



FEDERAL MARITIME COMMISSION

Controlled Carriers Under The Shipping Act of 1984

AGENCY: Federal Maritime Commission

ACTION: Notice

SUMMARY: The Federal Maritime Commission is publishing an updated list of controlled carriers, i.e., ocean common carriers operating in U.S.-foreign trades that are owned or controlled by foreign governments. Such carriers are subject to special regulatory oversight by the Commission under the Shipping Act of 1984.

FOR FURTHER INFORMATION CONTACT:

Tyler J. Wood, General Counsel
Federal Maritime Commission
800 North Capitol Street, N.W.
Washington, D.C. 20573
(202) 523-5740

SUPPLEMENTARY INFORMATION:

The Federal Maritime Commission is publishing an updated list of controlled carriers. Section 3(8) of the Shipping Act of 1984 (46 U.S.C. § 40102(8)), defines a “controlled carrier” as:

an ocean common carrier that is, or whose operating assets are, directly or indirectly, owned or controlled by a government, with ownership or control by a government being deemed to exist for a carrier if --

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

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

As required by the Shipping Act, controlled carriers are subject to special oversight by the Commission. Section 9(a) of the Shipping Act (46 U.S.C. § 40701(b)), states:

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

Congress enacted these protections to ensure that controlled carriers, whose marketplace decision-making can be influenced by foreign governmental priorities or by their access to non-market sources of capital, do not engage in unreasonable below-market pricing practices which could disrupt trade or harm privately-owned shipping companies.

The controlled carrier list is not a comprehensive list of foreign-owned or -controlled ships or ship owners; rather, it is only a list of ocean common carriers that are controlled by governments. *See* 46 U.S.C. § 40102(8). Thus, ocean common carriers owned by foreign individuals are not included, nor are tramp operators, other non-common carriers, or non-vessel-operating common carriers, regardless of their ownership or control.

Since the last publication of this list on July 2, 2015 (80 FR 43427), there has been a reduction in the number of controlled carriers, due in part to the spate of

consolidation activity that has occurred over the last two years. These changes are described below.

Pursuant to 46 CFR 501.23, COSCO SHIPPING Lines (Europe) GmbH (formerly COSCO Container Lines Europe GmbH) was classified as a controlled carrier on November 9, 2015. *See Petition of COSCO Container Lines Europe GmbH for an Exemption from 46 U.S.C. § 40703*, Docket No. P3-15 (Nov. 9, 2015). All tariffs for this carrier were cancelled effective May 24, 2017. As a result, COSCO SHIPPING Lines (Europe) GmbH will not be added to this republished controlled carrier list.

Two previously classified controlled carriers, China Shipping Container Lines, Co., Ltd. and COSCO Container Lines Company, Limited, have formed a single controlled carrier now known as COSCO SHIPPING Lines Co., Ltd.

Hainan P O Shipping Co., Ltd. is being removed from the list as it no longer operates as a common carrier. All Hainan P O Shipping Co., Ltd. tariffs in the U.S.-foreign trades were cancelled effective November 29, 2012.

American President Lines, Ltd. and APL Co., Pte. are being removed from this list because they are now 100% owned by CMA CGM S.A., a privately owned company. *See Petition of APL Co. Pte. Ltd. for an Exemption from Commission Regulations*, 34 S.R.R.211 (FMC 2016).

United Arab Shipping Company Ltd. (formerly United Arab Shipping Company (S.A.G.)) is being removed from this list because it is now 100% owned by Hapag-Lloyd pursuant to the recently finalized purchase of United Arab Shipping by Hapag-Lloyd on May 24, 2017. The foreign government entities that formerly held an ownership stake in

United Arab Shipping acquired minority stakes in Hapag-Lloyd as part of the transaction; no State is majority owner.

It is requested that any other information regarding possible omissions or inaccuracies in this list be provided to the Commission's Office of General Counsel. *See* 46 CFR 501.23. The amended list of currently classified controlled carriers and their corresponding Commission-issued Registered Persons Index numbers is set forth below:

- (1) COSCO SHIPPING Lines Co., Ltd. (RPI No. 02034) – People's Republic of China;
- (2) CNAN Nord SPA (RPI No. 021980) – People's Democratic Republic of Algeria;

Rachel E. Dickon
Assistant Secretary
Billing Code: 6731-AA

[FR Doc. 2017-16227 Filed: 8/1/2017 8:45 am; Publication Date: 8/2/2017]