

FEDERAL MARITIME COMMISSION

PETITION OF HANJIN SHIPPING Co.,
LTD. FOR EXEMPTION FROM 46 C.F.R.
530.10

Petition No. P1-09

Served: November 24, 2009

BY THE COMMISSION: Richard A. Lidinsky, Jr.,
Chairman; Joseph E. Brennan and Rebecca F. Dye,
Commissioners

Order Granting Petition

I. PROCEEDING

On November 5, 2009, Hanjin Shipping Co., Ltd. ("Hanjin" or "Petitioner") filed with the Federal Maritime Commission ("Commission") the above-captioned Petition for Exemption from 46 C.F.R. § 530.10.¹ The Petition was published in the Federal Register on November 12, 2009 and the comment period closed on November 16, 2009. 74 Fed. Reg. 58291. No comments were received.

II. POSITION OF THE PETITIONER

Petitioner is a Korean corporation and vessel-operating common carrier. Petition at 1. Effective December 1, 2009, Hanjin will undergo a corporate re-organization resulting in the transfer of all of its currently filed service contracts, numbering over 2,700, to

¹ Hanjin makes its submission to the Commission pursuant to 46 C.F.R. 502.69, which provides for "claims for relief or other affirmative action" by the Commission other than in connection with a docketed formal proceeding.

a newly-formed corporation which will be known by the same name. Petition at 2. Some of these service contracts provide for assignment from Hanjin to another entity upon notice to the other contracting party, but many are silent as to this issue. Id. Hanjin asserts that it would be an undue burden upon it and its shipping customers to identify and differentiate those contracts not assignable as well as to prepare individual amendments for such a large number of contracts. Id. Petitioner therefore requests that the Commission permit it to undertake a different process rather than that set forth in the Commission's rules that would require individual amendment to each of its affected filed service contracts.

Petitioner asserts that its proposed course of action, namely, that it notify every shipper party electronically and file a universal notice in the Commission's electronic service contract filing system ("SERVCON") of the assignment of listed service contracts on file in SERVCON filed by Hanjin, would fully inform and protect shippers. Id.

III. DISCUSSION

The Commission's regulations require a true and complete copy of every amendment to filed service contracts to be filed with the Commission. 46 C.F.R. § 530.8(a). Service contract amendments are filed in the same manner as service contracts. 46 C.F.R. § 530.10. Any change to the name of a basic contract party not required to be reflected in a filed amendment must be filed as a notice in the SERVCON system. 46 C.F.R. § 530.9 (e).

Petitioner has worked diligently to approach the staff of the Commission's Bureau of Trade Analysis, Office of Service Contracts and Tariffs as early as possible in the process to request guidance as to compliance with the Commission's rules. This was the only area of compliance in which Petitioner judged adherence to the strict letter of the Commission's rules would burden it to such an extent that it would seek relief from the Commission itself.

Although the Commission made provision for “universal notices” in 46 C.F.R. § 530.9 for service contracts that do not require amendments for such transfers, for those service contracts that do require individual amendment, no such provision exists. The exemption sought by Petitioner would relieve it only of compliance with individual amendment filings for each affected contract, although it appears some of its shippers have requested an amendment, rather than the universal notice, be executed and filed with the Commission.

IV. CONCLUSION

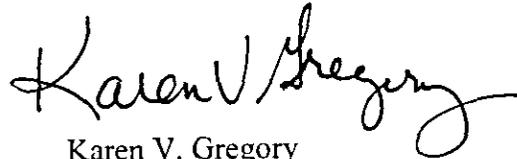
The Commission finds that the process requested by Petitioner will adequately protect shippers and their rights under the affected service contracts under the Shipping Act. Petitioner Hanjin Shipping Co., Ltd. will be relieved from the requirements of the Commission’s rules at 46 C.F.R. 530.10(b) for service contracts on file with the Commission prior to December 1, 2009. This relief is limited only to those service contracts and will not apply to any service contract or amendment unrelated to Petitioner’s corporate organizational change.

THEREFORE, IT IS ORDERED, That the Petition is GRANTED, provided that:

1. Petitioner notifies all affected shippers prior to December 1, 2009 of the change in carrier party in the form and manner set forth in the Petition; and
2. No later than January 1, 2010, Petitioner files a Universal Notice with the Commission under both Hanjin’s former organization number (008164) and its newly assigned organization number (022527) through SERVCON, enumerating all affected service contracts.

IT IS FURTHER ORDERED, That this proceeding is discontinued.

By the Commission.

A handwritten signature in black ink, reading "Karen V. Gregory". The signature is written in a cursive style with a large, sweeping flourish at the end of the word "Gregory".

Karen V. Gregory
Secretary