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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMM

June 18, 2014

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Ms. Karen V. Gregory, Secretary
Federal Maritime Commission
800 North Capitol Street, N.W.
Room 1046
Washington, D.C. 20573

Re: Petition by United Arab Shipping Company

Dear Ms. Gregory,

Pursuant to 46 U.S.C. § 40103(a) and 46 C.F.R. §502.74, enclosed herewith are an original and five (5) copies of the petition of United Arab Shipping Company (S.A.G.) ("UASC") for an exemption from the requirements of 46 U.S.C. § 40703. A pdf copy of the petition is also being sent to the Secretary's office via e-mail.

The filing fee for this petition has been paid electronically.

A copy of this letter and its enclosure has been provided for your acknowledgement of receipt.

Sincerely,

COZEN O'CONNOR

By: Wayne R. Rohde
Jawaria Gilani

WRR:JG



BEFORE THE
FEDERAL MARITIME COMMISSION

PETITION NO. *P1-14*

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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMM

PETITION OF UNITED ARAB SHIPPING COMPANY (S.A.G.)
FOR AN EXEMPTION FROM 46 U.S.C. § 40703

Pursuant to 46 U.S.C. § 40103(a) and 46 C.F.R. § 502.76, United Arab Shipping Company (S.A.G.) (“UASC”) petitions the Federal Maritime Commission (“FMC”) for an exemption from 46 U.S.C. § 40703 so that it may reduce its tariff rates effective upon publication. The FMC is permitted to administratively exempt companies from the requirements of the Shipping Act of 1984, as amended (the “Act”), if it finds that the exemption will not result in a substantial reduction in competition or be detrimental to commerce. For the reasons set forth below, we respectfully request that an administrative exemption be granted to UASC because such an exemption would neither reduce competition nor be detrimental to commerce.

1. Factual Background

UASC is a shipping company that was established in 1976 by the governments of the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Republic of Iraq, the State of Qatar, and the State of Kuwait. None of the six government shareholders had a majority interest in UASC. As a result of increases in capital and the issuance of additional shares over the years, Qatar now has attained a 51.270 percentage ownership control in the company. Therefore, UASC has become a controlled carrier within the meaning of 46 U.S.C. § 40102(8) and 46 C.F.R. § 565.2(a).

2. Applicable Legal Standards

46 U.S.C. § 40703 regulates the rates charged by controlled carriers. It states that “except for service contracts, a rate, charge, classification, rule or regulation of a controlled carrier may not become effective, without special permission of the Federal Maritime Commission, until the 30th day after publication.” As a result, controlled carriers are required to wait 30 days before they can decrease their tariff rates. Non-controlled carriers, however, are permitted to reduce tariff rates effective upon publication of the rates.

Under 46 U.S.C. § 40103(a), the FMC can grant administrative exemptions from the requirements of the Act “if the Commission finds that the exemption will not result in substantial reduction in competition or be detrimental to commerce.”¹

¹ For example, see Docket No. P5-04, *Petition of American President Lines, Ltd. and APL Co. PTE. Ltd. for a Full Exemption from the First Sentence of Section 9(c) of the Shipping Act of 1984, as Amended*, 30 S.R.R.517 (F.M.C., September 23, 2004); Docket No. P6-04, *Petition of China Shipping Container Lines (Hong Kong) Co., Ltd., for an Exemption from the First Sentence of Section 9(c) of the Shipping Act*, 30 S.R.R. 645 (F.M.C., November 15, 2004); and Docket No. P1-10, *Petition of Hainan P.O. Shipping Co., Ltd. for an Exemption From the First Sentence of Section 9(c) of the Shipping Act of 1984, as Amended*, 31S.R.R. 1659 (F.M.C., July 26, 2010).

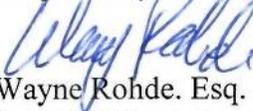
3. Granting an Exemption to UASC Would be Pro-Competitive and Beneficial to Commerce

UASC is requesting an exemption from the requirement that it provide 30 days' notice of a reduction in its tariff rates. Though much of UASC's cargo moves subject to service contracts, a portion is nonetheless subject to tariff rates. Granting UASC an exemption from the notice requirement for its tariff rates would neither reduce competition nor be detrimental to commerce. If UASC had the ability to reduce its rates on publication, rather than wait 30 days, that ability would actually increase competition. The exemption would permit UASC to react quickly to market conditions and be more competitive. Additionally, granting an exemption would benefit commerce. Allowing an additional carrier to compete effectively in the market would give customers more choices and would thus promote commerce. Furthermore, the FMC has repeatedly found that exempting controlled carriers from the 30 day requirement is pro-competitive and beneficial to commerce.

4. Conclusion

For the reasons discussed above, UASC respectfully requests it be granted an exemption that would permit it to reduce its tariff rates effective upon publication because such an exemption will neither reduce competition nor be detrimental to commerce.

Respectfully Submitted,



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Attorneys for United Arab Shipping Company

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You order has been successfully processed. We have sent a confirmation email to wrohde@cozen.com.

Confirmation ID	25G8H4DT
Order Number	FICNVKCGLOXVCA137
Payment Date	06/19/2014
Payment Type	Direct Debit
Payment Amount	\$241.00
Payment Status	Completed
Payer Name	Cozen O'Connor Attorney Operating Account