



FEDERAL MARITIME COMMISSION
64TH ANNUAL REPORT
FISCAL YEAR 2025

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Letter of Transmittal



FEDERAL MARITIME COMMISSION
800 North Capitol Street, N.W.
Washington, D.C. 20573-0001

April 1, 2026

To the United States Senate and House of Representatives:

On behalf of the Federal Maritime Commission, and pursuant to section 46106(a) of Title 46, United States Code, I am transmitting the 64th Annual Report of the Federal Maritime Commission, Fiscal Year 2025.

Sincerely,

Laura DiBella
Chairman

Mission, Strategic Goals, and Statutory Authority

The Federal Maritime Commission (Commission or FMC) is the independent Executive Branch agency with jurisdiction over competition, practices, and service in the ocean shipping industry. Our mission is to ensure a competitive and reliable international ocean transportation supply system that supports the U.S economy and protects the public from unfair and deceptive practices. Facilitating commerce and protecting U.S. shippers are the essential focus of the FMC.

The Commission's Fiscal Year 2022-2026 Strategic Plan has two strategic goals:

Goal 1: Maintain a competitive and reliable international ocean transportation supply system.

Objective 1.1: Ensure no unreasonable increases in transportation costs or decreases in transportation service are attributed to anticompetitive practices under FMC-filed agreements.

Objective 1.2: Ensure competition is preserved in the purchase of certain covered services.

Goal 2: Protect the public from unlawful, unfair, and deceptive ocean transportation practices.

Objective 2.1: Identify and take action to end unlawful, unfair, and deceptive practices.

Objective 2.2: Prevent public harm through licensing and financial responsibility requirements.

Objective 2.3: Enhance public awareness of agency resources, remedies, and regulatory requirements through education and outreach.

Objective 2.4: Impartially and timely resolve international shipping disputes through alternative dispute resolution and adjudication.

In accomplishing these strategic goals, the Federal Maritime Commission administers Subtitle IV (Parts A through D) of Title 46, United States Code. Parts A and B of Subtitle IV deal with the regulation of ocean shipping and were formerly known as the Shipping Act of 1984, as amended (the Shipping Act), the Foreign Shipping Practices Act of 1988 (FSPA) and Section 19 of the Merchant Marine Act, 1920. The Commission also administers and enforces Part C of Subtitle IV, formerly sections 2 and 3 of P.L. 89-777, and section 3503(b)(1)(C) of title 46, United States Code. Part C and section 3503 deal with the financial responsibility of cruise line operators to passengers of such vessels. Part D of Subtitle IV addresses the Commission generally, including its organization and authority to prescribe

regulations. Part D also contains provisions or amendments that were in the Shipping Act, the FSPA, the Ocean Shipping Reform Act of 2022 (OSRA 2022) and the Frank LoBiondo Coast Guard Authorization Act of 2018 (LoBiondo Act).

Year in Review

The public and shipping industry continue to turn to the Commission to seek redress from unlawful shipping practices. FY 2025 set a record across the agency with filings and consumer assistance. The FMC received a record 1754 legal filings in FY 2025, a 38.7 percent increase from FY 2024. In addition, the Commission investigated 164 Charge Complaints resulting in refunds or cancellation of charges totaling \$2,893,937.98 during FY 2025. The Commission also provided informal dispute resolution in 372 cases for real-time cargo disputes and passenger cruise complaints, and conducted 39 mediations and preliminary dispute resolution conferences.

Enforcement efforts to investigate and prosecute civil violations of U.S. shipping laws and Commission regulations resulted in the collection of \$1,350,000 in civil penalties. In addition to civil penalties, the Commission's efforts resulted in restitution to impacted shippers where appropriate, and parties implemented corrective actions to prevent future violations and ensure compliance with the Shipping Act. Through the enforcement program, the Commission works to level the playing field for U.S. shippers by prosecuting entities that violate U.S. shipping laws.

The FMC protects competition not just for U.S. shippers, but U.S. flagged vessels as well. In FY 2025, the Commission concluded a proceeding concerning ballast water regulations of the Government of Canada, after Canada agreed to exempt U.S.-flag carriers from the applicability of these regulations. In FY 2025, the Commission initiated three investigations into foreign shipping practices. The first is directed towards allegations that the Government of Spain has discriminated against U.S.-flag carriers by denying entry to its ports, including denying entry to U.S.-flag vessels in the Maritime Security Program. The second is a nonadjudicatory investigation of possible unfavorable shipping conditions caused by transit constraints at certain key maritime chokepoints, including the Panama Canal, Suez Canal, Strait of Gibraltar, and the Straits of Malacca and Singapore. The third is a nonadjudicatory investigation of possible unfavorable shipping conditions created by low-quality flags of convenience in global shipping.

The Commission is responsible for identifying instances where a foreign government's support for a common carrier reaches a threshold for ownership or direct or indirect control. The Commission added one entity to its Controlled Carrier List in Fiscal Year 2025, increasing the total to seven. The Commission monitors the conduct of Controlled Carriers to ensure they do not distort the market by maintaining rates or charges in their tariffs or service contracts that are below a level that is just and reasonable.

Achieving the Commission’s mission depends on effective and well-aligned administrative support across key functional areas, including budgeting, procurement, financial management, human resources, and IT oversight. The Commission continues to prioritize efficient internal coordination and compliance with government-wide directives. FY 2025 was an active time period for all offices and bureaus within the Commission.

Looking forward, as the Commission moves into FY 2026, we will finalize a new Strategic Plan for FY 2026-2030. This Strategic Plan will guide the Commission’s continued commitment to ensure competition and integrity for America’s ocean supply chain.

Ensuring a Competitive Industry through Agreements Review and Monitoring

In support of strategic goal 1, maintaining a competitive and reliable international ocean transportation supply system, the FMC's competition program involves careful analysis of agreements upon filing and ongoing review of actions that are taken under these agreements.

The FMC's statutory authority and regulations require that agreements which allow collaboration among ocean common carriers or marine terminal operators (MTOs), be filed with the Commission. Commission staff analyzes these agreements upon filing for potential anticompetitive effects. For those agreements that are competitively concerning (including all alliances described below), Commission staff monitors activity on an ongoing basis. Conduct inconsistent with the terms of an agreement is illegal and exposes parties to criminal and civil prosecution under existing statutes.

At the end of FY 2025, there were 380 agreements on file with the Commission, comprised of Vessel Operating Common Carrier (VOCC) agreements, MTO agreements, and assessment agreements. The vast majority of agreements on file with the Commission are vessel sharing agreements (VSAs), which allow straightforward space sharing. In FY 2025, the Commission consolidated the competition program, which had been spread across two agency offices, into the Office of the General Counsel. With this realignment, the economists, trade analysts, and lawyers in the program are unified in a single team, enabling improved oversight.

Agreement Review Process

- All agreements are reviewed pursuant to the standard set forth in 46 U.S.C. § 41307(b)(1).
- Agreements become effective 45 days after filing unless the Commission has requested additional information to evaluate the competitive impact of the agreement.
- The Commission has the authority to reject a pending agreement filing if it determines that the filing fails to meet the Shipping Act and Commission regulations requiring filed agreements to be clear and definite, or if the filing is outside of the Commission's jurisdiction.
- The Commission may seek to prevent the operation of an agreement under 46 U.S.C. § 41307(b) where it determines that the agreement could reduce competition to the point of unreasonably impacting the market, or substantially lessen competition in the purchasing of certain covered services as defined in the Frank LoBiondo Coast Guard Authorization Act of 2018 (Pub. L. No. 115-282).
- Effective agreements are subject to Shipping Act restrictions and Commission oversight.

In FY 2025, the Commission received several notable agreement filings. Key Agreement Filings in FY 2025:

CMA CGM/COSCO/ONE/OOCL MED-USEC Vessel Sharing Agreement

In January 2025, CMA CGM, COSCO Shipping, OOCL, and ONE entered into a vessel sharing agreement in the trade between Spain, Italy, France and Canada, on one hand, and the U.S. East Coast on the other hand. Notably, CMA, COSCO, and OOCL are existing members of the Ocean Alliance. The Parties operate six vessels with CMA contributing three vessels, while COSCO, OOCL, and ONE each contribute one. The service operating under the Agreement replaced an existing service that was jointly operated by Hapag-Lloyd, CMA, OOCL and COSCO. The Parties to the Agreement also operate an East Med–U.S. East Coast service in the transatlantic trade. Similar to this agreement is FMC #201440, entered into by Ocean Alliance members and ONE, serving the USEC TAT via Belgium, France, Germany, United Kingdom, and Netherlands. Both of these agreements serve to cover the TAT, as the Ocean Alliance decided to serve only the transpacific.

MSC/Zim Cooperative Working Agreement

In January 2025, MSC Mediterranean Shipping Company S.A. and Zim Integrated Shipping Services Ltd. entered into a cooperative working arrangement to share space and vessels, and cooperate on the provision of service strings in the trade between the Bahamas, China, Colombia, Jamaica, Mexico, Panama, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Vietnam, on the one hand, and the U.S. East and Gulf Coasts, on the other hand. The Parties provide space to each other through a combination of slot exchanges and vessel sharing. MSC was previously partnered with Maersk in the 2M Alliance, which terminated in January 2025. MSC also operates a network of intra-regional and feeder services within the Middle East, South America, and Australia/New Zealand trades. Zim operates two other services between the Asia and the U.S. West Coast and deploys its remaining vessel fleet primarily in the Mediterranean trades. The Commission imposed alliance-level reporting requirements on the Agreement to monitor its activity.

Premier Alliance

In February 2025, Hyundai Merchant Marine Co., Ltd.; Ocean Network Express Pte. Ltd.; and Yang Ming Joint Service Agreement entered into a cooperative working arrangement known as the Premier Alliance. Under this Agreement, the Parties operate a global vessel sharing alliance to charter and share vessel space among themselves and coordinate service on routes linking the United States to Europe, Asia, the Middle East, Central America, and the Caribbean. The Premier Parties were formerly allied with Hapag Lloyd under THE Alliance. When Hapag-Lloyd withdrew from THE Alliance to form the Gemini Alliance along with Maersk, the remaining Parties regrouped and formed the Premier Alliance. The Commission oversees the Premier Alliance's operations and potential impacts on competition in the

relevant geographic and product markets through monitoring requirements that include frequent reports and verifiable data on transportation service and costs provided on U.S. trade routes.

Ocean Common Carriers to Participate on the Exchange Board (NYSHEX)

In May 2025, an Amendment to the Agreement by Ocean Common Carriers to Participate on the Exchange Board (known as the NYSHEX Agreement) went into effect which allowed

What are Alliances? What are Vessel Sharing Agreements?

FMC statutes and regulations contain no definition of Alliances or VSAs. Generally, however, Alliances refer to carriers participating in VSAs that have a global geographic scope.

VSAs are agreements between two or more ocean common carriers to share space on a serviced string or trade lane and include the authority to rationalize capacity. This contrasts with space charter agreements, where carriers provide space for other carriers on a service, but do not contain capacity rationalization authority.

Alliances are large VSAs. Currently, there are three global alliances – Ocean, Gemini, and Premier. Each Alliance filed agreements with the FMC that are available through the Commission’s website. Each agreement is slightly different, but discussion of pricing or other operational considerations is not authorized in an Agreement. If Agreement parties engage in those kinds of unauthorized activities, they would be subject to criminal and civil prosecution.

Agreements are not mergers nor joint ventures. Ocean carriers in these agreements compete with one another based on price and service. The FMC monitors agreements through submitted data, external data on market activities, and through regular conversations with agreement parties.

member ocean common carriers to participate in meetings and discussions about NYSHEX’s expansion of its digital platform services. These services include indices for contract and spot rates which can be used to enter into index-based service contracts. The Amendment authorized the implementation of the new indices phases. The initial phase was described as a test-run that gathered and analyzed the data and gauged the accuracy of the formulas used before making the index publicly available. The Commission imposed monitoring requirements on the Agreement tailored to provide detailed advance notice of every further modification to NYSHEX business model or products and services offered, including each stage of the phased-in implementation of the indices authorized by the Amendment.

Global Alliance Overview

The largest ocean common carriers participate in “alliances” or global VSAs. There are three alliances with agreements on file at the Federal Maritime Commission. Alliance agreements allow coordination of

capacity, but discussion or coordination on rates is categorically prohibited. Alliance agreements are the class of agreement that is most closely and regularly scrutinized by the Commission. Alliances provide extensive information to the Commission including meeting minutes and measures of blank and delayed sailings, capacity, volumes, and revenue. Additionally, Commission staff responsible for marketplace competition issues hold meetings with each of the alliances semi-annually.

The largest alliance, measured by market share in the U.S.'s major east-west trades, is the Ocean Alliance, consisting of CMA CGM and its APL subsidiary, COSCO, OOCL, and Evergreen. The 2M alliance dissolved in early 2025, replaced by the Gemini alliance, whose members are Maersk and Hapag-Lloyd. THEA alliance dissolved as well, and was replaced by the Premier alliance, whose members include YML, HMM, and ONE. In addition to the three alliances, the Commission decided to monitor two additional agreements with an alliance-level monitoring program: MSC/ZIM #201436 and NE-USEC VSA #201440. Although not global in scope like the alliances, these two agreements capture critical components of the shipping industry not captured by the alliances. Establishing equivalent monitoring requirements for MSC/ZIM allows the Commission to recapture oversight of MSC, once lost by the break-up of 2M. Additionally, the inclusion of ZIM means that the top ten carriers are now captured by FMC's monitoring program. As for agreement #201440, collecting their data allows the FMC to maintain oversight of the transatlantic trade, once lost due to the Ocean alliance's decision to stop serving the transatlantic. Since these agreements were newly monitored sometime during 2025, the full calendar year is not available for assessment. As such, the below analysis will continue to look at only the alliances.

In FY 2025, the Commission continued its regular, ongoing engagement at both the Commissioner and staff levels with competition authorities in the U.K. and E.U. to address the state of the industry and potential marketplace changes due to macroeconomic shifts.

The FMC's monitoring program is unlike any other. Competition authorities in the European Union, the People's Republic of China, and in various other nations do not have access to the same detailed, business confidential information that the FMC collects from alliance carriers. The Commission regularly evaluates the information it collects to carefully monitor activities under agreements and monitoring requirements are adjusted as needed. Monitoring requirements for alliance carriers were most recently revised in spring 2022. As the ocean transportation market in the major trade lanes shifts from supply scarcity to supply excess, the FMC's focus will be on ensuring that alliance carriers do not restrict capacity to artificially increase rates. The 2022 changes to monitoring requirements properly position the Commission to rapidly track changes in capacity and act quickly if circumstances warrant intervention.

In terms of reliability within the alliances, blanks were trending downwards throughout 2024 and into 2025: H1 2024 saw 1.5 million Twenty Foot Equivalent Units (TEUs) blanked,

followed by 1.27 million in H2 2024. The first half of 2025 saw an uptick in blank sailings, to a high of 1.55 million TEUs. The higher portion of blanks in H1 is typically due to structural issues, in particular Chinese New Year. However, blanks featured more in both halves of 2025 than in 2024. This is largely due to two changes in the market: US tariffs and overcapacity. In the face of resulting market uncertainties, some services were outright canceled, such as Premier's PN4 services in H1 2025. In 2024, the Ocean Alliance was responsible for 55% of blanks across all three alliances; in 2025, that percentage increased to 77%. The share of blanks by Premier and Gemini both decreased relative to their predecessors of THEA and 2M, respectively. In contrast to the Ocean Alliance's significant increase in blank sailings, there was an equally significant decrease in Gemini's (compared to 2M). In total for 2025, they submitted four blank sailing notices, in comparison to Ocean Alliance's nearly 100.

What may explain this gap is the fact that Gemini's utilization rates are generally lower than Ocean's, indicating a lower threshold for blanking on Gemini's part. Average utilization rate for 2025 was 101% for Ocean, 95% for Premier, and 88% for Gemini. Ocean Alliance's lowest utilization rate for the year was 97% while Gemini's lowest was 84%. Premier's lowest rate was 94%. Reflecting these utilization rates is the alliance's tolerance for service reliability. Ocean Alliance's internal schedule reliability rating reached 38% - a new low. Meanwhile, Gemini's schedule reliability has hovered around 90% - the stated goal of the alliance.

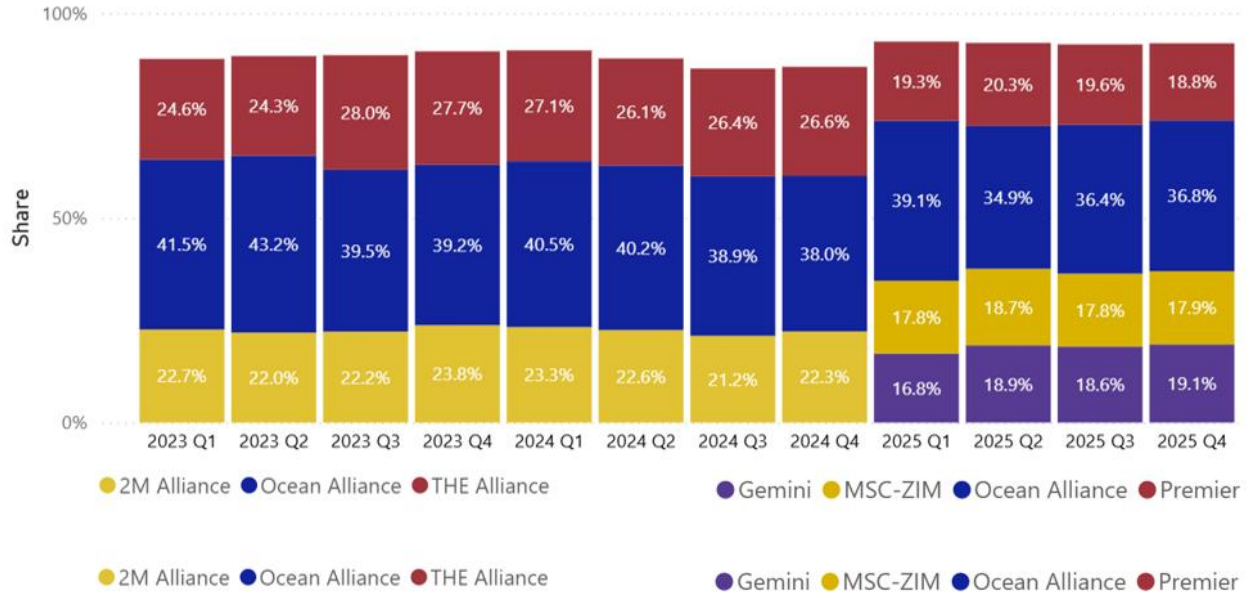
Market Shares of Carriers in the Major East-West Trades

The Commission uses PIERS¹ data to calculate carrier market share within the global alliances. The shares in each chart below are computed based on the total TEUs transported in the major east-west trade lanes by the carriers and reflect the totals by alliance services, other shared services under VSAs, and independent services provided by the carriers. In other words, each key grouping (e.g., Ocean Alliance) is a summation of the individual carriers' east-west trade volumes that make up the grouping. It is a reflection of the top ten global carriers, bundled by major VSA.

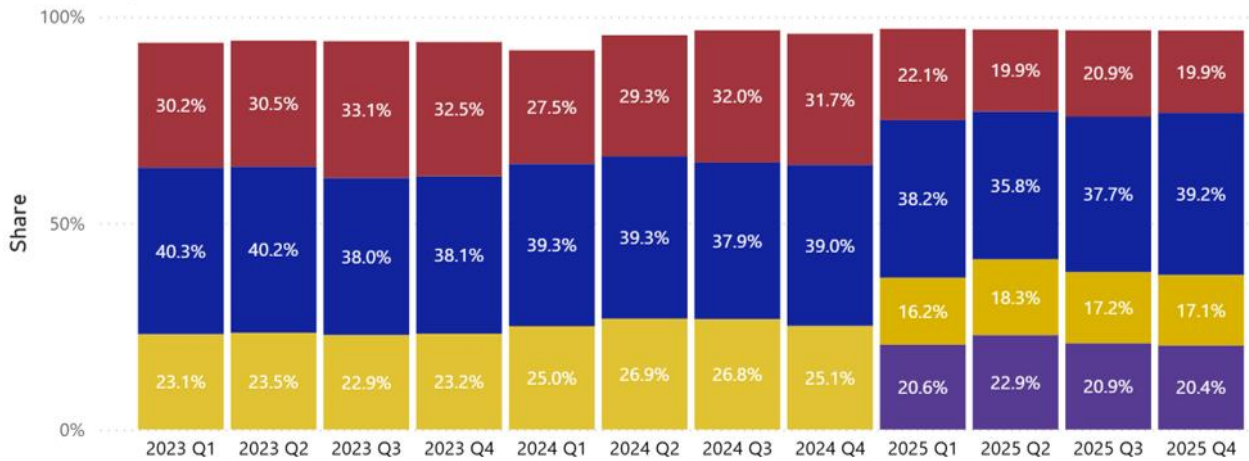
¹ Port Import/Export Reporting Services (PIERS) provides comprehensive trade data which contains detailed information on import and export transactions, based on bills of lading filed with U.S. Customs and Border Protection.

Transpacific Alliance Market Shares by Year & Quarter, 2023-2025

Imports

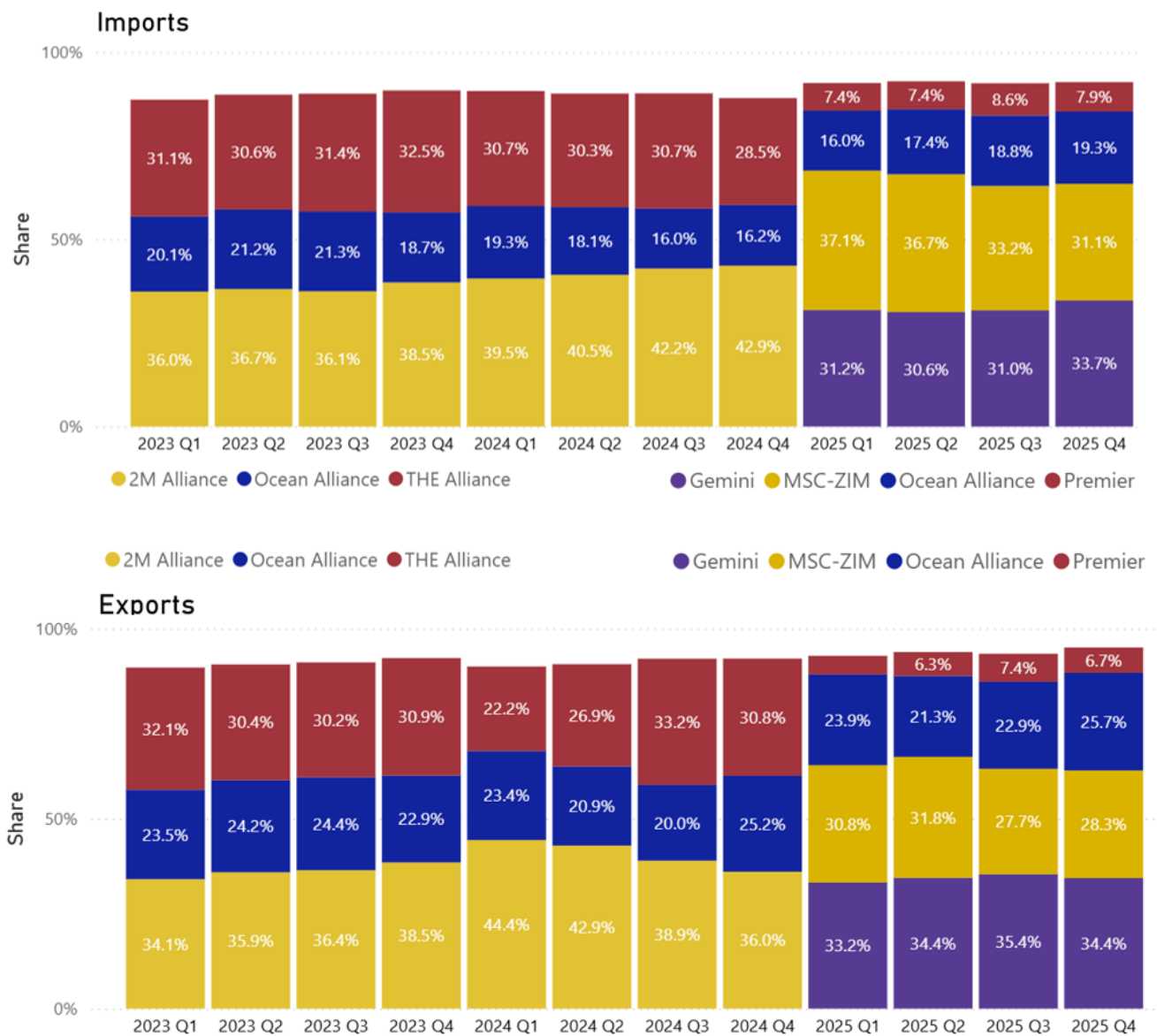


Exports



As shown in the Transpacific² Alliance Market Shares chart, carriers in the three global alliances plus MSC/ZIM³ held a combined market share of 93% of imports and 97% of exports in the transpacific trade of 2025 – in 2023 & 2024 this hovered at 89% and 95% respectively. While the Ocean Alliance carriers’ share of the import trade sat in the 38-43% range in 2023 & 2024, they declined in 2025 to between 35-39%. Still, the carriers in the Ocean Alliance dominate the transpacific trade for both imports and exports. The other three alliances hover in the 17-20% market share range for imports and have a slightly broader share in transpacific exports, between 16-23%.

Transatlantic Alliance Market Shares by Year & Quarter, 2023-2025



³ For these market share charts, MSC/ZIM refers to the individual lines, not the VSA agreement #201436. This is the case for the alliances as well. Together, these carriers make up the top ten carriers in TEUs traded.

In the transatlantic⁴ trades, the alliance carriers collectively accounted for 92% of imports and 94% of exports in 2025 – previously 89% and 90% in 2024 respectively. On the import side in 2025, MSC-ZIM moved 35% of all boxes in this trade, with Gemini in a close second at 32%. Premier had the smallest share in 2025, at around 8%. Ocean Alliance’s transatlantic imports declined throughout 2023 & 2024, but found stability in the range of 16-19% in 2025. Transatlantic exports favored the Gemini carriers in 2025, with MSC-ZIM in a close second. The Ocean Alliance carriers remained consistent in 2023 through 2025, having a larger market share of transatlantic exports compared to imports.

⁴ The Transatlantic trade lane encompasses cargo to/from countries in the EU & Mediterranean region.

Investigations and Enforcement

The Commission's investigatory and enforcement programs protect the public by identifying, deterring, and stopping unlawful activities by regulated entities.

Enforcement Priorities Produce Results

The Commission's enforcement program focuses on investigating and prosecuting civil violations of the U.S. shipping laws and Commission regulations.

The Commission's Bureau of Enforcement, Investigations, and Compliance (BEIC) enhances the effectiveness of its enforcement activities and capabilities by developing investigative leads and pursuing cases involving misconduct that most harm the shipping public. Cases brought forward are based on impact, whether in scope of unlawful activities and/or the gravity of the underlying violation.

In FY 2025, the Commission's investigative and enforcement priorities focused on unlawful common carrier and marine terminal operator practices that negatively impacted significant portions of the maritime industry or appeared to cause market distortion. Enforcement priorities include, but are not limited to:

- Failing to establish, observe, and enforce just and reasonable regulations and practices relating to or connected with receiving, handling, storing, or delivering property that potentially violate 46 U.S.C. § 41102(c). This includes unlawful demurrage and detention practices and improper use of merchant clauses to impose liability on non-contract parties;
- Unreasonable refusals to deal or negotiate that potentially violate 46 U.S.C. § 41104(a)(10);
- Unreasonable refusals of cargo space accommodations or other unfair or unjustly discriminatory conduct that potentially violates 46 U.S.C. § 41104(a)(3);
- Retaliation that potentially violates 46 U.S.C. § 41102(d); and
- Tariff and service contract activities that potentially violate 46 U.S.C. § 41104.

In FY 2025, BEIC investigated potential violations and collected \$1,350,000 in civil penalties from two entities, a vessel-operating common carrier (VOCC) and a non-vessel-operating common carrier (NVOCC). The parties compromised and agreed to the payment of civil penalties but did not admit to violations of the Shipping Act or Commission regulations. Penalties collected by the Commission are paid in their entirety into the General Fund of the U.S. Treasury.

The Commission continues to deploy methods to effectively gather investigative information. In FY 2025, the Commission initiated nonadjudicatory investigations to compel information that will assist the Commission's enforcement efforts. Through use of nonadjudicatory investigation authorities in the enforcement context, the Commission can

compel communications and documents necessary to allow BEIC to fully investigate and more quickly prosecute Shipping Act violations that negatively impact the ocean transportation system and demonstrate party intent that are not typically included in traditional shipping documents alone.

In FY 2025, the Commission centralized its investigative workforce by reassigning remote investigators to its Washington, D.C. headquarters. This action aligned with government-wide directives to return to in-person work, strengthened integration of investigative functions with the Commission's enforcement strategy, and enhanced collaboration among enforcement staff. DC-based attorneys also returned to the office full-time.

In January 2025 BEIC added a Deputy Director. The incumbent has a unique mix of civil, criminal, and administrative litigation experience as well as management experience in the public sector.

In FY 2025, BEIC completed a formal proceeding in Docket No. 23-08 relating to the Mediterranean Shipping Company (MSC) alleging violations of 46 U.S.C. §§ 41102(c), 40501, and 41104(a)(2)(A). The Administrative Law Judge found that MSC committed those violations and assessed a penalty of \$16,025,000.00.

In FY 2025, BEIC's Office of Compliance: (a) reviewed 139 licensing compliance cases to determine if a warning letter should be issued; (b) issued 107 warning letters that resulted in 7 entities becoming licensed or registered with the Commission; (c) conducted 33 extensive calls to educate licensed, registered, and unlicensed/unregistered entities on FMC policies and procedures; and (d) referred 62 cases to BEIC's Office of Investigations to request an Investigation.

Charge Complaints

Section 10 of OSRA 2022 established a new way for shippers to submit complaints to the Commission regarding charges assessed by common carriers and to receive a refund or waiver for non-compliant charges. See 46 U.S.C. § 41310. The Commission completed its third full year of administering this authority using the interim procedure developed after the law's passage.

During FY 2025, the FMC received 296 charge complaints. Of that total, 164 were appropriate for the charge complaint process and were investigated. The total amount refunded or cancelled during FY 2025 was \$2,893,937.98. In the three years since the enactment of OSRA 2022, more than \$6.1 million in fees have been voluntarily waived or refunded under the new charge complaint process. While most charge complaints were voluntarily resolved during the investigation phase, the FMC's process also provides for fast resolution of non-compliant charges disputed by the parties through a proceeding before the Commission where the carrier is ordered to demonstrate the lawfulness of a charge. This temporary process has provided valuable insights, which the Commission will incorporate

into a forthcoming rulemaking to establish a permanent Charge Complaint procedure. A rulemaking regarding the Charge Complaint process which reflects the Commission's commitment to transparency, due process, and regulatory certainty for industry stakeholders, will begin in FY 2026 and will continue into FY 2027.

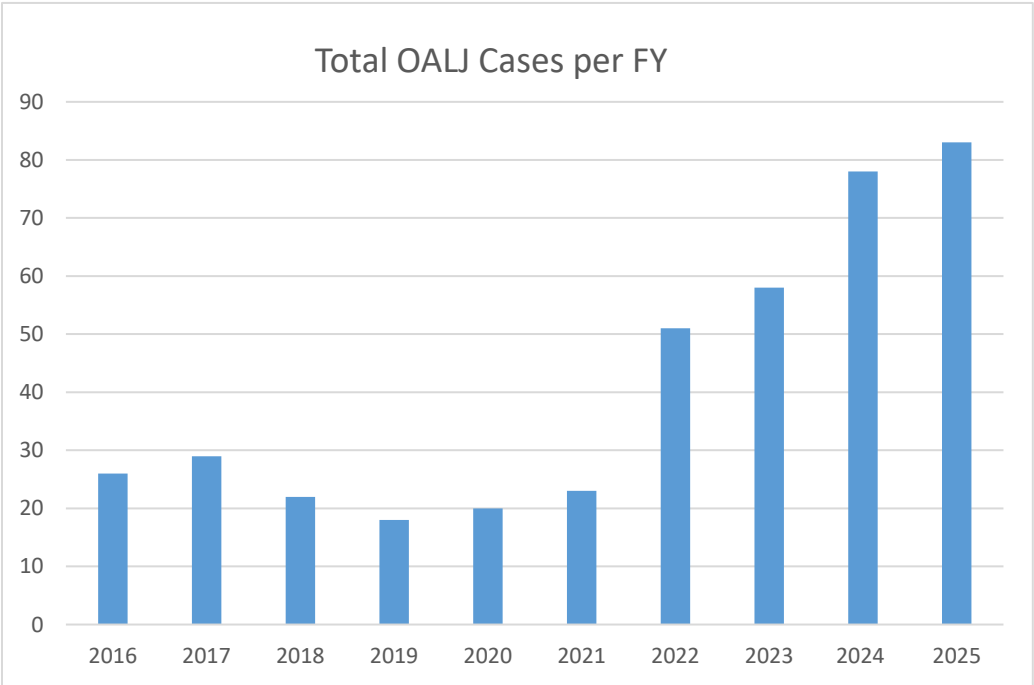
Formal Investigations, Private Complaints, and Litigation before the Commission

The FMC provides a venue for legal proceedings for alleged violations of the statutes it administers. In addition to increased enforcement actions by BEIC, more private parties are seeking binding decisions before the Commission.

In FY 2025, the Office of the Secretary (OS) processed 1,754 filings. In comparison, the total number of filings in FY 2024 was 1,265, and in FY 2023 filings totaled 918. OS processes all filings at the Commission. Once a complaint is received and processed by OS, the Office of the Administrative Law Judges (OALJ) adjudicates the claim in a timely manner. The goal is to issue Initial Decisions in formal proceedings within 24 months of filing; and informal small claims Initial Decisions within 12 months of filing. Due process may require additional time to issue Initial Decisions, particularly in complex cases.

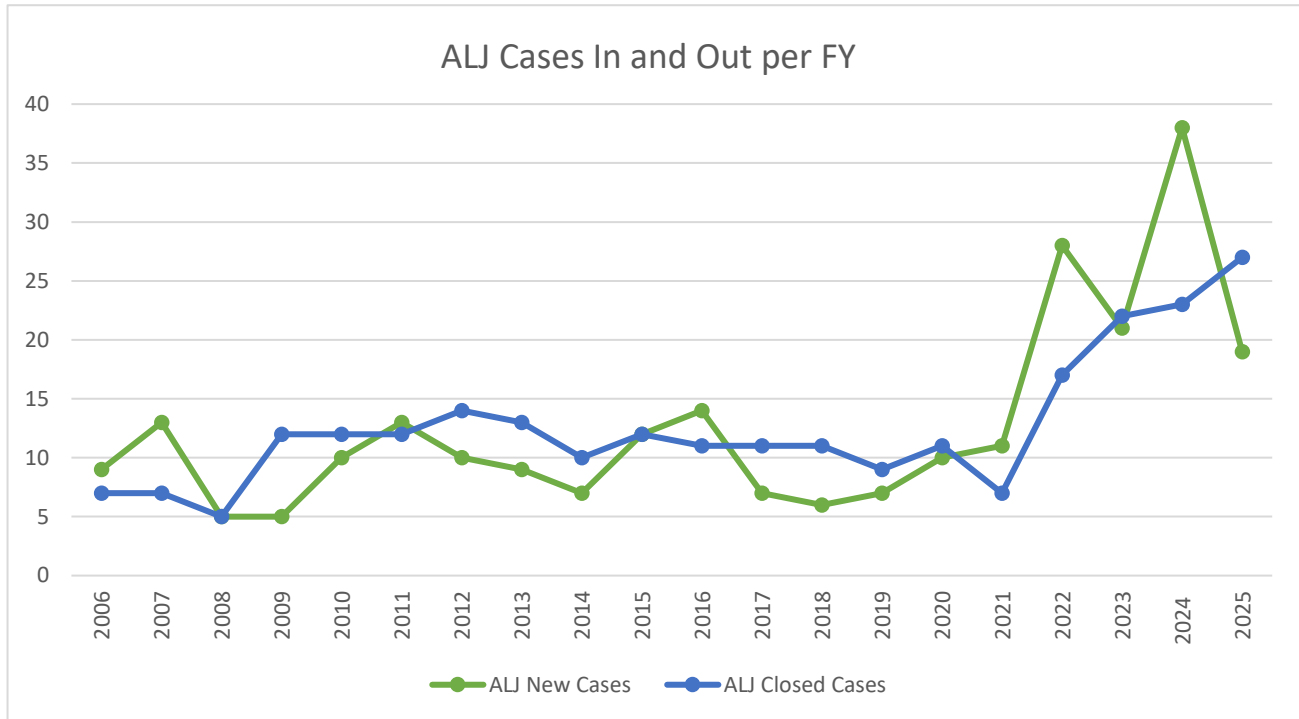
The number of legal proceedings initiated at the FMC increased dramatically starting in FY 2022 and has continued to grow. In particular, filing of small claims cases increased significantly in FY 2025. OALJ met this challenge by increasing its productivity, with FY 2025 having the highest number of cases decided in over two decades.

In FY 2025, OALJ handled a total of 83 cases. This is more than the number of cases that OALJ handled in FYs 2018-2021 combined. OALJ started with 39 pending cases, received 44 new cases, issued over 291 orders, held 13 pre-hearing conferences, and closed 44 cases. This was the highest number of both formal and informal cases closed, preventing a backlog from growing.



Administrative Law Judge Formal Proceedings

In FY 2025, OALJ received 25 new formal cases. The cases received by OALJ were particularly complex. In some instances, a single filed case reflected what would have been filed as multiple cases in prior years. This increased workload can be seen in the ten percent increase in orders issued by the Commission ALJs, with a record 291 orders issued last year.



At the end of FY 2024, 34 formal proceedings were pending before the OALJ: 20-14, 22-23, 22-30, 23-01, 23-02, 23-03, 23-04, 23-08, 23-10, 23-12, 23-13, 24-01, 24-04, 24-07, 24-08, 24-09, 24-10, 24-12, 24-13, 24-14, 24-16, 24-17, 24-18, 24-19, 24-20, 24-21, 24-22, 24-23, 24-24, 24-26, 1995(F), 1999(F), 2010(F), and 2013(F).

In FY 2025, OALJ received a total of 19 new formal proceedings, including 1 subpart T proceeding: 2034(F), and 18 private party complaints: 24-28, 25-01, 25-02, 25-03, 25-04, 25-05, 25-07, 25-08, 25-09, 25-11, 25-12, 25-13, 25-14, 25-15, 25-16, 25-24, 25-25, and 25-26.

In FY 2025, OALJ issued dispositive decisions closing a record total of 27 formal proceedings, including:

- 1 attorney fee petition: 24-04
- 1 remand: 20-14
- 1 enforcement proceeding: 23-08
- 4 subpart T proceedings: 2013(F), 1999(F), 2010(F), and 1995(F)

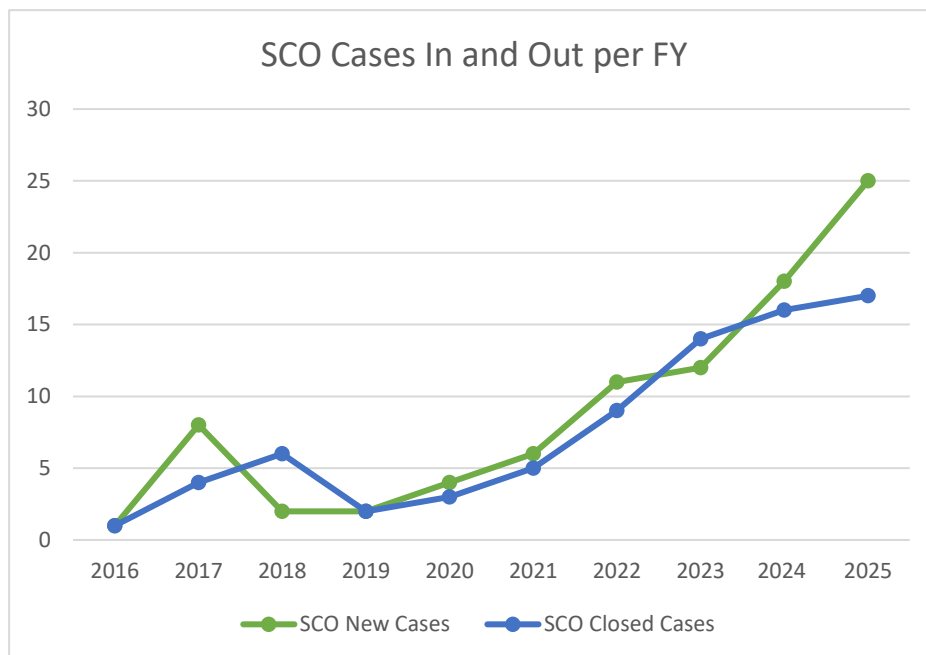
- 20 private party proceedings: 22-23, 22-30, 23-01, 23-03, 23-04, 23-12, 23-13, 24-01, 24-07, 24-08, 24-09, 24-10, 24-13, 24-14, 24-18, 24-20, 24-22, 24-26, 24-28, and 25-05.

OALJ continued to prioritize older cases on a first-in, first-out approach designed to avoid a backlog. Even with this focus on resolving our oldest and most complex cases, OALJ closed more formal cases than it has in any year since 2006, the first year for which we have records.

At the end of FY 2025, 26 formal proceedings were pending before the OALJ: 23-02, 23-10, 24-12, 24-16, 24-17, 24-19, 24-21, 24-23, 24-24, 25-01, 25-02, 25-03, 25-04, 25-07, 25-08, 25-09, 25-11, 25-12, 25-13, 25-14, 25-15, 25-16, 25-24, 25-25, 25-26, and 2034(F).

Small Claims Officer Informal Cases

In FY 2022, new small claims or informal cases doubled from historical averages and the number of new small claims cases has continued to rise each year. In FY 2025, OALJ received 25 small claims cases, more than received in the six years prior to 2022. We only had one Small Claims Officer (SCO) handling all of these cases.



In FY 2025, OALJ handled 30 small claims proceedings. At the end of FY 2024, five small claims cases were pending before the OALJ: 2007(I), 2008(I), 2009(I), 2011(I), and 2015(I). In FY 2025, OALJ received a total of 25 informal (small claims) cases: 2016(I), 2017(I), 2018(I), 2019(I), 2020(I), 2021(I), 2022(I), 2023(I), 2024(I), 2025(I), 2026(I), 2027(I), 2028(I), 2029(I), 2030(I), 2031(I), 2032(I), 2033(I), 2034(I), 2035(I), 2036(I), 2037(I), 2038(I), 2039(I), and 2040(I).

In FY 2025, the SCO closed a record 17 cases. One informal case (2034(I)) became a formal proceeding under Subpart T and the Small Claims Officer issued dispositive decisions closing a record sixteen informal proceedings: 2007(I), 2008(I), 2009(I), 2011(I), 2015(I), 2016(I), 2017(I), 2019(I), 2020(I), 2021(I), 2022(I), 2023(I), 2024(I), 2025(I), 2026(I), and 2032(I).

At the end of FY 2025, fourteen small claims cases were pending before the OALJ: 2018(I), 2027(I), 2027(I), 2028(I), 2029(I), 2030(I), 2031(I), 2033(I), 2035(I), 2036(I), 2037(I), 2038(I), 2039(I), and 2040(I). OALJ has obtained additional resources to assist with the pending small claims proceedings in FY 2026.

Rulemakings and Policy Statements

Inflation Adjustment of Civil Monetary Penalties [RIN 3072-AD03 / Docket No. FMC-2024-0024]

On January 14, 2025, the Commission published a final rule to adjust for inflation the civil monetary penalties assessed or enforced by the Commission, pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Pub. L. 114-74, section 701). The Act requires that agencies adjust and publish their civil penalties by January 15 of each year.

Policy Statement: Class Action Complaints [Docket No. FMC-2024-0025]

On January 7, 2025, the Commission issued an advisory regarding the availability of a new policy statement. The policy statement explained that private parties may file class action complaints with the Commission.

Recent Commission Litigation

Evergreen Shipping Agency (America) Corp. v. Federal Maritime Commission and United States of America (D.C. Cir. No. 25-1104).

In a prior case, the U.S. Court of Appeals for the District of Columbia Circuit vacated and remanded the decision in FMC Docket No. 1966(I), *TCW, Inc. v. Evergreen Shipping Agency (AM.) Corp. & Evergreen Line Joint Service Agreement*, finding that the Commission had not adequately explained its decision, see 106 F.4th 1113 (D.C. Cir. 2024). On remand, the Commission reconsidered the matter and again upheld the Small Claims Officer's decision, determining that the charging of per diem when a port was closed for a weekend and equipment could not be returned was unjust and unreasonable in the particular circumstances of the case. In April 2025, the respondents filed this petition for review of the agency's new decision. The case remains pending before the court.

World Shipping Council v. Federal Maritime Commission and United States of America (D.C. Cir. No. 24-1088).

The World Shipping Council, a trade association representing the 20 largest vessel-operating common carriers, filed a petition for review with the U.S. Court of Appeals for the District of Columbia Circuit in April 2024. WSC's petition requested that the court overturn one part of the Commission's final rule on *Demurrage and Detention Billing Requirements*, specifically a provision defining which parties could be properly invoiced for such charges, arguing that the rule unlawfully barred the billing of motor carriers. In September 2025, the court determined that the agency had not adequately explained that part of the rule, vacating the challenged portion and remanding the matter to the agency. See 152 F.4th 215 (D.C. Cir. 2025).

MSC Mediterranean Shipping Company S.A. v. Federal Maritime Commission and United States of America (D.C. Cir. Nos. 24-1007, 24-1262).

MSC Mediterranean Shipping Company (MSC), a vessel-operating common carrier, filed a petition for review with the U.S. Court of Appeals for the District of Columbia Circuit in January 2024. The petition requested that the court overturn the Commission's decision in FMC Docket No. 21-05, *MCS Industries, Inc. v. COSCO Shipping Lines Co., Ltd. and MSC*. In its decision, the Commission had awarded a default judgment and reparations against MSC due to its failure to comply with FMC discovery orders. In June 2025, the court upheld the Commission's decision. See 141 F.4th 222 (D.C. Cir. 2025).

World Shipping Council v. Federal Maritime Commission and United States of America (D.C. Cir. No. 24-1298).

The World Shipping Council filed a petition for review with U.S. Court of Appeals for the District of Columbia Circuit in September 2024. WSC's petition requests that the court

overturn several portions of the Commission’s final rule on *Definition of Unreasonable Refusal to Deal or Negotiate with Respect to Vessel Space Accommodations Provided by an Ocean Common Carrier*. The case remains pending before the court.

Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft A/S & Co. KG, et al. v. Federal Maritime Commission and United States of America (D.C. Cir. Nos. 25-1156, 1179).

Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft A/S & Co. KG (HSDG), an ocean carrier, and related entities filed a petition for review with the U.S. Court of Appeals for the District of Columbia Circuit in July 2025. The petition requests that the court overturn Commission orders in FMC Docket No. 21-11, *OJ Commerce, LLC v. HSDG, et al.* In that matter, the Commission determined that respondents had unlawfully retaliated against and refused to deal with a shipper, and the agency awarded reparations. The case remains pending before the court.

Protecting the Public and Consumer Assistance

Rulemakings

The Commission continued setting clear rules of conduct for ocean carriers, marine terminal operators, and other regulated entities. Key rulemakings completed in FY 2023 and FY 2024 included: (1) the Final Rule on Demurrage and Detention Billing Requirements; (2) the Final Rule on the Definition of Unreasonable Refusal To Deal or Negotiate With Respect to Vessel Space Accommodations Provided by an Ocean Common Carrier; and (3) the Final Rule on Civil Penalty Amendments to Rules of Practice and Procedure. Work to complete additional rulemakings required under OSRA 2022 continued throughout FY 2025.

Reports and Data Gathering

Section 9 of OSRA 2022 mandated a new data collection by the FMC to address concerns about the lack of timely and accurate data regarding laden and empty containers carried in U.S. international oceanborne trade. Starting in the third quarter of FY 2024, the 30 largest vessel-operating common carriers (VOCCs) began reporting import and export tonnage and volumes, as well as empty container movements to the Commission. The reporting continued throughout FY 2025 and is ongoing. The information reported by these VOCCs accounts for more than 98 percent of all international oceanborne container movements to and from the United States. The data is published on the Commission's website and provides valuable insights into shipping trends, support policy decisions, and enhance transparency in the industry.

FMC Compliance Program

The FMC Compliance Program provides a forum for focused conversations between senior Commission staff and representatives from ocean common carriers, port authorities, and marine terminal operators. The agendas for regular meetings are driven by topical issues affecting shippers or the supply chain. Past matters have included congestion and movement of empty containers, fees and billing practices, export strategies, the Francis Scott Key Bridge collision, Panama Canal drought disruptions, and the Red Sea crisis. Under this program, the Commission has tracked trends, policies, and procedures related to detention and demurrage billing and identified best practices for carriers related to communicating their practices to the shipping public. The program strengthens the work of the Commission and its ability to monitor maritime conditions and issues.

Tariffs and Service Contracts

Beyond the FMC Compliance Program, Commission program offices have continued to expand their efforts to address identified gaps in regulatory compliance by regulated entities. These gaps resulted from changes to the industry over time, the increase in non-vessel-operating common carriers (NVOCC) in the marketplace, and the lingering

aftereffects of the pandemic. Through their efforts in FY 2025, Commission program offices successfully achieved increased industry compliance with regulations addressing Carrier Automated Tariffs (Part 520), Marine Terminal Operator Schedules (Part 525), Service Contracts (Part 530), NVOCC Service Arrangements (Part 531), and NVOCC Negotiated Rate Arrangements (Part 532).

The Commission's Bureau of Trade Analysis (BTA) compliance activities direct resources to opportunities for the greatest impact, leveraging automation and advanced risk management techniques. By integrating data tools and automating core oversight functions, we are improving our ability to identify noncompliant behavior earlier and more efficiently. These enhancements enable proactive monitoring of service contract filings, verification that ocean common carriers are properly vetting NVOCCs, and confirmation that carriers and their tariff publishers maintain accurate, current tariffs. This also includes increased outreach to the industry through industry alerts and communication with designated compliance officers to ensure that service contracts are timely filed, that ocean common carriers vet NVOCCs for compliance with FMC regulations when entering into service contracts, and that all common carriers maintain proper tariffs.

In FY 2025, the shipping market continued to stabilize, with 384,811 original service contracts filed—approximately 2,000 fewer than the prior year—and 996,803 contract amendments, an increase of 148,000. This shift suggests that shippers relied more heavily on amending existing contracts and redirected some volume to the spot market, contributing to a reduction in new original contract filings. The number of NVOCCs offering service in the United States has continued to increase since 2020. At the end of FY 2025, there were approximately 9,000 NVOCCs with tariff locations published on the Commission's website (FMC.gov). Continuing in FY 2025, BTA worked with the Bureau of Certification and Licensing to target entities that fell out of compliance with either tariff postings or financial requirements. A list of noncompliant NVOCCs is posted to the website and updated weekly. BTA has referred nine NVOCCs that have not complied with tariff publication requirements to BCL for further review and potential revocation of their licenses or registrations.

Licensing and Financial Responsibility for Ocean Transportation Intermediaries and Passenger Vessel Operators

The Commission's regulatory scope includes Parts 515 (Licensing, Registration, Financial Responsibility Requirements, and General Duties for Ocean Transportation Intermediaries) and 540 (Passenger Vessel Financial Responsibility). There are over 9,600 ocean transportation intermediaries regulated by the Commission, including approximately 5,100 licensed entities based in the United States. More than 4,400 foreign-based NVOCCs are registered with the Commission. More than 600 new and amended OTI applications were received during the fiscal year, and approximately 1,780 OTI licenses were renewed, with

most renewals being reviewed and processed within 48 hours of submission. To receive an OTI license, applicants must employ a Qualifying Individual with the necessary character and a minimum of three years of shipping experience in the United States. Additionally, OTI applicants must demonstrate financial responsibility by means of a bond, insurance, or other financial instrument available to pay claims for damages or civil penalties. Under the Commission's triennial renewal program, OTIs review and update their information on file with the Commission. In FY 2025, the agency took approximately 235 actions to revoke or terminate licenses for OTIs no longer maintaining financial responsibility.

In addition, the Commission administers a requirement pertaining to passenger vessel operators (PVOs) that arrange, offer, advertise, and provide passage on a vessel; have berths or stateroom accommodations for 50 or more passengers; and embark passengers from a U.S. port. These PVOs are required to establish financial responsibility with the Commission for the indemnification of passengers for nonperformance of transportation and to meet liability incurred for death or injury to passengers or other persons on voyages. There are 48 PVOs and 303 cruise vessels currently enrolled in the program, with aggregate evidence of financial responsibility coverage of over \$826 million for non-performance and \$748 million for casualty. In reference to the non-performance of transportation, two PVOs with financial instruments totaling \$39 million ceased operations. The surety provider-initiated reimbursements for the non-performance of transportation.

Current rules and regulations of the PVO program mandate that passengers be compensated within 180 days of all fees, including ancillary fees, paid to the PVO.

The rules and regulations, amended in 2022, have increased the scope and complexity of cases involving PVO non-performance. The Commission has expanded resources for this program to support systems development, conduct ongoing monitoring and compliance work, and perform outreach. Additionally, the Commission has dedicated resources to facilitate communication between bankrupt PVOs, their financial providers, and passengers to ensure adequate and timely refunds to passengers. BCL continues to strengthen processes for monitoring and maintaining compliance to protect cruise passengers from non-performance of cruise lines.

Consumer Assistance

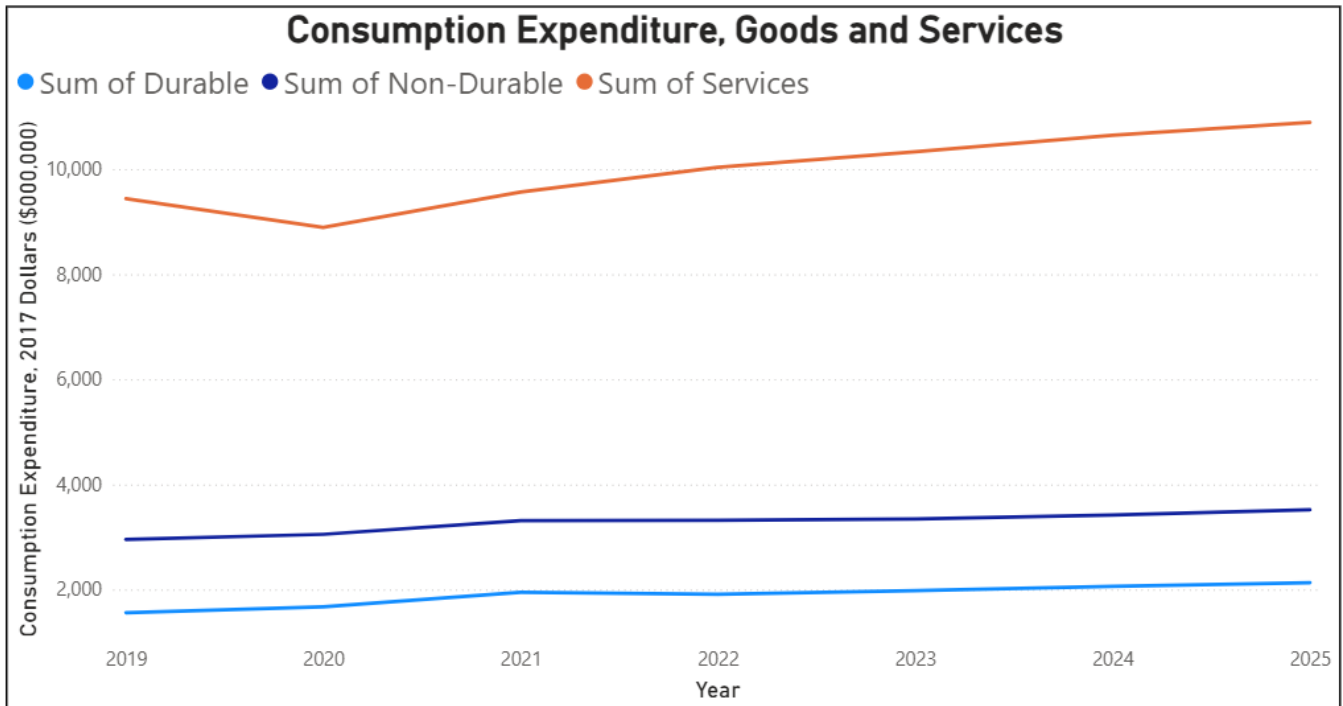
The Office of Consumer Affairs and Dispute Resolution Services (CADRS) helps private parties informally resolve disputes related to cargo and cruise voyage matters without the costs, risks, and delays associated with pursuing formal legal actions. CADRS also offers mediation services for formal proceedings that have been filed at the Commission. All assistance is provided without charge and all communications are confidential.

In FY 2025, the number of informal disputes handled by CADRS continued to grow, and this trend is expected to persist in FY 2026. In FY 2025, CADRS staff facilitated 372 informal

disputes, an increase from 272 cases in FY 2024. Through this work, the CADRS team has successfully helped recover approximately \$1.7 million for cruise passengers, shippers, and other supply chain participants. CADRS staff also conducted 39 mediations and preliminary conferences, resulting in settlements totaling approximately \$11.4 million. CADRS staff will continue to provide informational assistance and education to regulated entities when potential compliance issues arise. These efforts help promote voluntary compliance and reduce the likelihood of future disputes.

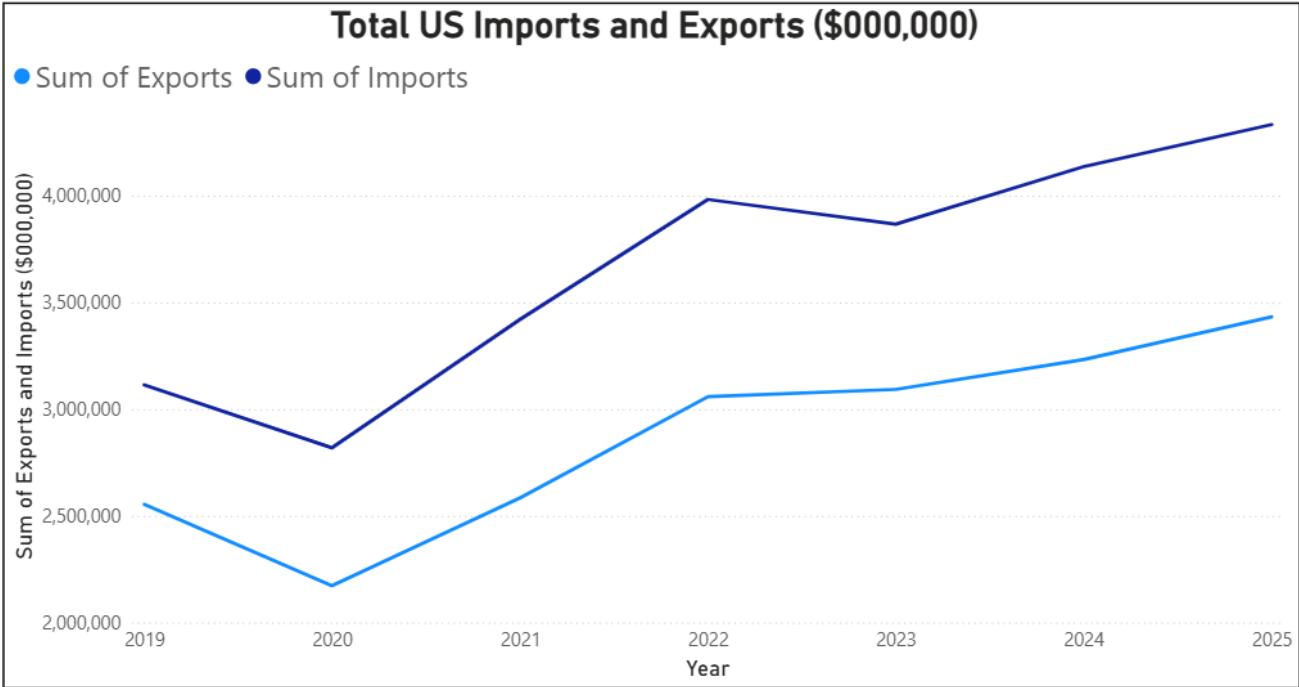
Developments in Major U.S. Foreign Trades

The shift in consumer demand from services to goods at the outset of the COVID-19 pandemic is well documented. While consumer spending on both durables and nondurables was relatively flat in real terms since 2021, consumer spending remains above pre-pandemic levels, for both durable and nondurable goods. The US trend of increased focus on services continues through 2025.



Source: Federal Reserve Bank of St. Louis

After decreasing through much of 2022, imports steadily rose each year thereafter. Growth continued in 2025 due to front-loading imports in response to changes in trade policy, and consumer demand staying strong. On the export side, the value of real exports has slowly but steadily risen since early 2023.



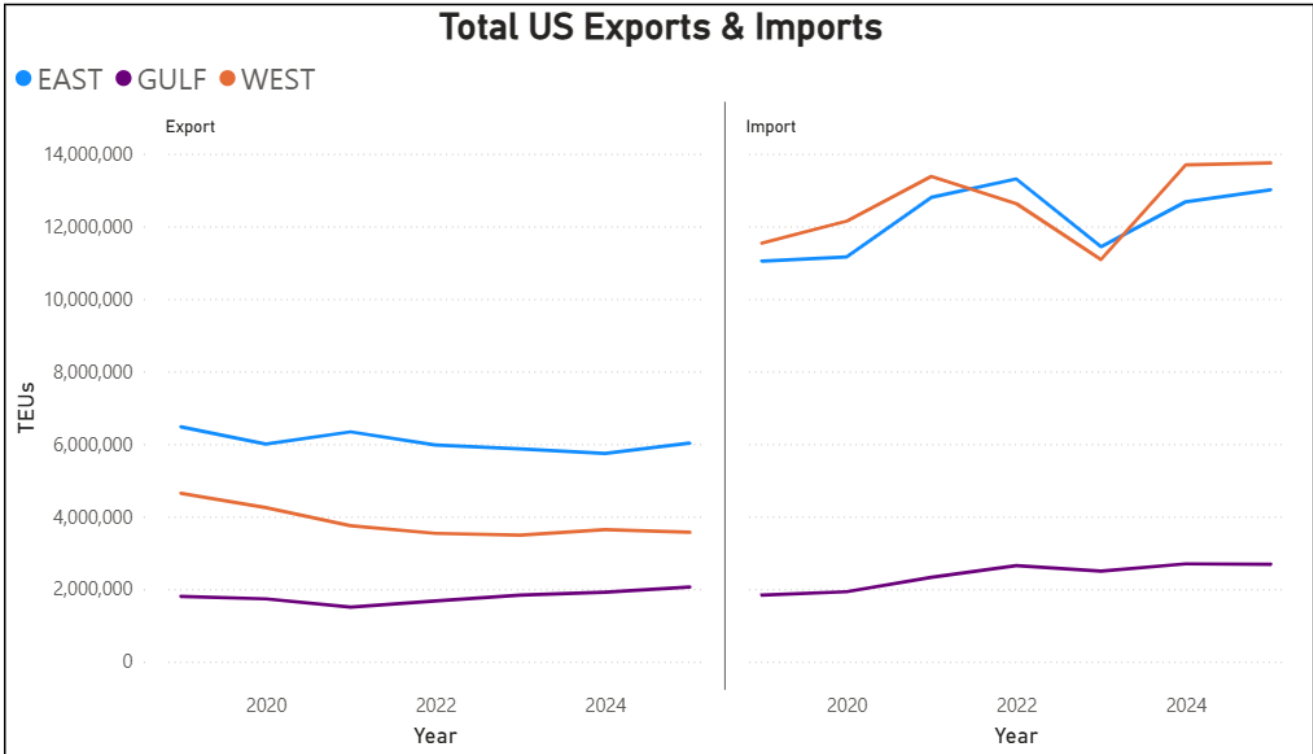
Source: US Census Bureau

Containerized U.S. Imports and Exports

Containerized shipping spot rates experienced significant declines in 2025, driven by continued geopolitical disruptions in the Red Sea, Suez Canal, and changes in trade policy. These factors led to front-loading and general trade uncertainties. In addition, overcapacity in the transatlantic trade contributed to further rate erosion. Overall, global spot rates decreased 31% year-over-year between December 2024 and December 2025.

According to Drewry’s Container Freight Rate Insight, spot rates on the Shanghai-to-New York route started FY 2025 at \$6,000 per forty-foot equivalent unit (FEU) in October 2024, peaked at \$7,300 in June 2025, and declined to \$3,460 by October 2025. Rates from Shanghai-to-Los Angeles were \$5,300 per FEU in October 2024, decreased to \$5,000 in June 2025, and fell to \$2,450 by October 2025.

The transatlantic trade experienced a precipitous decline in rates since Q4 of 2024, continuing the trend into Q4 of 2025. In that period, Rotterdam-to-New York rates began at \$2,083 per FEU, decreasing to \$1,990 in June, with continued declines by October, decreasing to \$1,884. These rate drops are a result of lowered transatlantic trade demand and overcapacity.



Source: Piers

Turning to container volumes (in TEUs) by coast, import volumes through the East and West Coast ports showed modest gains for 2025. West Coast imports were relatively flat while the East Coast saw a notable increase in TEUs. Despite this growth, the West Coast maintained a clear lead over the East Coast in total import volumes. This suggests that while some diversification toward East Coast ports has persisted, routing patterns have largely normalized following the frontloading activity observed in 2024 ahead of potential labor disruptions.

Import volumes through Gulf Coast ports remained essentially flat in 2025, indicating that the gains observed in the post-pandemic period have likely plateaued. While the Gulf continues to command a larger share of containerized imports than it did in 2019, there is little evidence of continued expansion in the most recent year, pointing to a stabilization in routing decisions.

2025 volumes appear to have been supported by a renewed wave of front-loading tied to anticipated or implemented U.S. tariff measures, particularly on goods from Asia. Shippers accelerated orders to preempt higher costs, helping sustain elevated import volumes despite already high inventory levels. Continued strength in U.S. consumer demand reinforced this dynamic, allowing volumes to remain resilient and likely benefiting West

Coast ports disproportionately given their cost and transit-time advantages on transpacific routes.

On the export side, volumes stabilized across all three coasts following the declines observed in 2024, though growth remains constrained by the broader trade environment. East Coast exports saw a modest rebound and retained their dominant position, while West Coast exports remained steady and Gulf Coast exports continued a gradual upward trend. Overall, the 2025 data suggest that front-loading and resilient demand have supported near-term volumes, while the broader redistribution of trade across U.S. coasts has entered a more mature and stable phase.

Report on Foreign Laws and Practices

Trading Partners

Section 46106(b)(1) of Title 46 requires the FMC to include in its annual report to Congress, “a list of the twenty foreign countries which generated the largest volume of oceanborne liner cargo for the most recent calendar year in bilateral trade with the United States.” The most recent calendar year available from PIERS data is 2025. China remained the U.S.’s top trading partner in containerized oceanborne cargo in 2025, increasing slightly from 2023’s figures (last year’s cited figures) by less than one percentage point. Meanwhile, Vietnam’s share increased dramatically, almost doubling its volume.

Rank	Country	TEUs
1	CHINA (PRC)	11,749,926
2	VIETNAM	4,155,666
3	INDIA	1,929,934
4	REPUBLIC OF KOREA	1,924,422
5	THAILAND	1,733,374
6	JAPAN	1,218,839
7	TAIWAN (ROC)	1,121,398
8	INDONESIA	1,028,471
9	GERMANY	984,984
10	MALAYSIA	945,032
11	ITALY	813,597
12	BRAZIL	713,464
13	GUATEMALA	637,902
14	BELGIUM	626,425
15	TURKEY	573,300
16	PUERTO RICO	565,899
17	NETHERLANDS	493,401
18	FRANCE	419,730
19	CHILE	412,803
20	COLOMBIA	412,474

Source: PIERS

India overtook South Korea as America’s third largest oceanborne trading partner. The remaining top 10 are virtually unchanged. Spain left the top 20, with France taking its place. Colombia traded Honduras for the 20th spot.

Competitive Impact of Ocean Carrier Alliance Joint Purchase of Certain Covered Services

Section 46106(b)(6) of Title 46 requires the Commission to analyze agreements that jointly purchase certain covered services. In last year's annual report, the FMC had conducted an analysis of THEA's utilization of its agreement authorities under section 5.10 (a): "the Parties are authorized to discuss, exchange information, and/or coordinate negotiations with marine terminal operators or stevedores relating to operational matters such as port schedules and berthing windows; availability of port facilities, equipment and services; contract duration; adequacy of throughput; and the procedures of the interchange of operational data in a legally compliant matter." It found that THEA's joint contract of terminal services in the US did not meet risk thresholds outlined by the Department of Justice (DOJ) and Federal Trade Commission (FTC).

THEA operations ceased in Q1 of 2025 and is therefore no longer under scrutiny for this report. In addition, while all three Alliances (Premier having replaced THEA) contain joint contracting authorities similar to that of THEA, none appear to have utilized such authorities. As a result, no competitive impact analyses were conducted in FY 2025. The Alliances continue to be monitored for changes in policy. If an alliance exercises this authority in the future, the FMC will administer new monitoring requirements as needed.

Foreign Practices Cases

The Commission has the authority to address restrictive foreign shipping practices under Chapters 421 and 423 of Title 46, U.S. Code, as well as section 41108(d) of Chapter 411. Section 42101 empowers the Commission to make rules and regulations to adjust or meet conditions unfavorable to shipping in the foreign trade of the United States. Section 42302 directs the Commission to investigate whether any laws, rules, regulations, policies or practices of a foreign government or practices of a foreign carrier result in adverse conditions that affect U.S. carriers in U.S. oceanborne trade and that do not exist for foreign carriers in the United States. Section 41108(d) directs the Commission to address actions by a foreign government or foreign carrier that unduly impair the access of a U.S.-flag vessel to ocean trade between foreign ports.

On December 5, 2024, the Commission initiated an investigation into reports that the Government of Spain was creating conditions unfavorable to shipping in the foreign trade of the U.S. by denying certain vessels entry to its ports. *Investigation into Conditions Affecting Shipping in the Foreign Trade and Denial of Entry of Vessels into Spanish Ports*, 89 Fed. Reg. 96973 (Dec. 6, 2024). Spain reportedly denied entry to vessels participating in the Maritime Security Program (MSP) administered by the U.S. Maritime Administration (MARAD) which operates to ensure that a fleet of commercially viable ships are available to sustain U.S. sealift requirements in times of conflict or national emergencies. The Commission received over 8,000 comments from the public and interested parties. Submitted comments

confirmed initial reports that Spain had denied entry to certain vessels, including MSP participants. Spain's announcement in September 2025 that it was expanding policies aimed at halting certain cargo bound for or coming from Israel from transiting its ports confirmed that the barriers this investigation was brought to explore persist, and the Commission continues to investigate and explore potential remedies.

On March 14, 2025, the Commission initiated an investigation focused on identifying regulations, policies or practices that create unfavorable shipping conditions at seven international maritime chokepoints. *Order of Investigation into Transit Constraints at International Maritime Chokepoints*, 90 Fed. Reg. 12158 (Mar. 14, 2025). The seven chokepoints being examined are: the Northern Sea Passage, the English Channel, the Malacca Strait, the Singapore Strait, the Strait of Gibraltar, the Panama Canal, and the Suez Canal. The Commission is currently reviewing comments submitted in response to this investigation and determining appropriate next steps.

On May 22, 2025, the Commission initiated an investigation into whether the vessel flagging laws, regulations, or practices of foreign countries, including so-called flags of convenience, or competitive methods employed by the owners, operators, agents or masters of foreign-flagged vessels, are creating unfavorable shipping conditions in the foreign trade of the U.S. *Investigation into Flags of Convenience and Unfavorable Conditions Created by Certain Flagging Practices*, FMC Docket No. 2025-009. Flagging laws and practices vary widely across the globe. Responsible nations establish and follow policies designed to ensure that vessels are maintained properly, crewed by trained mariners, and operated responsibly. Other countries operate registries which impose none of these restraints and essentially allow vessel operators to function without governmental checks or oversight by the flagging nation. These conditions threaten the safety and reliability of the international ocean supply chain, imperil bridges and port infrastructure, and increase the risk of an environmental catastrophe. The Commission's investigation into these practices is ongoing.

Controlled Carriers and Commission Identification of Otherwise Concerning Practices

A controlled carrier is an ocean common carrier that is, or whose operating assets are, owned or controlled directly or indirectly by a foreign government. Chapter 407 of Title 46, U.S. Code provides that no controlled carrier may maintain rates or charges in its tariffs or service contracts that are below a level that is just and reasonable, nor may any such carrier establish, maintain, or enforce unjust or unreasonable classifications, rules, or regulations in those tariffs or service contracts.

In addition, tariff rates, charges, classifications, rules, or regulations of a controlled carrier may not, without special permission of the Commission, become effective sooner than the 30th day after the date of publication. The Commission's staff monitors U.S. and foreign

trade press and other sources to identify controlled carriers and any unjust or unreasonable controlled carrier activity that might require Commission action.

As of the end of FY 2025, seven controlled carriers operated in the U.S. trades. The first three listed are subsidiaries of COSCO SHIPPING Holdings Co., Ltd.:

1. COSCO SHIPPING Lines Co., Ltd. (RPI No. 015614) – People’s Republic of China
2. Orient Overseas Container Line Limited (RPI No. 011398) – People’s Republic of China
3. OOCL (Europe) Limited (RPI No. 024786) – People’s Republic of China
4. Hede (HONGKONG) International Shipping Limited (RPI No. 033332) – People’s Republic of China
5. HMM (RPI No. 001452) – Republic of Korea
6. Anji Shipping Co., Ltd. (RPI No. 033604) – People’s Republic of China
7. Chinese-Polish Joint Stock Shipping Company (RPI No. 020107) —People’s Republic of China

In FY 2025, the Commission updated this list to include Chinese-Polish Joint Stock Shipping Company (“Chipolbrok”) as a controlled carrier of the People’s Republic of China. This classification presented a case of first impression, in that Chipolbrok is owned by two governments: that of the People’s Republic of China and Poland. In classifying Chipolbrok as a controlled carrier of the People’s Republic of China, the Commission examined the company’s corporate structure, location, and number of offices and concluded that the People’s Republic of China has more control over Chipolbrok than the government of Poland. In another instance of first impression, Chipolbrok filed a rebuttal to this classification. After examining the arguments contained therein, the Commission retained the classification. Chipolbrok then filed for an exemption under 46 U.S.C. § 40703 in order to be able to reduce tariff rates immediately, instead of being subject to the thirty-day waiting period that is currently prescribed for controlled carriers by the Shipping Act of 1984. The Commission granted this exemption, with conditions.

In addition, the Commission revoked older exemptions that it had granted to other carriers under 46 U.S.C. § 40703. This action revoked exemptions that had been granted to Sinotrans Container Lines Co., Ltd. (SINOLINES); to China Shipping Container Lines Co., Ltd.; to American President Lines, Ltd. and APL Co., Pte. Ltd., (one ocean common carrier designated as “APL”); to China Shipping (Hong Kong) Container Lines Co., Ltd.; to Hainan P O Shipping Co., Ltd. (“Hainan Shipping Co.”); to United Arab Shipping Company (S.A.G.) (“United Arab Shipping Company”); and to OOCL (Europe) Limited. The Commission undertook this revocation because these controlled carriers had been removed from the list of controlled carriers in the years since the Commission had granted their exemptions. As such, the Commission believed these exemptions no longer applied.

OSRA 2022 revised the Commission’s annual reporting provisions to require the Commission to identify any “otherwise concerning practices” by ocean common carriers

that are controlled carriers or “owned or controlled by, a subsidiary of, or otherwise related legally or financially, to a corporation based in a country” that is: (1) a non-market economy country, as determined by the U.S. Department of Commerce; (2) a priority foreign country, as determined by the U.S. Trade Representative; or (3) subject to monitoring by the U.S. Trade Representative under section 306 of the Trade Act of 1974, 46 U.S.C. § 46106(b)(7). Commission staff has developed parameters for identifying carriers that are tied to, or based in, countries of concern. -This will facilitate the identification of “otherwise concerning practices” by such carriers.

International Affairs Program

The Commission’s international affairs program supports the agency’s mission to ensure and maintain a competitive and reliable international ocean transportation supply system. This program contributes to this goal by enhancing awareness of regulatory requirements through education and outreach with the private sector, U.S. government counterparts, and foreign government representatives, at both staff and leadership levels. The program also supports the Commission’s authority to identify and address unfavorable conditions created by foreign governments or businesses in foreign shipping trades. Finally, the international affairs work contributes to the agency’s mandate to actively monitor foreign government-owned controlled carriers in U.S. trades.

Throughout the year, the Commission regularly hosts or attends in-person and virtual meetings with foreign peer regulatory agencies to share information about the Commission’s role and authorities, and to improve its familiarity with foreign shipping and competition regulations. Commission staff in FY 2025 conducted numerous working-level meetings with representatives from the embassies of the United Kingdom, the Netherlands, Norway, and Canada. Commission staff also engaged with international trade press and industry partners. Finally, staff regularly engaged with other internationally focused U.S. agencies, such as the Department of State and the Trade Representative. These engagements supported continued collaboration on global maritime issues and enhanced the agency’s understanding of industry challenges and risks.

Individual Commissioners and the Chairman broadly engaged on foreign affairs issues in FY 2025. Following then-Chairman Maffei and then-Commissioner Sola’s visit to Panama and the Panama Canal Authority in 2024, they testified before the Senate Committee on Commerce, Science, and Technology, addressing potential disparate treatment of vessels, the interplay between the Panamanian Government and the Canal Authority, and influences on the canal by the People’s Republic of China. In March 2025, Chairman Sola met with the Ambassador of Denmark to discuss opportunities to strengthen the bilateral U.S.-Denmark maritime relationship and with the Director General of the Danish Maritime Authority in June 2025. Also in June 2025, he met with the United Kingdom Department for Transportation’s

Director General. Commissioner Dye met in September 2025 with representatives of the Embassy of Japan to discuss Commission initiatives in the maritime sector.

In Fiscal Year 2026, the Commission will continue to deepen its engagement with domestic and international regulatory partners, industry stakeholders, and maritime experts to ensure the agency remains well-positioned to identify geopolitical issues affecting the global supply chain. Through these efforts, the FMC will enhance its ability to address areas of concern within its statutory authority, support the resilience of the U.S. maritime transportation system, and communicate significant developments to the U.S. shipping public in a timely and transparent manner.

Information Technology

The Commission is fully committed to its technology strategy and initiatives, advancing innovations, and strengthening its digital capabilities to support its mission.

Throughout FY 2025, the Commission advanced efforts to strengthen its technology foundation, enhance service delivery, and better position the organization to meet mission demands. The Commission is developing and implementing information technology (IT) systems to improve efficiency in the way the Commission interacts with the ocean shipping industry to collect required information, the management and use of the data collected, and mitigate cybersecurity risks. In FY 2023, the Commission completed an initial evaluation of its IT infrastructure, with a focus on cybersecurity risk mitigation and system integration. This evaluation included a roadmap and initial budget estimate. The plan, completed in FY 2023, included an assessment of existing systems, identified areas for improvement, and a set of goals, objectives, and project milestones. The IT enhancement project plan started with the requirement gathering phase and was finalized in the fourth quarter of FY 2024. The design and development phases began in FY 2025 and is continuing through FY 2026.

The plan includes the replacement of several independent systems and fillable forms submitted by regulated entities and the shipping public and will feature the integration of systems to streamline cross-office activities. The systems will have enhanced analytic capabilities, including dashboards, to support data-driven compliance and enforcement actions and enhance reporting capabilities.

Through its evaluation of the current system's needs, the Commission has identified legacy applications and manual processes that should be replaced by commercial off-the-shelf case management solutions. This includes key work in support of investigations, enforcement, and consumer assistance.

Cybersecurity remained a central priority during FY 2025. The Commission continues to prioritize its cybersecurity framework through infrastructure enhancements and maturation of its cybersecurity and privacy programs. The Commission's cybersecurity posture improved significantly through enhanced authentication measures, strengthened endpoint protections, and the modernization of core security infrastructure. The agency continues to identify opportunities to address gaps in its security to enable better decision-making and improve leadership visibility and oversight.

The Commission made significant progress in elevating data as a strategic asset. A formal Data Governance Committee (DGC) was established to coordinate data stewardship across program offices and strengthen enterprise-wide data practices. This body created much-needed structure around how the Commission manages, uses, and protects its information resources.

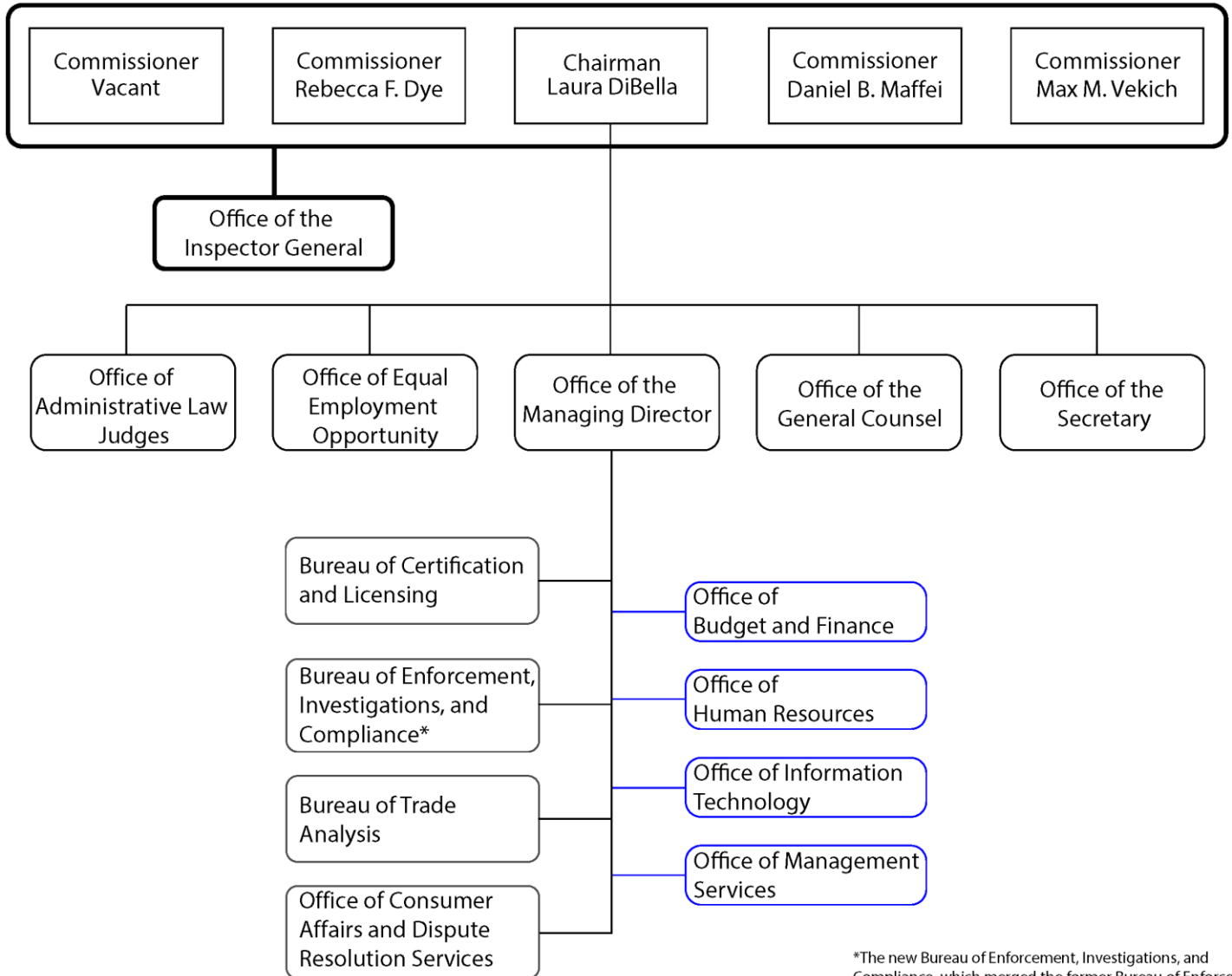
The Commission also expanded its use of analytics and automation to support oversight responsibilities and improve operational efficiency. Advanced analytical tools were developed in close partnership with mission offices, enabling the Commission to review large volumes of regulatory data more effectively and to derive insights at a scale not previously possible.

To ensure that this progress is sustainable, the Commission is implementing stronger frameworks for maintaining analytical tools and formalized key practices for managing data-related code and development activities.

In alignment with government-wide transparency and Artificial Intelligence (AI) requirements, the Commission drafted an Open Data Plan and foundational AI governance policies. These efforts positioned the Commission to proactively ensure that future uses of automation and machine learning are secure, ethical, and mission-aligned.

Appendix A: Organization Chart

The FMC is composed of five Commissioners nominated by the President and confirmed by the United States Senate, each serving a staggered five-year term. The Commission is a bipartisan body; no more than three members of the Commission may be of the same political party. One Commissioner, designated by the President, serves as Chairman, Chief Executive, and Chief Administrative Officer of the Commission.



*The new Bureau of Enforcement, Investigations, and Compliance, which merged the former Bureau of Enforcement and Area Representatives into a new bureau, will be reflected in an upcoming rulemaking.

Appendix B: Statement of Appropriations, Statement of Custodial Activity, and Financial Operations

Statement of Appropriations - Public Law 118-158:

For necessary expenses of the Federal Maritime Commission as authorized by section 46107 of title 46, United States Code, including services as authorized by section 3109 of title 5, United States Code; hire of passenger motor vehicles as authorized by section 1343(b) of title 31, United States Code; and uniforms or allowances therefor, as authorized by sections 5901 and 5902 of title 5, United States Code, \$40,000,000, of which \$2,000,000 shall remain available until September 30, 2026: Provided, That not to exceed \$3,500 shall be for official reception and representation expenses.

Category	2025	2024
Fines and Penalties	\$1,405,476.27	\$2,305,325.91
General Fund Proprietary Receipts	\$852,228.35	\$876,506.22
Refunds of Proprietary Receipts	\$0.00	\$58.14
Interest	\$107.03	\$181.46
Total	\$2,257,811.65	\$3,182,071.73

Financial Operations: For a detailed review of the FMC’s financial operations, including expenditures, please refer to the FMC’s Congressional Budget Reports and its Performance and Accountability Reports found at <https://www.fmc.gov/about-the-fmc/strategies-budgets-and-performance/>.



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