commission's rules requiring quarterly reports of loss and damage claims become effective (Docket No. 71–74).

Transport Thefts Watched

These rules were developed as a result of the Commission's involvement in the total Federal effort to stop thefts of cargo from the Nation's transportation system.

The Commission is a participating member of the Interagency Committee on Transportation Security and the loss and damage statistics collected will complement similar data already being gathered by the I.C.C., C.A.B. and the Bureau of Customs.

We are maintaining a constant surveillance of carrier handling practices in order to take more stringent action if indicated.

Procedures Shortened

The Commission has rules providing for shortened procedures whereby shippers may file reparation claims which seek recovery

of damages or recovery of overcharges, provided each such claim does not exceed $1,000.

These rules provide an inexpensive method by which shippers may receive expedited handling of claims. Such procedures specifically do not apply to loss and/or damage claims but relate to claims involving violation of the Shipping Acts for which reparations may be awarded. Most of the small claims received in fiscal year 1972 involved freight overcharges.

Settlement Officer Plan

In the continuing interest of providing informal, inexpensive and expedited procedures for settling disputes and complaints, the Commission has revised its small claims rules to provide for the asignment of a "settlement officer" to hear these matters rather than a "hearing examiner". This will permit the assignment of qualified staff members to consider these matters and allow the hearing examiners more time to devote to formal matters.

Field Activities

The Commission's Atlantic, Gulf, and Pacific district offices, whose activities are directed by Washington, are strategically located in New York City, New Orleans, and San Francisco respectively.

Coverage of the Great Lakes area is shared by the Atlantic and Gulf districts, thereby furnishing the Commission with coverage of all major port areas of the United States.

Involvement Increases

District offices headed by a director are staffed with investigative and auditing personnel. These offices serve the industry and the general public as local centers where regulatory problems may be presented, the Commission's regulations explained, informal complaints received, and where published data concerning all areas of the Commission's regulatory activities may be examined.

F.M.C. District Offices have become increasingly involved in a wide range of transportation problems and actively develop information and data on innovations such as LASH, land-bridge, mini-bridge and intermodal concepts.

New Investigative Cases

During the fiscal year, 585 new investigative cases were opened and 522 cases were completed which represents 133-percent increase in new cases opened and a 132-percent increase in cases closed during fiscal year 1971.

These investigations concerned alleged or suspected violations of sections 14, 15, 16, 17, 18, and 44 of the Shipping Act, 1916, and section 2 of the Intercoastal Shipping Act, 1933, as well as investigations of applicants for independent ocean freight forwarder licenses, compliance checks of licensed freight forwarders, special type inquiries, and audits in conjunction with the issuance of certificates of financial responsibility to operators of cruise vessels.

$105,976.67 In Fines Levied

During the fiscal year, 17 cases were concluded by either court imposed fine or compromise settlement for a total of $105,976.67 for violations of the shipping acts.

This represents a 2 case decrease and a $2,953.86 decrease in comparison with fiscal year 1971.

At the year end there were 367 active cases pending and 60 inactive cases on which investigation had been completed but are awaiting action within the Commission or finalization by the Department of Justice.

Container Inspection Lag

The container inspection program in both the domestic and foreign trades was at a minimal level.

Although container inspection by the industry has been encouraged, indications are that such inspection has not been as effective as when the "policeman" is nearby. Container inspection is being reactivated to the extent possible and its effectiveness will be greatly enhanced as soon as H.R. 755 becomes law, changing from criminal to civil, penalties for violations of certain provisions of the Shipping Act, 1916 and the Intercoastal Shipping Act, 1933, and giving the Commission authority to compromise penalties.

Most violations detected in this program will be susceptible to handling in this fashion and should result in a more effective regulatory impact.

Tariff Review

The number of tariffs on file with the Commission continues to increase. As of June 30, 1972, there were a total of 3,863 tariffs on file.

1. Tariffs of conferences and independent carriers in the foreign commerce of the United States	3,005
2. Tariffs published by carriers in the domestic offshore commerce of the United States	342
3. Tariffs published by terminal operators at U.S. ports	516

The tariffs which are submitted for filing as well as changes in the rates, rules and regulations are examined under a continuing program to insure that the rates and practices of ocean carriers and terminal operators are in compliance with statutory and other Commission requirements.

During fiscal year 1972 the Commission received the following tariff filings:

Foreign Commerce:	
Filings received	140,679
Filings accepted	140,313
Filings rejected	366
Domestic Offshore:	
Filings received	8,929
Filings accepted	8,108
Filings rejected	821

Terminal Tariffs

During the fiscal year, a total of 6,143 terminal tariff filings were received by the Commission. Terminal tariffs are required to be filed with the Commission pursuant to General Order 15.

Special Permissions

The Commission has the statutory authority to waive the 30-day notice provision of all tariff filings submitted in the foreign and domestic offshore trades. These special permissions may be granted by the Commission "in its discretion and for good cause."

In fiscal yer 1972, 207 special permission applications in the foreign trade were received, of which 162 were granted, 37 denied and 8 withdrawn.

In the domestic offshore trade 149 special permission applications were received of which 123 were approved, 8 were denied and 18 were withdrawn.

Ocean Freight Forwarding

In 1961 Congress enacted Public Law 87–254 which provided for the licensing and regulation of ocean freight forwarders. Pursuant to the statute, the Commission promulgated its General Order 4 which sets forth the criteria which must be met by freight forwarder applicants in order to be licensed, and governs the conduct and activities of regulated forwarders.

Licensing

To date, 1,416 firms have been licensed to perform as independent ocean freight forwarders.

At the end of fiscal year 1972, there were approximately 1,000 active freight forwarders. Eighty-nine new applications, an increase of 13 over 1971, were received during fiscal year 1972, and 55 of these were approved.

Denials and Revocations

During fiscal year 1972, the Commission revoked 44 licenses for various reasons and 18 applications were denied or withdrawn.

Seven freight forwarder cases, involving possible denial of applications, suspension or revocation of existing licenses, and approval or disapproval of agreements under section 15 of the Shipping Act, 1916, were docketed for formal proceedings.

Significant Proceedings

One of the most significant proceedings instituted in fiscal year 1972 was Docket No. 72–13, *R. G. Hobelmann & Co., Inc.*, which involved possible revocation of a license of an independent ocean freight forwarder which, through stock ownership, is alleged to be related to shipper interests barred by sections 1 and 44 of the Shipping Act, 1916.

Among the freight forwarder cases decided by the Commission or its examiners during the fiscal year, the more significant was: Docket No. 70–4, *York Forwarding Corporation, J. B. Wood Shipping Co.*, and *Edwards Fuge Corporation*, decided by the Commission March 3,

1972, which stated that wages and other payments received by a shipper from a freight forwarder for any reason other than the services rendered by the freight forwarder is a device whereby the shipper obtains transportation for its property at less than the freight rate established by a common carrier, and is in violation of section 16, Shipping Act, 1916.

Rulemaking Proceedings

There is a continual updating of the Commission's regulations affecting the business practices of forwarder licensees due to many changes that have occurred in the industry.

A questionnaire was sent to all licensed freight forwarders requesting them to furnish current information regarding change of officers, stockholders, branch offices, identification of affiliations, and samples of their invoices and letterhead stationery.

All licensees but three responded to the questionnaire and the Commission now has up-to-date data on F.M.C. licensed freight forwarders.

Orders were issued against those forwarders not responding to the questionnaire to show cause why their license should not be revoked for failure to respond.

Dual Activities Eyed

A trend in dual activities undertaken by freight forwarders has been noted.

Many licensed freight forwarders also operate as nonvessel operating common carriers by water (NVOCC) joining forces with inland carriers to effectuate through intermodal transportation. This trend is created by containerization and technical advancements in shipping.

During fiscal year 1972, a number of rulemaking proceedings were contemplated by the staff to modify Commission General Order 4, which governs the licensing and regulation of ocean freight forwarders. One rulemaking is now a formal docketed proceeding, Docket No. 72–4. This proceeding corrects a deficiency in the present rules which fail to identify the person or persons employed by a freight forwarder applicant when such persons' experience and training is considered in deciding whether the applicant is fit, willing and able, to properly carry on the business of forwarding.

The new rule provides that in the case of a sole proprietorship, the individual applicant must be qualified. In a partnership at least one of the active managing partners must be qualified. In the case of a corporation or association at least one of the active corporate or association officers must be qualified.

The new rule will insure the continuity of the person or persons associated with the applicant who will be considered by the Commission in determining qualification by reason of education, training and experience.

Effective Date

The Commission's final rule became effective September 15, 1972.

It is anticipated that additional proposed rulemaking proceedings will be instituted to up-date the Commission's present rules and regulations.

Oil Pollution Financial Responsibility

The Federal Maritime Commission is charged with the responsibility for carrying out the provisions of section 11(p)(1) of the Federal Water Pollution Control Act, as amended by the Water Quality Improvement Act of 1970.

Section 11(p)(1) requires domestic and foreign vessels over 300 gross tons, including certain barges of equivalent size, using any port or place in the United States, or the navigable waters of the United States, including the Panama Canal, to establish and maintain with the Federal Maritime Commission evidence of financial responsibility.

Level of Responsibility

Such evidence of financial responsibility must be in the amount of $100 per gross ton, or $14 million, whichever is the lesser, and is maintained for the purpose of demonstrating such vessel's ability to meet the liability to the United States to which such vessel may be subjected for the discharge of oil into or upon the navigable waters of the United States, adjoining shorelines, or into or upon the waters of the contiguous zone.

The Commission's rules implementing the oil pollution financial responsibility requirements, General Order 27, provide for the certification of vessels having complied with the statutory financial

responsibility requirements; set forth the procedures whereby the owners or operators of subject vessels may establish the required evidence of financial responsibility; and establish the qualifications required by the Commission for the issuance of certificates, as well as the basis for denial, revocation, modification, or suspension of certificates.

Wording Clarified

The Commission amended these rules by clarifying the wording of its insurance Form FMC–225–A to make it absolutely clear that the amount of insurance evidenced by such form would not in any event exceed the statutory limits.

This amendment was made at the request of certain insurance underwriters, and by its adoption made the required coverage more readily available to owners and operators.

For the most part, owners and operators have elected to demonstrate financial responsibility by submission of evidence of insurance. Such insurance is written not only by American insurance firms, but underwriters throughout the world.

Insurers Examined

The Commission must examine the financial capability of each insuror before accepting the insurance coverage. Two domestic and three foreign underwriters were approved as acceptable insurors during the fiscal year.

4,703 Certificates Issued

Applications were received covering 3,237 vessels, Certificates were issued to some 4,703 vessels, 1,841 previously issued certificates were revoked for various reasons and applications covering 1,270 vessels were withdrawn.

Eighteen thousand seven hundred and sixteen vessels continued to be certified, and applications involving the certification of 345 vessels were pending.

The regulatory responsibility of the Commission does not end with the financial certification of a vessel. During the fiscal year transfer of ownership, charters, name changes, and other similar circumstances necessitated the reissuance of 833 certificates.

Automation Under Study

The certification of approximately 20,000 vessels necessitates the maintenance of a significant amount of records. Accurate and up to date lists of vessels, owners/operators, and underwriters must be maintained so that compliance by a particular party can be readily ascertained.

A study of the feasibility of an automated record retention system was conducted, and based on the results the initial stages of such a system are being developed.

The Commission cooperated in the establishment of a syndicate of U.S. insurance companies for the purpose of underwriting the oil pollution cleanup risks.

Syndicate Operational

The syndicate is now fully operational and is providing the required coverage for over 4,000 domestic and foreign vessels.

Section 11 of the Federal Water Pollution Control Act, as amended, does not contain any specific provision for enforcement of the financial responsibility requirements.

The Commission has recommended proposed legislation to correct this problem.

Entry Denial Studied

Under the proposal, the Bureau of Customs would be authorized to deny clearance to any vessel not having a valid Oil Pollution Certificate, and the U.S. Coast Guard would be authorized to deny entry or detain any such noncertificated vessel.

The proposed legislation, further provides for civil penalties to be assessed by the Commission.

Procedures Coordinated

Pending enactment of enforcement legislation the Commission, as an interim measure, established coordinated procedures with the U.S. Coast Guard, Bureau of Customs, and the Panama Canal Company whereby these agencies, in the course of their normal vessel inspection and clearance procedures, would determine whether particular vessels are in compliance with the oil pollution cleanup financial responsibility requirements.

Any vessels determined by these agencies as not having complied were reported to the Commission, and appropriate steps were taken to effect compliance.

The Commission ascertained that the great majority of the vessels had either (1) been certified but were unable to produce the certificate; (2) had pending applications on file with the Commission; or (3) were not subject to the requirements.

Passenger Indemnity—Certification

Public Law 89–777: Authorizes the Commission to require evidence of adequate financial responsibility from owners or charterers of American or foreign vessels, having accommodations for fifty or more passengers, embarking passengers at United States ports, to pay judgments for personal injury or death; and to indemnify passengers holding tickets in the event of non-performance of a voyage by the carrier.

The Commission approved 53 applications for certificates of financial responsibility.

There were 13 new applications for Certificates of Financial Responsibility for Indemnification of Passengers for Nonperformance of Transportation; 13 new applications for Certificates of Financial Responsibility to Meet Liability for Death or Injury; and 27 amendments to existing certificates were made as certificants added or transferred vessels, changed corporate or vessel names and modified modes of compliance.

24 Certificates Revoked

Twenty-four certificates were revoked covering vessels withdrawn from service, or operating under different ownership.

On March 3, 1972, the Commission ordered Wall Street Cruises, Inc. to cease and desist from arranging, offering, advertising or providing passage on the SS *Independence* until it complied with the financial responsibility requirements of section 3 of Public Law 89–777 and the Commission's General Order 20.

Ads Were Published

Wall Street Cruises had published a series of advertisements offering cruises on the SS *Independence* without complying with the statute and the Commission's rules and regulations requiring the submission of evidence of financial responsibility to qualify for a performance certificate.

The protection afforded to the passenger public by Public Law 89–777 was demonstrated when a new certificant ceased operations with several scheduled cruises unperformed.

All Claims Paid

The surety bonding company representative acted immediately upon notification of the situation, and all valid passenger claims for refund of fares were paid.

Passenger Conference and Carrier Agreements

On June 7, 1972, the Commission approved under section 15 of the Shipping Act, 1916, Agreement No. 9856 which established the International Passenger Ship Association, a conference of passenger ship lines.

The Agreement became effective June 22, 1972, and was approved for a period of 3 years. It supplanted three previously approved conference agreements: the Caribbean Cruise Association (Agreement No. 9823), the Trans-Atlantic Passenger Steamship Conference (Agreement No. 120) and the Atlantic Passenger Steamship Conference (Agreement No. 7840).

One unique feature of this Agreement is that it provides for the formation of groups of carriers having similarity of geographic operations or marketing and/or competitive conditions to operate as sections within the Conference.

Four Sections Formed

To date, four sections have been formed. They are as follows: the General Cruise Section, the Long Cruise Section, the Trans-Atlantic Section and the Positioning Voyage Section.

Another Agreement involving several passenger lines was pending at the close of the fiscal year. It was Agreement No. 9857, a cooperative working arrangement to be known as the Florida-Caribbean Cruise Association.

It was approved by the Commission on July 17, 1972.

This Agreement will permit various steamship lines embarking and debarking passengers at ports in the State of Florida and operating to ports in the Caribbean Sea, the Bahamas or the Gulf of Mexico to exchange views and information concerning rates, traffic

operations, costs, advertising and marketing, legal questions, proposed legislation, and the establishment and maintenance of a credit system.

Rate Action Excepted

The Agreement does not permit joint action upon rates, commissions and other matters related to passenger ship operation, which require approval under section 15 without amendment of this Agreement and prior approval of the Commission.

The Commission approved seven passenger conference or passenger carrier agreements during fiscal year 1972. Six such agreements were pending at the close of fiscal year 1972.

SPECIAL STUDIES AND PROJECTS

Military Rates Studied

The Federal Maritime Commission has participated with other agencies in the Sealift Procurement and National Security (SPANS) Study.

Other agencies involved in the study included the Department ot Defense, Maritime Administration, and Office of Management and Budget.

The U.S. steamship industry has participated in an advisory/liaison role, and an industry has reviewed and commented upon various parts of the Study.

Objective of Study

The SPANS Study overall objective sought to identify the sealift procurement system which represents the best use of financial resources by the Department of Defense in fulfilling its national security mission. This objective involved two dominant elements:

(1) The effect of possible changes in military sealift procurement policy on the capability of the United States Merchant Marine to support national defense strategy and,

(2) consistent with maintaining the needed military sealift capability of the U.S. Merchant Marine, determine the best method of providing common carrier ocean transportation for military cargoes.

The SPANS Study disclosed that the current competitive bidding system of obtaining ocean carriage of military cargoes has resulted in excessively low rates which would be destructive to the continuation of an effective American Merchant Marine.

Recommendations Formulated

At the end of fiscal 1972 the tasks of the SPANS working groups were completed and policy recommendations were formulated for

consideration by the Interagency Senior Advisory Group and Department of Defense.

Part IV of the Study, which considered various future alternative sealift procurement systems, arrived at recommendations which would substantially change the Military Sealift Command System for obtaining ocean carriage.

FMC's Responsibility

The Federal Maritime Commission will, in the future, be given responsibility to determine whether rates bid by carriers on military cargoes are so low as to be detrimental to commerce.

Consistent with this responsibility the Commission must obtain adequate operating and cost information from the carriers involved. The SPANS recommendations, when finally adopted and implemented would become effective with military bids applicable to cargoes to be carried after January 1, 1973.

Bid-Rates Reviewed

In preparation for its future responsibilities the Commission reviewed the latest rates bid pursuant to RFP–700, first cycle, which rates will be applicable for the carriage of cargoes beginning July 1, 1972.

Certain of these rates appeared to be so low as to be detrimental to the commerce of the United States, and the Commission has instituted formal investigations of such rates in Docket No. 72–23.

These investigations will afford the Commission the background for establishing the cost standards referred to in the SPANS study recommendations, rates below this standard would be considered detrimental to commerce.

As the regulatory responsibilities of the Federal Maritime Commission under the SPANS recommendations are ultimately carried out, hope has been voiced that carriers will be reimbursed for the carriage of military cargoes by a fair profit and that the U.S. defense establishment will not pay an excessive rate for the carriage of military cargo.

U.S.-Canadian Trade Diversion

The Commission during fiscal year 1972, released a study, prepared by Manalytics, Inc., of San Francisco, concerning United States-Canadian overseas trade diversion.

The study was made available to the Canadian Transport Commission prior to a meeting, on June 8, 1972, in Ottawa.

At the meeting it was agreed that close liaison should be maintained between Canadian and United States regulatory agencies and plans were formulated for a continuing working group at the interagency level to exchange information on matters of mutual concern.

The staffs of both regulatory agencies are continuing their studies to determine what adverse effect, if any, container cargo diversions are creating on the respective countries, or if any illegal rate practices are involved.

The Commission contracted for the Manalytics study after receiving complaints from several U.S. east coast ports that containerized cargo was being lost to Halifax and other Canadian ports.

Economic Stabilization Program

Common carriers serving the domestic offshore trades, Alaska, Hawaii, Guam, Puerto Rico, American Samoa, and the U.S. Virgin Islands, are required by the statutes to file rates with the Commission 30 days in advance of the effective date of the rate.

Under the authority of the Intercoastal Shipping Act, 1933, the Commission may suspend for a period of 4 months the effective date of any rate, or tariff of rates, pending a hearing and decision on the lawfulness of the rate or tariff matter.

If after hearing, the Commission determines that a rate, tariff regulation, charge, classification, fare, or practice is unjust or unreasonable, it may prescribe and order enforced a just and reasonable alternative.

Executive Order Issued

On August 15, 1971, President Nixon issued an Executive order providing for the stabilization of prices, rents, wages and salaries at then existing levels for a period of 90 days.

Responding to the price stabilization actions taken by President Nixon, the Federal Maritime Commission, on August 18, 1971, notified all common carriers in the domestic offshore commerce of the United States that effective August 15 through November 12, 1971, all rates were frozen and no collection could be made of any transportation charges which resulted in an increase in costs to shippers over that which existed prior to August 15, 1971.

The Commission's order was all inclusive, applying to all rates and charges, whether under the carrier's control or not, and regardless of whether the proposed rate increases were lawfully filed under provisions of the Shipping Act, 1916, the Intercoastal Shipping Act, 1933, or other Commission order. Domestic rate increases which were previously suspended by the Commission and which would have become effective during the 90-day freeze period were also frozen.

Special Permission Granted

Common carriers in the domestic offshore commerce of the United States were granted, under blanket special permission No. 5380, authority to file supplements to their tariffs postponing increases for the 90-day freeze period.

With the termination of the initial 90-day stabilization period, the Price Commission and Pay Board were established under the Cost of Living Council to monitor the Nation's economy.

The Federal Maritime Commission, in order to implement the provisions of the Economic Stabilization Act and the pertinent regulations of the Cost of Living Council, Price Commission, and Pay Board, amended title 46 CFR "Regulations Affecting Maritime Carriers and Related Activities," by the addition of part 548 titled "Regulations to Implement the Economic Stabilization Act, 1970, as amended."

General Order 28 Implemented

The regulations established by the Federal Maritime Commission, general order 28, were published in the Federal Register and the Code of Federal Regulations, and applied to all regulated carriers operating in the domestic offshore commerce of the United States and all nonvessel operating common carriers operating in those trades.

The rules established required filing of pertinent financial data in justification of proposed rate increases. The rules affected not only those rates which were to be filed in the future but also those rate increases pending before the Commission and caught in the initial freeze and suspended.

In January 1972, the Price Commission revised portions of its applicable regulations to require the Federal Maritime Commission

to certify to the Price Commission that all rate increases approved by the Federal Maritime Commission were in compliance with the requirements of the Price Commission's regulations and the Economic Stabilization Act.

Data received from the carriers was analyzed in light of the appropriate regulations and the goals of the stabilization program and all approved increases were certified to the Price Commission by the Federal Maritime Commission.

Requests Handled

The Commission processed a total of 67 proposed rate increases during fiscal year 1972.

A disposition of the rate increases were as follows:

1. Ten general rate increases have been completed and certified to the Price Commission as meeting the requirements of the Economic Stabilization Act, 1970, as amended.
2. Six general rate increases could not be certified to the Price Commission, as they are docketed proceedings before the Commission.
3. Twenty-nine certifications to the Price Commission were accomplished covering some 406 individual item increases.
4. Twelve pass-through increases were approved as complying with the requirements of general order 28, as amended, and the Economic Stabilization Act, 1970, as amended.*
5. Three requests for increases were rejected for failure to meet the criteria of the Economic Stabilization Act, 1970, as amended.
6. Seven general order 28 requests were pending at the close of fiscal 1972, as additional information is necessary to comply with the Economic Stabilization Act, 1970, as amended.

Late in April 1972, the Price Commission again amended its regulations and as the fiscal year ended, the Federal Maritime Commission was preparing to file its amended rules with the Price Commission for final certification, as required by that Agency.

Disparity Affecting Recycled Materials

A rate disparity of a different nature was considered by the Commission this year involving an alleged disparity between competitive type commodities shipped in the export trade, from U.S. west coast ports to Japan.

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*Pass-through increases are increases attributed to specific allowable costs as defined in the Price Commission regulations.

In testimony given before the U.S. Senate Subcommittee on Freight Commerce and Tourism, members of the National Association of Secondary Material Industries made allegations of discrimination against the Pacific Westbound Conference.

The exporters of wastepaper advised that they were unable to competitively market their products in Japan due to a rate differential between wastepaper and woodpulp.

It was further argued that it would be of great benefit to the country if the recycling process were to be enhanced by greater exports of secondary materials such as wastepaper, which is in direct competition with its virgin counterpart, woodpulp.

After securing additional data from both the members of the National Association of Secondary Material Industries and the Pacific Westbound Conference, the Commission was considering an order of investigation to determine whether the rate differentials between wastepaper and woodpulp on shipments from the U.S. west coast ports to Japan are in violation of the Shipping Act.

Tariff Rules to Be Revised

General order 13, the Commission's present tariff filing rules, became effective on July 1, 1965. It has been demonstrated over the years that these rules needed revision and improvement in order to benefit the tariff users.

The Commission has published formal notice of its intent to revise general order 13 and invited interested parties to submit comments.

The proposed rules will provide for standardization and simplification, thereby making tariffs easier to read, use, and interpret.

Proposed changes will also facilitate tariff examination within the Commission.

Filing requirements noted in other Commission orders have been incorporated in the proposed revision so that all requirements will be in one regulation.

Reduction of Financial Reporting Requirements

Effective December 25, 1971, the Commission eliminated requirements for 6-months financial reports for carriers in the domestic offshore trade adding amendment 1 to general order 11.

The elimination of the 6-months financial reporting requirement relieved the industry of an unnecessary and burdensome report.

The eliminated report was replaced by a requirement that financial and operating data in support of initial, new, or changed tariff rates be filed at the same time as the initial, new, or changed tariff rate.

Data furnished under general order 11, amendment 1, has been used extensively in connection with proposed rate increases and has benefited the Commission by providing additional financial data with which to establish compliance with the guidelines of the Economic Stabilization Act, 1970, as amended.

Shipper Assistance Program

The Commission's continuing desire to render assistance to solve shipper related export/import problems requires an effective up-to-date program.

The techniques used must be helpful to shippers and consignees in presenting requests and complaints to the carriers and conferences in the U.S. foreign oceanborne commerce.

There is no set rules which can guarantee that shippers and consignees will be successful in their efforts. However, there are general guidelines which may help to lessen mistakes and to establish effective working relationships with carriers and conferences in solving the problems.

The Commission, at the close of the fiscal year, was redrafting Ocean Freight Rate Guidelines for Shippers, a booklet authored jointly by the Commission and the Department of Commerce in 1966. The publication offers suggestions for handling problems in U.S. oceanborne foreign trade.

FORMAL PROCEEDINGS

Adjudicatory Proceedings Before Hearing Examiners and Federal Maritime Commission

Hearing examiners preside at hearings held after receipt of a complaint or institution of a proceeding on the Commission's own motion.

Examiners have the authority to administer oaths and affirmations; issue subpenas; rule upon motions and offers of proof, and receive evidence; take or cause depositions to be taken whenever the ends of justice will be served thereby; regulate the course of hearings and hold conferences for the settlement or simplification of the issues by consent of the parties; dispose of procedural requests; issue decisions; and take any other action authorized by agency rule or the Administrative Procedure Act.

At the beginning of fiscal 1972, 75 proceedings were pending before hearing examiners. During the year, 78 cases were added, which included three cases reopened and remanded to examiners for further proceedings. The examiners held 30 prehearing conferences, conducted hearings in 27 cases, and issued 28 initial decisions in formal proceedings, 16 initial decisions in special docket applications, and 23 decisions in small claims proceedings.

Cases otherwise disposed of involved 25 formal proceedings and three small claims.

Commission Action

The Commission adopted 10 formal decisions, 14 special docket decisions, and one small claims decision. The Commission determined not to review 25 small claims decisions.

Decisions of Hearing Examiners (in Proceedings not yet Decided by Commission)

Docket No. 70–14—*McCabe, Hamilton & Rumy Co., Ltd.* v. *C. Brewer Corp., doing business as Hilo Transportation and Ter-*

minal Co.—Respondent, a stevedore operating a terminal facility, and therefore another person subject to the act, was found not to have violated sections 16 first or 17 of the Shipping Act, 1916, in unduly or unreasonably preferring itself in labor loaning; in failing to reasonably share the labor force with complainant on an equitable basis; or in assessing excessive overhead in labor loans.

Docket No. 70–19—*Intermodal Service to Portland, Oreg.*—In an initial decision and an initial decision on reopening and remand it was found that the establishment of a regular ocean carrier service in the trades of the Trans-Pacific Freight Conference of Japan and of the Trans-Pacific Freight Conference (Hong Kong) whereunder cargo is discharged from a vessel at Seattle and is transported by inland carrier to Portland as a bill-of-lading part of destination, with the said inland transportation at the ocean carrier's expense is an unlawful practice, but said practice when subjected to certain conditions and limitations is a lawful practice.

Docket No. 70–28—*General investigation of pickup and delivery rates and practices in Puerto Rico.*—While the carriers practice and rate increases relating to pickup and delivery services were found not unlawful, a carrier which afforded services to a shipper contrary to its tariff had violated section 2 of the Intercoastal Shipping Act, 1933.

Docket No. 70–45—*Norman G. Jensen, Inc., Independent ocean freight forwarder license No. 800.*—It was determined that the respondent's independent freight forwarder license should be revoked on the grounds that respondent controls or is controlled by a shipper which has a beneficial interest in the shipments. In addition, respondent's relationship with the shipper was willfully falsified in its application and the relationship is in violation of section 16 of the Act.

Docket No. 71–15—*Harry Kaufman doing business as International Shippers Co. of New York—Independent ocean freight forwarder license No. 35 and forwarding activities of Irving Betheil and Stephen M. Betheil* and Docket No. 71–47—*Independent ocean freight forwarder license application, Supreme Shippers, Inc.*—Supreme Shippers found not to be fit to carry on the business of freight forwarding and the license of Kaufman should be revoked because he permitted the use of his license by another; he transferred his license to another without Commission approval; and he per-

formed forwarding services as an associate and/or employee of another person whose license as an ocean freight forwarder had been revoked.

Docket No. 71–18—*Matson Navigation Co.—General Increase in Rates in the U.S. Pacific/Hawaii Trade.*—Increased rates and charges of Matson are not unjust or unreasonable or otherwise unlawful except to the extent that the rate on westbound general cargo is increased more than 11 percent.

Docket No. 71–32—*Agreements Nos. DC–38 and DC–38–1 Association, Puerto Rico Trades, 1968.*—Agreements between common carriers by water permitting establishment of rules, regulations, and provisions for terminal or accessorial charges to remedy instability in the trade relating to terminal and accessorial services and charges approved.

Docket No. 71–71—*Agreement No. 9932—Equal Access to Government-Controlled Cargo and Interim Cooperative Working Arrangement. Agreement No. 9939, Pooling, Sailing, and Equal Access to Government-Controlled Cargo Agreement.*—An agreement between Prudential-Grace Lines, Inc., and Compania Peruana de Vapores, covering pooling and sailing arrangements and equal access to Government-controlled cargoes in the U.S. west coast/Peru trade, would violate sections 15 and 16 of the Shipping Act, and was disapproved.

Docket No. 71–73—*The West Coast of Italy, Sicilian and Adriatic Ports North Atlantic Range Conference (WINAC)* v. *The New York Shipping Association, Inc.*—Decisions of the tonnage review committee of the respondent found not to have resulted in assessments which are unequal as between carriers in the North European and WINAC trades and section 15, 16, and 17 of the Shipping Act not shown to have been violated.

Docket No. 71–81—*Ocean Freight Consultants, Inc.* v. *Italpacific Line.*—Complainant sought reparation because of alleged misclassification of the shipment which resulted in alleged overcharges. Classification was found correct and complaint dismissed.

Docket No. 71–86—*Twin Express, Inc., General Increases in Rates in the U.S. Atlantic and Puerto Rico Trade.*—Respondent nonvessel operating common carrier, an enterprise where the capital investment typically is small in comparison with revenue, should have the reasonableness of its rates largely determined by the

operating ratio or profit margin method, and accordingly by such analysis it was determined that respondent would realize an adequate profit without a rate increase.

Examiners also issued initial decisions in docket Nos. 69–57, 70–21, 71–2, 71–8, 71–23, 71–24, 71–25, 71–26, 71–34, 71–48, 71–51, 71–91, 72–9, SD–437, SD–442, and SD–443, described under "Decisions of the Commission."

Pending Proceedings

At the close of fiscal year 1972 there were 58 pending proceedings, of which 30 were investigations initiated by the Commission. The remaining proceedings were instituted by the filing of complaints by common carriers by water, conferences, port authorities or districts, an association of motor carriers, shippers, terminal operators, trade associations, the United States, and others.

FINAL DECISIONS OF THE COMMISSION

In proceedings other than rulemaking, the Commission heard 12 oral arguments, and issued 24 decisions. Twenty proceedings were discontinued or dismissed without report, and three were referred or remanded to the office of examiners for hearing.

The Commission also issued 14 decisions involving special docket applications and 23 decisions involving informal dockets (claims against carriers in the amount of $1,000 or less).

Decisions Completed

Docket No. 68–44—*Malpractices, Brazil/United States Trade.*—Respondents Companhia de Navegacao Maritima Netumar, Norton Line, Companhia de Navegacao Loide Brasileiro, Empresa Lineas Maritimas Argentinas, and Navegacao Mercantil S/A Navem, found to have violated sections 16 second of the Shipping Act, 1916, by allowing shippers to obtain transportation at less than the regular rates by unjust and unfair means and section 18(b)(3) by receiving less or different compensation for the transportation of coffee than specified in the applicable tariff.

Docket No. 69–5—*In the Matter of Agreement No. T–2227 Between the San Francisco Port Authority and States Steamship Co.*—Terminal lease agreement found approvable under section 15 of the Shipping Act, 1916, inasmuch as minimum rentals provided therein were shown to be compensatory in that they not only would recover operating plus interest expense but would return earnings to the port.

Docket No. 69–57—*Agreement No. T–2336 New York Shipping Association Cooperative Working Arrangement,* consolidated with dockets 71–2, 71–8, 71–26, and 71–34, *Transamerican Trailer Transport Inc., Seatrain Lines Inc., Daniels and Kennedy, Inc., Chandris America Lines, Inc., Greek Line, Inc., Home Line Agency*

Inc., Incres Line v. *New York Shipping Association.*—Agreement of the New York Shipping Association providing an assessment formula to meet fringe benefit obligations in collective bargaining agreements with the International Longshoremen's Union found approvable under section 15 of the Shipping Act, 1916, if subjected to certain modifications.

Docket No. 70–1—*Sea Land Service Inc., Increases in Rates in the U.S. Pacific Coast/Puerto Rico Trade.*—Increased commodity rates of respondent carrier found to be just and reasonable based on evidence of cost and expenses to be incurred in the carriage of the commodities.

Docket No. 70–3—*United Stevedoring Corp.* v. *Boston Shipping Association.*—The Boston Shipping Association, a multiemployer collective bargaining unit, found to be subject to the Shipping Act, 1916. Incorporation papers and bylaws forming the association and agreements as to allocation of labor and first call recall system found subject to section 15 of the Act. Evidence insufficient to prove labor practices of the association in regard to these agreements to be violative of sections 16 and/or 17 of the Act. Affirmed on reconsideration. Reopened on remand from U.S. court of appeals for the first circuit.

Docket No. 70–4—*York Forwarding Corp., J. B. Wood Shipping Co., Inc., and Edwards Fuge Corp.*—License of freight forwarder operating in name only without qualified personnel revoked. License of otherwise qualified freight forwarder allowed to be retained if certain conditions are met which would sever unlawful shipper connection.

Docket No. 70–9—*Bolton & Mitchell, Inc., Independent Ocean Freight Forwarder License No. 516.*—Freight forwarder found to have committed numerous violations of the Commission's rules and to possess an unlawful shipper connection. License allowed to be retained due to mitigating circumstances, conditioned on cessation of violations and removal of unlawul shipper connection.

Docket No. 70–12—*Commodity Credit Corp.* v. *American Export Isbrandtsen Lines, Inc., et al.*—Carriers action as members of one conference of reducing rates to meet independent competition while taking no similar action as members of a different conference not shown to be unlawful where transportation and competitive situations are different.

Docket No. 70–18—*Sacramento-Yolo Port District* v. *Pacific Coast European Conference, et al.*—Conferences nonabsorption tariff provisions found unlawful since they prevent or attempt to prevent carriers from serving a federally-improved port in contravention of section 205, Merchant Marine Act, 1936.

Docket No. 70–21—*Dillingham Line, Inc., Increase in Freight Charges in the U.S. Pacific Coast/Hawaii Trade.*—Increased rates of respondent found just and reasonable and not unlawful inasmuch as the rate of return thereon was shown not to be excessive.

Docket No. 71–11—*Midland Metals Corp.* v. *Mitsui O.S.K. Line and Luckenbach Steamship Co.*—Assessment of penalty demurrage charges during period of steel haulers strike running from bona fide unsuccessful attempt at pickup of goods to first successful pickup found to be an unreasonable practice under section 17 of the Shipping Act, 1916 and reparation awarded thereon. Assessment of penalty demurrage thereafter until completion of removal of goods funds to be reasonable.

Docket No. 71–17—*Violations of Sections 14 Fourth, 16 First and 17, Shipping Act, 1916, in the Nonassessment of Fuel Surcharges on Military Sealift Command Rates Under the MSC Request For Rate Proposals Bidding System.*—Respondent ocean carriers failure to impose a bunker fuel surcharge on carriage of military cargo while imposing the surcharge on carriage of commercial cargo found to be violative of section 16 first and 17 of the Shipping Act, 1916; not shown to violate section 14 fourth of the Act. Decision affirmed on reconsideration.

Docket No. 71–23—*Pacific Hawaiian Terminals, Inc., Increases in Freight All Kinds Rate in the U.S. Pacific Coast/Hawaii Trade.*—The Commission adopted the examiner's findings that increased rates of respondent nonvessel operating carrier were not unjust, unreasonable, or otherwise unlawful inasmuch as the level of respondents' operating ratio was shown to be consistent with Commission standards of approval.

Docket No. 71–24—*Mid Pacific Freight Forwarders, Increases in Freight All Kinds Rate in the U.S. Pacific Coast/Hawaii Trade.*—The Commission adopted the examiner's findings that respondent's nonvessel operating carrier rate increases were not unjust, unreasonable, or otherwise unlawful inasmuch as they will not produce

excessive earnings and will not adversely affect the economy of the State of Hawaii.

Docket No. 71–25—*United Nations Children's Fund* v. *Blue Sea Line.*—A refund of $258.34 was awarded complainant as a result of respondent's unlawful assessment of the higher of two possible rates where tariff ambiguities existed; such ambiguities are to be resolved in favor of the shipper.

Docket No. 71–48—*Independent Ocean Freight Forwarder Application, Guy C. Sorrentino.*—Respondents application for a freight forwarders license granted by the Commission because his long history of creditable performance in the field of freight forwarding and his expressed intention to conform to the law in the future mitigate the effects of his culpability in previously failing to prevent violations of the Shipping Act by a company in which he served as corporate officer and principal stockholder.

Docket No. 71–51—*Tyler Pipe Industries* v. *Lykes Bros. Steamship Co., Inc.*—Claimant was awarded reparation of $69.85 for an overcharge by respondent carrier resulting from respondent's failure to assess freight charges based on actual weight of commodities shipped.

Docket No. 71–72—*Wall Street Cruises Inc., Failure to Qualify for Performance Certificate.*—Respondent found to have violated section 3 of Public Law 89–777 and Commission general order 20 for failure to establish its financial responsibility for indemnification of passengers for nonperformance of transportation and failure to obtain a certificate of such responsibility prior to advertising of passenger cruises from U.S. ports.

Docket No. 71–80—*Maritime Fruit Carriers Co., Ltd. and Refrigerated Express Lines (A/Asia) Pty. Ltd.*—Two-party agreement between respondent carriers for coordination of sailings, sharing of expenses, etc., and which provides that each party shall remain an individual member with a separate rate in any conference to which it belongs found not to be contrary to the provisions of section 15 of the Shipping Act, 1916.

Docket No. 71–81—*Ocean Freight Consultants, Inc.* v. *Italpacific Line.*—Complainants claim for reparation on an alleged overcharge by respondent carrier found not recoverable inasmuch as complainant failed to meet the heavy burden of proof which is required

when a claim involves description of cargo and the cargo has left the custody of the carrier.

Docket No. 71–87—*Associated Latin American Freight Conferences and Association of West Coast Steamship Companies, Amended Tariff Rules Regarding Wharfage and Handling Charges.*—Tariff rules of respondent conferences relating to the imposition of wharfage and handling charges which result in imposition of varying charges among ports found to be in contravention of section 205 of the Merchant Marine Act, 1936, and therefore contrary to the public interest within the meaning of section 15 of the Shipping Act, 1916.

Docket No. 71–91—*Independent Ocean Freight Forwarder Application Fabio A. Ruiz doing business as Far Express Co.*—Applicant for freight forwarders license found qualified under section 44 of the Shipping Act, 1916, based on his experience and knowledge, notwithstanding prior conduct of acting as a freight forwarder without a license.

Docket No. 72–9—*Polychrome Corp.* v. *Hamburg-America Line—North German Lloyd.*—Claimant awarded reparation of $760.03 as a result of misapplication of a rate by respondent carrier on claimant's shipment of stencil base paper.

Rulemaking

The following rulemaking proceedings, instituted during fiscal year 1972, are still in progress.

Docket No. 71–74—*Quarterly Report of Freight Loss and Damage Claims.*

Docket No. 71–75—*Rules Governing the Filing of Agreements Between Common Carriers by Water and/or "Other Persons" Subject to the Shipping Act, 1916.*

Docket No. 72–4—*Licensing of Independent Ocean Freight Forwarders; General Requirements.*

Docket No. 72–19—*Filing of Tariffs by Common Carriers by Water in the Foreign Commerce of the United States and by Conferences of Such Carriers.*

Docket No. 71–22—*Schedule of Fees and Charges.*

Docket No. 71–33—*Informal Procedure for Adjudication of Small Claims.*

Rules Published

The following rules were published during the fiscal year as a result of rulemaking proceedings.

General Order 11; Amdt. 1—*Reports of Rate Base and Income Account by Vessel Operating Common Carriers in the Domestic Offshore Trades*—Docket No. 71–63.

General Order 27; Amdt. 6.—*Clarifying Language in Certificate of Insurance Form FMC 225 A*—Docket No. 71–84.

General Order 5; Amdt. 6.—*Uniform System of Accounts for Maritime Carriers*—Docket No. 72–11.

Discontinued Proceeding

The following rulemaking proceeding was discontinued without adoption of rules.

Docket No. 71–69.—*Exemption of the Bureau of Indian Affairs;* discontinued October 1, 1971.

ACTION IN THE COURTS

Five petitions to review Federal Maritime Commission orders were pending in the various U.S. courts of appeals at the beginning of fiscal year 1972.

During the year, five more petitions were filed.

Of these, as of June 30, 1972, four of the appeal proceedings had been completed and the remaining six were pending briefing, argument, or decision.

During fiscal year 1972, three petitions for certiorari were filed in the Supreme Court, one of which was denied.

Significant Cases

The following were among the more significant Commission cases:

Latin America/Pacific Coast Steamship Conference, et al. v. *Federal Maritime Commission and United States of America*, 465 F. 2d 542 (D.C. Cir. 1972).—The District of Columbia Circuit Court of Appeals upheld a final order of the Commission requiring the steamship conference to amend its dual rate contract to allow shippers to execute such a contract for each separate, geographical trade area, as defined by the conference for carrier membership on autonomous ratemaking committees.

The Commission had found that the existing conference dual rate system requiring signatory shippers to commit their exclusive patronage to the conferences in all three outbound trade areas, and signatory receivers to give their exclusive patronage to the conference in both inbound trade areas, is contrary to the public interest and cannot be permitted approval pursuant to section 14b of the Shipping Act, 1916.

A petition for certiorari was filed in the Supreme Court by the conference.

Seatrain Lines, Inc. v. *Federal Maritime Commission and United States of America*, 460 F. 2d 932 (D.C. Cir. 1972).—This proceed-

ing is a review of a Commission order approving, under section 15 of the Shipping Act, 1916, the sale of six vessels and related assets by the Oceanic Steamship Co. to Pacific Far East Lines, Inc. The Court held that the Commission lacked jurisdiction over the subject matter of the agreement. A petition for certiorari was filed in the Supreme Court on June 20, 1972.

Delaware River Port Authority v. *United States Lines, Inc.*, 331 F. Supp. 41 (E.D. Pa. 1971).—In this proceeding the Federal Maritime Commission supported the governmental, terminal operating, and labor interests at the Port of Philadelphia in the attempt to stem diversion of cargo, which was claimed to be naturally tributary to the Port of Philadelphia. It was alleged that the various shipping lines did not unload at Philadelphia, but instead, carried Philadelphia-destined cargo by truck from the Port of New York to Philadelphia. The Philadelphia interests simultaneously filed a complaint with the Commission with respect to these allegedly unlawful diversionary practices. The U.S. District Court for the Eastern District of Pennsylvania enjoined the challenged practice pending determination of its legality by the Commission.

Federal Maritime Commission v. *Australia/U.S. Atlantic & Gulf Conference*, 337 F. Supp. 1032 (S.D.N.Y. 1972).—In this proceeding the Commission obtained a preliminary injunction pending determination by the Commission of the lawfulness of the imposition on 15-days' notice, by the conference operating inbound from Australia to the U.S. Atlantic and Gulf Coasts, of a 6.32 percent surcharge based on an alleged currency devaluation. The Commission contended before the Court that such surcharge on 15-days' notice is not authorized by the conference's dual rate agreement, but required 90-days' notice, since the American dollar had not been devalued, and that irreparable injury would result if the surcharge was not enjoined pending Commission determination as to legality.

United States v. *R. J. Reynolds Tobacco Co., et al.*, 325 F. Supp. 656 (D.N.J. 1971).—This proceeding involves an action brought by the United States against R. J. Reynolds, Sea-Land Service, Inc., Walter Kidde & Co., and United States Lines, for alleged violations of section 1 of the Sherman Act and section 7 of the Clayton Act because of agreements entered into providing for Reynold's acquisi-

tion of United States Lines. The Commission intervened in this district court proceeding on the basis that it was currently conducting administrative proceedings on these agreements under section 15 of the Shipping Act. The district court allowed the Commission to intervene, but denied the Commission's motion to have the court proceedings dismissed or stayed until after the Commission's administrative determination, which is still pending. A petition for certiorari to review this district court decision was filed with the Supreme Court on August 2, 1971, and is still before it.

IML SeaTransit, Ltd. v. *United States of America and Interstate Commerce Commission,* 343 F. Supp. 32 (N.D.Cal. 1972).—The Commission intervened in a review by a three-judge Federal court of an Interstate Commerce Commission's final order directing a carrier which did not own or operate transportation equipment to discontinue operating without being certified as a "freight forwarder" under the provisions of the Interstate Commerce Act. The carrier acted as a nonvessel operating common carrier (NVO) pursuant to a tariff on file with the FMC. In agreeing with IML and the FMC, the court set aside and permanently enjoined ICC's final order requiring IML to obtain a freight forwarders license in order to continue its NVO operations. On June 14, 1972, ICC filed a notice of appeal for Supreme Court review of the court's decision.

Federal Maritime Commission v. *Seatrain Lines, Inc.,* Civ. No. 1589–70; Crim. No. 824–70 (D.N.J.–1971), involves civil and criminal contempt proceedings brought for alleged violations of court orders directing enforcement of the Commission's section 21 order. The order called for the disclosure and production of certain domestic and foreign documents relative to shipments in Seatrain ships in the North Atlantic trade in early and mid-1970. Negotiations for monetary settlement by Seatrain of the civil suit and dismissal of the criminal suit were pending June 30, 1972.

Non-Adjudicatory Matters

In nonadjudicatory enforcement matters, the Commission has successfully settled claims under the Federal Claims Collection Act of 1966 against 12 carriers for violations of tariff filing provisions of section 18 of the Shipping Act and section 2 of the Intercoastal Shipping Act.

$73,750 Collected

These claims resulted in the collection of $48,750 during fiscal year 1972 which brings the total collections to $73,750 since this enforcement program was initiated under the Claims Act in calendar year 1970.

LEGISLATIVE DEVELOPMENT

Changes in Penalties for Violations of the Shipping Statutes

Subsequent to hearings on June 30, 1971, the Committee on Merchant Marine and Fisheries of the House of Representatives reported H.R. 755.

This bill would change the penalties for violation of most of the provisions of the shipping statutes administered by the Commission, from criminal to civil and authorize the Commission to assess civil penalties.

As reported and passed by the House on September 20, 1971, H.R. 755 also provided a civil penalty for violation of a Commission order, rule or regulation and empowered the Commission to assess such penalty.

Sent to Senate Unit

The House-passed bill was referred to the Senate Committee on Commerce September 21, 1971, and subsequently it was agreed that authority to assess civil penalties would be changed to authority to compromise.

In addition, certain further revisions were agreed to in the interest of clarity.

The agreed-to version is in keeping with the authority of other regulatory agencies and should provide a strong deterrent against violations of the shipping statutes.[1]

Intermodal Transportation on a Through Bill, Single-Factor Rate in the Foreign and Domestic Offshore Trades

The Commission transmitted to the Congress on June 6, 1972, proposed legislation to amend the Shipping Act, 1916, to provide

[1] The bill was favorably reported by the Committee on Commerce and passed by the Senate Aug. 8, 1972. The Senate-passed bill was agreed to by the House, Aug. 18, 1972, and received Pesidential approval, Aug. 29, 1972.

for the establishment of single-factor rates under a through bill of lading for the transportation of property in the foreign and domestic offshore commerce of the United States.

Under present regulatory structures, point-to-point through shipments in these trades generally involve at least two regulatory agencies operating under different statutes, two or more different carriers, requiring different rate quotations by each carrier, different documents at each stage of the movement and constantly varying liability for the goods through each stage of the shipment.

The Commission's proposed legislation, which was introduced in the Senate as S. 3740 and in the House as H.R. 15465, would provide for regulation of the through rate and movement by a single agency, provide for a single rate, a single through bill of lading, and single liability of the "intermodal" carrier to the shipper.

The Commission feels this proposal meets the need for a modern regulatory statute in the present day of containerization and intermodalism.

Enforcement Provisions Proposed for Inclusion in the Water Quality Improvement Act

The Commission, in order to more effectively discharge financial responsibility provisions of the Water Quality Improvement Act, proposed legislation which would provide a civil penalty for failure of a vessel owner or operator to establish financial responsibility, authorize the Commission to assess, remit, or mitigate such penalty, authorize the Secretary of the Treasury to deny clearance to any vessel failing to produce evidence of compliance and authorize the U.S. Coast Guard to deny access to any port or place in the United States and to detain any vessel about to depart which failed to establish financial responsibility as requested.

This proposal was transmitted to Congress on August 18, 1971, and introduced in the Senate as S. 2619.

Other Legislative Activity

Chairman Backs Navy

Chairman Bentley appeared before the Special Subcommittee on Transportation of the House Committee on Armed Services, opposing a proposed reorganization by the Department of Defense. The pro-

posed plan would have transferred all functions of the Military Sealift Command for procurement of surface ocean transportation from the Department of the Navy to the Department of the Army.

As a result of those hearings, the committee made certain recommendations including one providing for the withdrawal of the directive concerning the proposed transfer of functions.

The committee stated that if its recommendations were not implemented, legislation should be introduced which, among other things, would provide by statute for the procurement of all sealift by the Navy.

Strike Legislation Supported

March 3, 1972, the chairman appeared before the Senate Committee on Labor and Public Welfare in support of emergency strike legislation which, if passed, hopefully would put an end to the numerous disruptive strikes which have plagued the maritime industry.

Export Spur Supported

On January 25, 1972, the chairman testified before the Senate Committee on Commerce on S. 2754, the Export Expansion bill which was designed to foster and promote U.S. exports.

On November 3, 1971, the chairman appeared before the House Merchant Marine and Fisheries Committee in connection with three measures, House Concurrent Resolution 403, H.R. 10694, and H.R. 10923, all of which were designed to provide for the movement of more cargo by U.S.-flag ships.

Responsibility Outlined

The chairman pointed out that reorganization plan No. 7 of 1961 had placed responsibility for promotion of the U.S. merchant marine in the Maritime Administration of the Department of Commerce. The Federal Maritime Commission is charged with the regulation, in a fair and impartial manner, of all common carriers serving our waterborne foreign commerce.

Fairness Aids U.S.

It was explained there is no provision in the shipping statutes specifically directing the Commission to aid the American carrier,

but regulation in a fair and impartial manner helps to achieve a climate within which the American carrier can best compete with his foreign competitor for available cargoes.

The Commission also appeared before the House Merchant Marine and Fisheries Committee in support of H.R. 9128. This legislation would confer exclusive regulatory jurisdiction on the Federal Maritime Commission over the transportation by barge between U.S. ports when such transportation is furnished as a substitute service for a call at one of the ports by a common carrier by water in foreign commerce.[2]

The Commission appeared, on November 18, 1971, before the Subcommittee on Foreign Commerce and Tourism of the Senate Committee on Commerce to testify concerning S. 2577, a bill which would amend the International Travel Act of 1961 to provide for Federal regulation of the travel agency industry.

Lack of Need Cited

The Commission's position was that there is no need for legislation to regulate the travel agency industry insofar as it relates to the sale of accommodations aboard oceangoing vessels subject to the Commission's jurisdiction.

Public Law 89–777, which requires that owners or operators of vessels having berth or stateroom accommodations for 50 or more passengers to establish financial responsibility to meet liability incurred for death or injury to passengers and any person selling or offering to sell accommodations on such vessels to establish financial responsibility to indemnify in the event of nonperformance, has proven highly successful in protecting the traveler against financially unsound travel agents.

It was suggested to the committee that it might wish to consider a Public Law 89–777 type system for the establishment of financial responsibility by the party arranging for or providing the transportation by whatever mode, as an alternative to S. 2577.

Legislation Studied

During fiscal year 1972, the Commission made studies of many bills that had been introduced in the Congress.

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[2] The bill in revised form, which also covers a similar movement in the domestic offshore trade was reported by the House Committee, Aug. 2, 1972.

ADMINISTRATION

Presidential action was taken on two Members of the Federal Maritime Commission in Fiscal 1972.

President Richard M. Nixon, on August 6, 1971, nominated Clarence Morse to a five-year term to expire June 30, 1976.

On May 11, 1972, the President announced his intention of nominating Ashton C. Barrett, serving as Vice Chairman of the Federal Maritime Commission, to a new five-year F.M.C. term, June 30, 1972 to June 30, 1977.

This is the fourth time a United States President has nominated Commissioner Barrett to serve on the Federal Maritime Commission.

Commissioner Barrett was renominated by President Lyndon B. Johnson and confirmed by the Senate for a five-year term which expired on June 30, 1972.

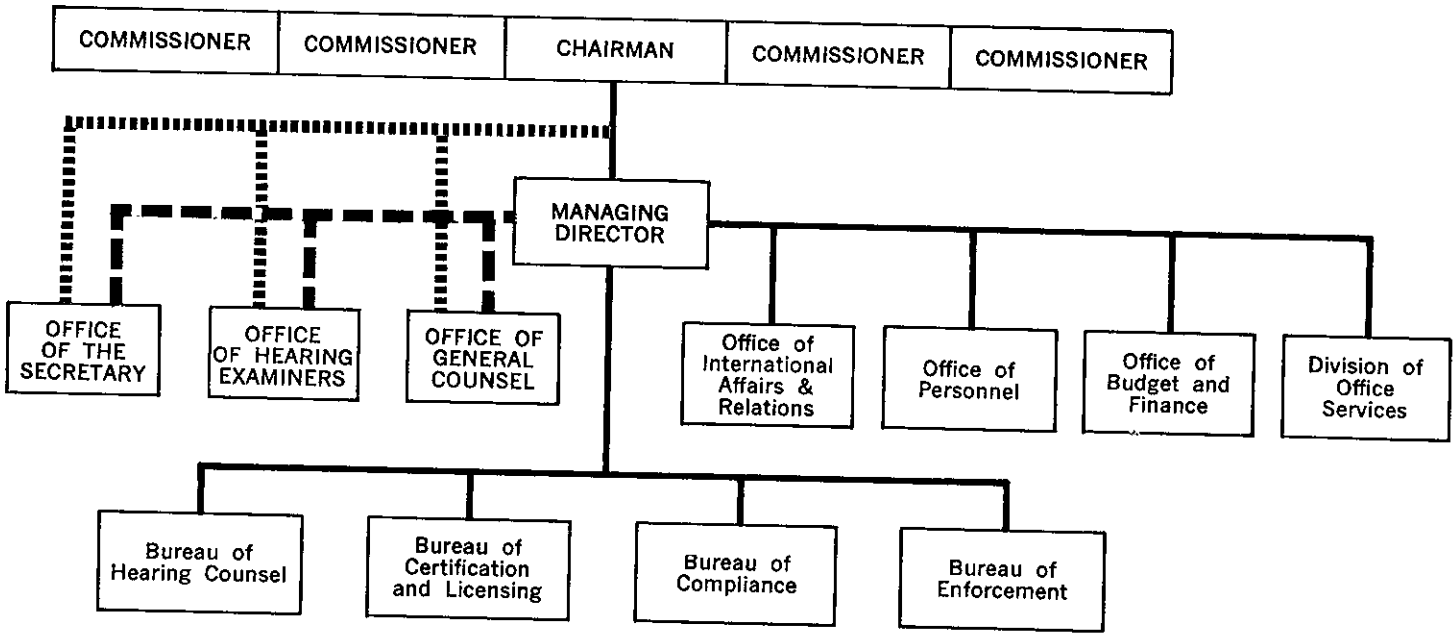
He was renominated on June 28, 1963 by President John F. Kennedy and confirmed by the Senate for a four-year term expiring June 30, 1967.

Mr. Barrett was first nominated to the Federal Maritime Commission by President Kennedy on September 26, 1961. At that time he received a term which expired on June 30, 1963.

Commissioner Barrett has been elected three times by his colleagues as Vice Chairman of the Federal Maritime Commission.

Other Members of the Federal Maritime Commission as of June 30, 1972, are: Helen Delich Bentley of Maryland, Chairman; George H. Hearn of New York; and James V. Day of Maine.

FEDERAL MARITIME COMMISSION



Technical Direction
Administrative Direction

July 1, 1972

Helen Delich Bentley
Chairman

FIELD OFFICES:
New York, N.Y.
New Orleans, La.
San Francisco, Calif.
San Juan, P.R.

Pertinent comments on these bills were transmitted to appropriate committees.

Statement of Appropriation and Obligation for the Fiscal Year Ended June 30, 1972

APPROPRIATION:	
Public Law 92–77, 92nd Congress, Approved August 10, 1971: For necessary expenses of the Federal Maritime Commission, including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902	$5,300,000
Less: Transferred to "Operating Expenses, Public Building Service, GSA, 1972"	—33,188
Appropriation availability	5,266,812
OBLIGATIONS AND UNOBLIGATED BALANCE:	
Net obligations for salaries and expenses for the fiscal year ended June 30, 1972	5,232,909
Unobligated balance withdrawn by the Treasury	33,903
STATEMENT OF RECEIPTS: DEPOSITED WITH THE GENERAL FUND OF THE TREASURY FOR THE FISCAL YEAR ENDED JUNE 30, 1972:	
Publications and reproductions	11,535
Oil pollution application and certificate fees	143,328
Fines and penalties	90,760
Total general fund receipts	245,623

Appendix A

Statistical Abstract of Filings

Fiscal Year 1972

SECTION 15 AGREEMENTS:	
Foreign commerce	128
Domestic offshore	2
Terminal	116
SECTION 14b DUAL RATE CONTRACTS:	
New systems	3
Modifications	11
REPORTS REVIEW:	
a. Shippers' requests and complaints—carrier agreements	326
b. Minutes of meetings	1,866
c. Self-policing of conference and rate agreements	245
d. Pooling and operating statements	73
APPROVED AGREEMENTS ON FILE AS OF JUNE 30, 1972:	
Conference	87
Rate	29
Joint conference	9
Pooling	19
Joint service	47
Sailing	26
Transshipment	332
Cooperative working, agency and container interchange	101
Domestic offshore	18
Terminals	281
Dual rate contract systems	61
Total	1,010
TARIFFS:	
Terminals filings	6,143
TARIFF ON FILE AS OF JUNE 30, 1972:	
Terminal	516

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