



FEDERAL MARITIME COMMISSION

[Docket No. FMC-2025-0010]

Notice of Intent to Revoke Exemptions Granted to Certain Controlled Carriers

AGENCY: Federal Maritime Commission.

ACTION: Notice and request for comments.

SUMMARY: The Federal Maritime Commission (“Commission”) intends to revoke certain exemptions that had been granted to some controlled carriers, allowing for their rates, charges, classifications, rules or regulations to become effective with less than thirty (30) days’ notice. This revocation would apply to exemptions that were granted to entities that have since been removed from the Commission’s list of controlled carriers. Exemptions that have been granted to controlled carriers that remain on this list would continue to be valid but may be reviewed in the future. The Commission invites comments from the public on this proposed action.

DATES: Submit comments on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: You may submit comments, identified by Docket No. FMC-2025-0010, by the following method:

Federal eRulemaking Portal: Your comments must be written and in English.

You may submit your comments electronically through the Federal Rulemaking Portal at www.regulations.gov. Please refer to the “Public Participation” heading under the

SUPPLEMENTARY INFORMATION section of this notice for detailed instructions on how to submit comments, including instructions on how to request confidential treatment.

FOR FURTHER INFORMATION CONTACT: David Eng, Secretary; Phone: (202) 523-5725; Email: Secretary@fmc.gov.

SUPPLEMENTARY INFORMATION:

I. Background

A controlled carrier is a vessel-operating common carrier that is owned or controlled by a foreign government.¹ Controlled carriers are subject to enhanced regulatory oversight to ensure that they do not abuse their subsidized position in the marketplace.² One of the provisions of 46 U.S.C. Chapter 407 stipulates that the tariff rates or charges of controlled carriers cannot become effective until the 30th day after their publication.³

The Commission has previously granted exemptions to certain controlled carriers from the requirements of 46 U.S.C. 40703, pursuant to the administrative exemption authority found at 46 U.S.C. 40103. Such exemptions allowed these controlled carriers' rates, charges, classifications, rules and regulations to become effective less than 30 days after their publication. These exemptions did not change the status of any of these carriers as controlled carriers; they are limited to allowing the carrier's rates, charges, classifications, rules or regulations to become effective in less than 30 days' notice.⁴ The Commission also has the authority to revoke previously granted administrative exemptions.⁵ In granting these exemptions from section 40703, the Commission has declined to grant permanent exemptions because doing so would impinge on the Commission's authority to revoke them.⁶

In 2004, sections of the Shipping Act of 1984 were rearranged and renumbered.

¹ 46 U.S.C. 40102(9).

² See 46 U.S.C. chapter 407.

³ 46 U.S.C. 40703.

⁴ *Id.*

⁵ 46 U.S.C. 40103(a).

⁶ See, e.g., Petition of China Ocean Shipping (Group) Company for a Partial Exemption from the Controlled Carrier Act, Docket No. P3-99, *Order Granting Petition in Part* (April 1, 2004) ("The Commission declines to make this exemption permanent, as the Petition requests... a specific provision for 'permanence' of this Order would abrogate the Commission's authority under section 16 and its obligations under section 9 [of the Shipping Act of 1984]... The Commission retains its full authority to revoke the instant exemption subject to the requirements of section 16 of the Shipping Act of 1984, 46 U.S.C. app. [sec.] 1715.")

Exemptions under section 9(c) of the Shipping Act that had been codified at 46 U.S.C. 1708, allowing changes to controlled carriers' rates, charges, classifications, rules or regulations to become effective more quickly than 30 days after their publication with Commission permission, were moved to 46 U.S.C. 40703. The statutory language of the two sections is nearly identical. In addition, Commission explanations suggest that the Commission did not view exemptions under section 40703 differently than exemptions under section 1708. For example, in granting a section 40703 exemption to United Arab Shipping and Hainan P O Shipping, the Commission stated that it "has previously granted exemptions from [section] 40703" and cited to some exemptions that were granted under section 40703 and to others that were granted under section 1708.⁷ As such, it is the Commission's position that, historically, it has viewed the exemptions granted under section 1708 to be equivalent to the exemptions granted under section 40703.

II. Intent to Revoke Certain Exemptions Granted Under 46 U.S.C. 40703

Many of the entities to which the Commission granted exemptions from 46 U.S.C. 40703 have since been removed from the Commission's list of controlled carriers for various reasons, such as no longer offering carriage in the U.S. trades or having been bought by private companies. Because the Commission has declined to grant permanent exemptions,⁸ there should not be any expectations that these exemptions are permanent. However, until now, the Commission has not revoked any exemptions, even when an entity's circumstances have changed, such as having been removed from the list of controlled carriers. Rather than allowing that to create an expectation that an exemption remains valid through such changes in circumstances, the Commission is giving notice that it intends to revoke these exemptions.

⁷ See Petition of United Arab Shipping Company (S.A.G.) for an Exemption from the Controlled Carrier Act, Docket No. P1-14, *Order Granting Petition* (July 16, 2015); Petition of Hainan P O Shipping Co., Ltd. for an Exemption from the Controlled Carrier Act, Docket No. P1-10, *Order Granting Petition* (December 9, 2010).

⁸ See, e.g., Petition of China Ocean Shipping (Group) Company for a Partial Exemption from the Controlled Carrier Act, Docket No. P3-99, *Order Granting Petition in Part* (April 1, 2004).

The revocation of these exemptions would not prevent an entity from petitioning for an exemption again, if its status changes such that it again becomes classified as a controlled carrier. The Commission is requesting comments regarding its intent to revoke these exemptions.

The Commission has granted exemptions to the following entities:

1. China Ocean Shipping (Group) Company on April 1, 2004 (now named COSCO SHIPPING Lines Co., Ltd.);⁹
2. China Shipping Container Lines Co., Ltd., on April 1, 2004;¹⁰
3. Sinotrans Container Lines Co., Ltd. (SINOLINES), on April 1, 2004;¹¹
4. American President Lines, Ltd. and APL Co., Pte. Ltd., (one ocean common carrier designated as “APL”) on October 27, 2004;¹²
5. China Shipping (Hong Kong) Container Lines Co., Ltd., on March 29, 2005;¹³
6. Hainan P O Shipping Co., Ltd. (“Hainan Shipping Co.”) on December 9, 2010;¹⁴
7. United Arab Shipping Company (S.A.G.) (“United Arab Shipping Company”) on July 16, 2015;¹⁵
8. COSCO Container Lines Europe GmbH (“COSCO Europe”) on November 9, 2015;¹⁶
9. Orient Overseas Container Line Limited (“OOCL”) on October 30, 2018;¹⁷ and
10. OOCL (Europe) Limited on October 30, 2018.¹⁸

The following entities have since been removed from the list of controlled

⁹ Docket No. P3-99.

¹⁰ Docket No. P4-03.

¹¹ Docket No. P6-03.

¹² Docket No. P5-04.

¹³ Docket No. P6-04.

¹⁴ Docket No. P1-10.

¹⁵ Docket No. P1-14.

¹⁶ Docket No. P3-15.

¹⁷ Docket No. P2-18.

¹⁸ *Id.*

carriers¹⁹:

1. Sinotrans Container Lines Co., Ltd. on August 27, 2012;
2. Hainan Shipping Co. on August 2, 2017;
3. United Arab Shipping Company on August 2, 2017;
4. China Shipping Container Lines (Hong Kong) Company, Ltd. on August 2, 2017;
5. China Shipping Container Lines on August 2, 2017;
6. American President Lines, Ltd. and APL Co. Pte, Ltd. on August 2, 2017; and
7. COSCO Europe on February 27, 2024.

The above-named entities listed as being removed from the list of controlled carriers are no longer controlled carriers under 46 U.S.C. 40102(9), 46 U.S.C. chapter 407 and 46 CFR part 565. As a result, the Commission finds that there is good cause to revoke their exemptions and is issuing this notice of intent to revoke them.

The exemptions granted to OOCL²⁰, OOCL (Europe)²¹, and COSCO SHIPPING Lines Co., Ltd.²² remain in place because these companies are still on the Commission's list of controlled carriers. However, the Commission may review these exemptions in the future.

III. Public Participation

A. How do I prepare and submit comments?

You may submit comments by using the Federal eRulemaking Portal at www.regulations.gov, under Docket No. FMC-2025-0010. Please follow the instructions provided on the Federal eRulemaking Portal to submit comments.

B. How do I submit confidential business information?

¹⁹ FEDERAL MARITIME COMMISSION, *Controlled Carrier List*, <https://www.fmc.gov/databases-and-publications/controlled-carrier-list/> (last visited May 21, 2025)

²⁰ *Id.*

²¹ *Id.*

²² Docket No. P3-99.

The Commission will provide confidential treatment for identified confidential information to the extent allowed by law. If you would like to request confidential treatment, pursuant to 46 CFR 502.5, you must submit the following, by email, to Secretary@fmc.gov:

- A transmittal letter that identifies the specific information in the comments for which protection is sought and demonstrates that the information is a trade secret or other confidential research, development, or commercial information.
- A confidential copy of your comments, consisting of the complete filing with a cover page marked “Confidential-Restricted,” and the confidential material clearly marked on each page.
- A public version of your comments with the confidential information excluded. The public version must state “Public Version—confidential materials excluded” on the cover page and on each affected page and must clearly indicate any information withheld.

C. How can I read comments submitted by other people?

You may read the comments received by the Commission at www.regulations.gov, under Docket No. FMC-2025-0010.

By the Commission.

David Eng,
Secretary.

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