Fifth Annual Report

OF THE

Federal Maritime Commission

Fiscal Year Ended June 30, 1966

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FEDERAL MARITIME COMMISSION

WASHINGTON, D.C.

June 30, 1966

JOHN HARLLEE, *Chairman*

JOHN S. PATTERSON, *Vice Chairman*

ASHTON C. BARRETT, *Member*

JAMES V. DAY, *Member*

GEORGE H. HEARN, *Member*

THOMAS LISI, *Secretary*

LETTER OF TRANSMITTAL

FEDERAL MARITIME COMMISSION,
Washington, D.C. 20573,
October 14, 1966.

To the Senate and the House of Representatives:

Pursuant to section 103(e) of Reorganization Plan No. 7 of 1961, and section 208 of the Merchant Marine Act, 1936, I respectfully submit the Annual Report of the Federal Maritime Commission for the fiscal year 1966.

JOHN HARLLEE,
Chairman.

Federal Maritime Commissioners (left to right): Ashton C. Barrett, James V. Day, Rear Admiral John Harllee (Chairman), John S. Patterson (Vice Chairman), George H. Hearn

CONTENTS

HIGHLIGHTS OF THE YEAR

The Federal Maritime Commission in fiscal year 1966 carried out its regulatory responsibilities in ocean transportation of protecting the shipping public against discriminatory or otherwise unlawful conduct by the industries it regulates without unnecessary interference with business development.

The highlights in regulation of ocean transportation for the fiscal year ending June 30, 1966, are as follows:

Rates on Government Owned or Sponsored Cargoes

The Commission continued its efforts to insure that government cargoes move in our foreign trade at non-discriminatory rates. In this area significant accomplishment was achieved with respect to the (1) Vietnam war risk compensation and ship detention charges; and (2) rates on the movement of household goods by the Department of State.

The Commission, with the cooperation of the Agency for International Development, the Department of Agriculture, and the Military Sea Transportation Service, conducted negotiations with the carriers and conferences with respect to the basis for the assessment by such carriers and conferences of surcharges for cargoes moving to Vietnamese ports. These negotiations, conducted without recourse to formal proceedings, resulted in effecting a reduction by the carriers and the conferences of the war risk compensation charge from $7.50 per ton to $5.50 per ton (following the close of the fiscal year all of the conferences and most of the independent carriers further reduced the rate to $3.75). This reduction will save the U.S. government millions of dollars in transportation charges.

The Commission, based upon the express concern of the Department of State, approached a number of conferences in an effort to encourage them to reduce the rates on the Department of State

movement of household goods to the same level as rates available to the military. As a result, the Far East Conference and the Pacific Westbound Conference reduced State's rates to approximate parity with rates on military traffic. The savings that will be realized from this reduction will approximate $500,000 annually. The Commission also approached the North Atlantic/Mediterranean Freight Conference who had the matter under consideration at the close of the year.

Interconference Agreements

A number of so-called "interconference" agreements have recently been filed for approval. These agreements, between conferences that serve different coasts of the United States, cover a number of activities from rate-fixing to conference "housekeeping". Although interconference agreements are recognized in section 15 of the Shipping Act, the legislative history of the 1961 amendments indicate that Congress viewed efforts to establish superconferences with some concern. Accordingly, the Commission has instituted several formal proceedings to examine the competitive impact such agreements are likely to have on American foreign commerce.

Containerization

Containerization probably is the most significant recent development in the marine transportation industry. The intermodal movement of containerized cargo was pioneered by carriers in our domestic trades and for the past 5 years has been a dramatic factor in keeping costs and rates down. It was demonstrated in the domestic trades that containerization benefits both the carriers and the shippers. It means less cargo handling, less special packaging, less loss, damage and pilferage, faster ship turn-around, and less expenses in loading and unloading.

In April 1966, containership service was inaugurated in the important trade between Atlantic ports in the United States and Europe and at the end of the fiscal year a number of containership services were competing in the North Atlantic trade and plans had been formulated to introduce the service to other major foreign trades. It is our hope that such benefits will prove to be a significant stimulant to our foreign commerce.

The Commission has undertaken a study to determine the implications of these technological advancements in ocean transportation. It is collaborating with carriers, shippers, freight forwarders, and others who are affected to determine whether regulatory changes are needed to secure for the public the full benefits of intermodal container transportation.

Rules for Handling Shippers' Requests and Complaints and for Filing of Tariffs

During fiscal year 1966, the Commission's rules were fully operative for the (1) Handling of Shippers' Requests and Complaints; and (2) Filing of Tariffs. These rules were the last required for implementation of Public Law 87–346, enacted on October 3, 1961.

The first of these rules required the carriers and conferences to establish a procedure for the handling of shippers' requests and complaints and the publication thereof for the information of the shipping public. As a consequence, it is anticipated that this procedure will increase the possibilities of carrier shipper resolvement of problems without resort to formal and expensive proceedings before the Commission.

The second of these rules prescribed uniform tariff filing procedures and format. This rule has and will be of significant benefit to carriers, conferences and shippers because it will provide for uniform interpretation of tariff provisions resulting in an elimination or decline in contention between parties because of unclear and ambiguous provisions.

Commission Decisions

The Commission's decisions in formal cases are covered in another section of this report. However, of particular importance were the following:

Docket No. 1114—*Iron and Steel Rates, Export/Import.* Although the Commission decided that the respondents' rates on iron and steel in the trades under investigation were not shown to be contrary to sections 15, 17, and 18(b)(5) of the Act, nevertheless, the decision in this case set a precedent for future guidance by providing that "When a rate disparity in reciprocal trades on similar commodities appears, and when movement of goods under the higher rates has been impaired, the carrier quoting the rates must demonstrate that the disparate rates are reasonable * * *. The carrier would

be required to justify the level of the rate by showing that the attendant transportation circumstances require that the rate be set at the level."

Docket No. 1171—*Outbound Rates Affecting the Exportation of High Pressure Boilers (Utility Type), Parts and Related Structural Components.* Although it was determined in this case that the respondent conferences' rates were not in violation of the statute, nevertheless, a precedent for future guidance was provided as follows: " * * * where a rate disparity is shown between a rate from the United States and a rate from a foreign port to the same destination on similar commodities, and the movement of goods under the higher rate has been impaired, the carrier quoting the rate from the United States should demonstrate the reasonableness of the rate by showing that the transportation conditions in the two trades are not the same in material respects or that the attendant transportation circumstances require that the rate be set at that level. * * * If carriers in two separate trades have noticeably different levels of rates on the same item, and no obvious differences in transportation circumstances appear, we will proceed on the assumption that the two trades enjoy similar conditions."

Matters in Litigation

Carnation Case. On February 28, 1966, the Supreme Court in *Carnation Company* v. *Pacific Westbound Conference,* 383 U.S. 213, the Court held that treble damages were recoverable under the antitrust statutes in instances in which common carriers in the foreign commerce carry out agreements subject to section 15 of the Act prior to filing with and securing approval of the Commission. Under this decision, persons who have been damaged by unauthorized concerted activities of carriers can elect to sue in court for treble damages under the antitrust statutes or file a complaint with the Commission under the Shipping Act seeking actual damages. The decision strengthens the regulatory machinery and is a significant deterrent to unauthorized concerted activities by persons engaged in our ocean commerce.

Penalty Suits for Violations of Section 15. Two penalty suits were recently settled by the Department of Justice by the payment of sizable sums by conferences that had allegedly violated section 15 of the Shipping Act by not promptly admitting qualified carriers to membership. The North Atlantic Westbound Freight Association delayed about 15 months in admitting American Star Line and the Atlantic and Gulf/Australia-New Zealand Conference held up the admission of A/B Atlanttraffik for nearly a year. The settlements, $30,000 and $35,000 respectively, were substantial enough to in-

dicate clearly to these and other conferences that the Commission will take positive action to enforce statutory requirements regarding free and full admission to conference membership.

Dual Rate Matters

Through use of the guidelines established in the *Dual Rate Cases* the Commission has been able to approve the institution of 10 new systems and 4 modifications to existing systems without the expense involved in protracted hearings. The carriers involved, in each of the 14 instances, carried their burden of showing compliance with all of the statutory provisions in section 14(b) of the Shipping Act and with the requirements set forth in the Dual Rate Cases.

Guidelines for Shippers

In further action to inform exporters and potential exporters about ocean shipping procedures the Commission in conjunction with the Department of Commerce published in May, 1966, a booklet entitled "Ocean Freight Guidelines for Shippers". The booklet discusses the activities of steamship conferences, the principal factors that affect rate-making, and services and assistance available to shippers.

Other Significant Activities

In other regultory activities the Commission in fiscal year 1966: instituted on its own motion 56 formal proceedings under statutory provisions of the Shipping Act. 1916 and the Intercoastal Shipping Act, 1933; issued 68 final decisions involving 177 formal proceedings; approved under provisions of section 15 of the 1916 Act, 247 carrier agreements, 59 terminal agreements and 977 freight forwarder cooperative working agreements; issued 63 freight forwarder licenses; processed over 166,000 tariff filings; granted 407 and denied 23 special permission requests to effect new or increased freight rates in advance of the statutory filing time; initiated action to resolve 628 informal complaints and concluded its action with respect to 439 such complaints; participated in 32 cases in litigation before the courts involving the decisions and orders of the Commission; concluded 391 field investigations, including those concerning violations of the shipping statutes and those involving the qualifications of applicants for freight forwarder licensing; and intensified

its management improvement program in concert with the President's objective to administer the laws prudently, expeditiously and at the lowest possible cost to the taxpayer.

These and other activities of the fiscal year are set forth in detail in subsequent sections of this report.

Special Activities of the Commissioners

In July, 1965, the Chairman, accompanied by Commissioner Ashton C. Barrett, participated in negotiations with representatives of the Organization for Economic Cooperation and Development in Paris. In January, 1966, the Chairman and Commissioner James V. Day met with European shipowners in London and participated in discussions with the International Maritime Consultative Organization. Preliminary to this, Commissioner Day attended a meeting of the OECD in Paris.

In addition, in connection with the Commission's regulatory responsibilities, the Chairman visited maritime facilities and met with industry representatives in the state of Alaska; Vice Chairman John S. Patterson discussed maritime regulatory problems with industry representatives in San Juan; and Commissioner George H. Hearn visited Hawaii to participate in the combined Maritime and National Trade Week convocation, addressed the Propeller Club, and the Chamber of Commerce Annual Meeting. While there, he conferred with Governor John Burns and industry and shipping groups.

SCOPE OF AUTHORITY AND BASIC FUNCTIONS

The Federal Maritime Commission was established by Reorganization Plan No. 7, effective August 12, 1961, as an independent agency, to administer the functions and discharge the regulatory authorities under the Shipping Act, 1916; Merchant Marine Act, 1920; Intercoastal Shipping Act, 1933; and Merchant Marine Act, 1936.

The Commission is composed of five Commissioners appointed by the President with the advice and consent of the Senate. The Commissioners are appointed for a 5-year period, with not more than three of the Commissioners being appointed from the same political party. The President designates one of the Commissioners to be the Chairman, who also serves as the chief executive and administrative officer of the agency.

The statutory authorities and functions of the Commission embrace the following principal areas: (1) regulation of services, practices, and agreements of common carriers by water and certain other persons engaged in the foreign commerce of the United States; (2) acceptance, rejection, or disapproval of tariff filings of common carriers engaged in the foreign commerce; (3) regulation of rates, fares, charges, classifications, tariffs, regulations, and practices of common carriers by water in the domestic offshore trade of the United States; (4) investigation of discriminatory rates, charges, classifications, and practices in the waterborne foreign and domestic offshore commerce; and (5) rendering decisions, issuing orders, and making rules and regulations governing and affecting common carriers by water, terminal operators, freight forwarders, and other persons subject to the shipping statutes.

INTERNATIONAL COMMERCE

Carrier Agreements

Section 15 of the Shipping Act, 1916, authorizes the Commission to grant exemptions from the provisions of the antitrust statutes to common carriers by water in the commerce of the United States and to other persons subject to the Act, in instances in which such carriers or persons enter into arrangements, undertakings or agreements regarding anti-competitive activities enumerated in that section. Such activities include fixing rates, controlling competition, pooling or apportioning earnings or traffic, allotting ports or regulating sailings, limiting or regulating the volume or character of traffic to be carried, and providing for exclusive, preferential or cooperative working arrangements. The agreements so required to be filed must be approved by the Commission unless it finds, after notice and hearing, that the agreement (1) is unjustly discriminatory; (2) operates to the detriment of the commerce of the United States; (3) is contrary to the public interest; or (4) is in violation of the Shipping Act, 1916.

In the first half of fiscal year 1966, the project to formally terminate all inactive agreements was completed. This project entailed a review of the records relating to Agreements No. 1 through 5999 to establish which of the agreements in this series heretofore approved by the Commission and predecessor agencies were still active. Orders confirming the results of the review were issued by the Commission on October 19, 1965, and December 20, 1965, thereby terminating all agreements in the series numbered 1 through 5999 except the 56 active agreements specifically identified in the appendices to the orders.

At the beginning of fiscal year 1966, there were 107 agreements pending Commission approval under section 15, consisting of 52 new agreements and 55 modifications to existing approved agreements.

During the year, 221 agreements were filed (87 new agreements and 134 modifications). The Commission approved 247 agreements; 25 were withdrawn by the parties as a result of informal discussions requesting clarification or revision of the agreements; and of the balance of 56 agreements, at the close of the fiscal year, 48 were in process of staff analysis and 8 were in docketed proceedings.

At the close of fiscal year 1966, there were 707 active approved agreements consisting of 131 conference and rate agreements; 14 joint conference agreements; 50 joint service agreements; 19 pooling agreements; 28 sailing agreements; 385 transshipment agreements; and 80 miscellaneous cooperative working arrangements.

Exclusive Patronage (Dual Rate) Contracts

Section 14(b) of the Shipping Act, 1916, enacted by Public Law 87–346, effective October 3, 1961, authorizes the Commission to permit, with certain specified statutory safeguards, the institution by carriers or conferences of carriers of a contract system, available to all shippers and consignees equally, which provides lower rates to a shipper or consignee who agrees to give all, or a fixed portion of his patronage to such carriers or conference of carriers. The statute requires that the Commission approve such dual rate contract systems unless it finds that the contract, amendment or modification thereof will be detrimental to the commerce of the United States or contrary to the public interest, or unjustly discriminatory or unfair as between shippers, exporters or ports or between exporters from the United States and their foreign competitors.

Subsequent to the Dual Rate Cases Decision of the Commission on March 27, 1964, four conferences instituted court proceedings attacking the Commission's decision with respect to certain provisions in their particular dual rate contract forms. The United States Court of Appeals for the Ninth Circuit set aside the orders of the Commission because of procedural defects and remanded these four cases to the Commission for reconsideration "* * * limited to such clauses of the proposed contract as were not, in the subject matter, dealt with in the hearings". The Commission, by order served June 24, 1965, reopened the docketed proceedings in three of these dual rate cases in order to correct the procedural deficiency. In two of the aforementioned remand cases, the Commission by order

served February 16, 1966, required the two conferences to include in their dual rate contracts two provisions, one concerning shipper subscriptions to tariffs and another establishing the effective date of tariff rates. The third remand case is pending before the Commission for consideration and disposition of a petition by the Conference seeking reopening and reconsideration of the Commission remand order of June 24, 1965. On the fourth remand case, the conference on November 3, 1965, waived its rights to any remand proceedings and requested permission to institute the Commission's approved form of dual rate contract. By order served November 5, 1965, such permission was granted by the Commission.

The following table reflects dual rate systems in effect and pending applications on hand at the beginning of fiscal year 1966, received during the period, acted upon, and the balance on hand July 1, 1966:

FISCAL YEAR 1966 ACTION WITH RESPECT TO EXCLUSIVE PATRONAGE (DUAL RATE) CONTRACT SYSTEMS

(a) Dual Rate Contract Systems in effect:

As of July 1, 1965	45
Approved during fiscal year 1966	9
Approved systems in effect as of July 1, 1966	54

(b) Dual Rate Contracts filed for approval pursuant to section 14(b), Public Law 87–346 during fiscal year 1966:

	New systems	*Modifications to existing systems*
Pending July 1, 1965	3	6
Filed fiscal year 1966	14	3
Approved or withdrawn fiscal year 1966	10	6
Pending July 1, 1966	7	3

Shippers' Requests and Complaints

The basis for new rules adopted on July 9, 1965, with respect to shippers' requests and complaints is Public Law 87–346 (75 Stat. 763–4) which provides:

"The Commission shall disapprove any such agreement, after notice and hearing, on a finding * * * of failure or refusal to adopt and maintain reasonable procedures for promptly and fairly hearing and considering shippers' requests and complaints."

In order to assure that the purposes of the above-quoted statutory provision were adequately and efficiently accomplished and to insure compliance therewith, the Commission's rules in the form of General Order 14 (46 FR 527) require that conferences and rate-making groups:

(1) file a statement outlining in complete detail the procedures for the disposition of shippers' requests and complaints; (2) file quarterly reports covering all shippers' requests and complaints received, or pending at the beginning of such calendar quarter; (3) if foreign-domiciled, designate a resident representative in the United States with whom shippers situated in the United States may lodge their requests and complaints; and (4) file a tariff provision containing full instructions as to where and by what method shippers may file their requests and complaints.

One-hundred and five statements detailing the procedures for disposition of shippers' requests and complaints and 242 quarterly reports of actions taken by conferences and rate-making groups were filed with the Commission during fiscal year 1966 and reviewed by Commission staff.

The procedures and reports have been examined to assure that the actions taken by the conference and rate-making groups are consistent with the requirements of the Shipping Act, 1916, and the Commission's rules. It is noteworthy that the reports received show that shippers have received favorable rate action on most of their requests. As a result of the reporting requirements of General Order 14, the Commission's vigilance over freight rate matters, and the more serious assumption by conferences and other rate-making groups of their responsibilities toward shippers, a higher incidence of rate reductions has been achieved.

Freight Rates

The statutory requirements with respect to the filing of ocean freight rates by common carriers by water in the foreign commerce of the United States and conferences of such carriers are set forth in section 18(b) of Public Law 87–346. The purpose of these provisions is to provide for public notice with respect to the establishment and assessment of rates and practices attendant thereto and to guard against unjustly discriminatory rates and practices. Specifically, section 18(b) provides: (1) criteria with respect to the

contents of a tariff; (2) that copies of tariffs be made available to any person and that a reasonable charge may be made therefor; (3) timely filing requirements for changes in rates, charges, classifications, rules or regulations as well as new or initial rates and tariffs; (4) that no common carrier governed thereby shall assess compensation for transportation of property or any service in connection therewith which is different than that specified in its tariffs on file with the Commission and in effect at that time; (5) that no common carrier shall rebate, refund or remit in any manner or by any device any portion of the rates or charges specified in its tariffs nor extend or deny any privilege or facility except in accordance with such tariffs; (6) that the Commission shall prescribe by regulation the form and manner in which tariffs shall be published and filed; (7) that the Commission is authorized to reject any tariff which is not in conformity with the section; and (8) that the Commission shall, after hearing, disapprove any rate or charge which it finds to be so unreasonably high or low as to be detrimental to the commerce of the United States.

Tariff Filings

The Commission's program to obtain compliance with its General Order 13, governing the filing of tariffs by common carriers by water in the foreign commerce of the United States and by conferences of such carriers, was completed in fiscal year 1966.

A total of 2,335 tariffs were on file with the Commission at the close of fiscal year 1966. These tariffs are considerably improved and uniform documents. Shippers can today review them and retrieve rates much faster. They can be interpreted with significantly greater certainty which should result in a decline in contention between parties because of unclear and ambiguous provisions.

In carrying out this program, 507 tariffs previously on file were cancelled. Basically, the tariffs eliminated represented documents under which no water transportation service was being performed. Shippers can now generally rely on the fact that where a tariff is on file with the Commission, the carrier is performing the service.

Tariff filings totaling 154,712 pages were received in fiscal year 1966. These included new and initial tariffs and amendments to previously filed tariffs. Of this number, 1,156 were rejected for failure to conform with statutory requirements and/or the provisions of General Order 13. Based upon averages established by a sur-

vey the total tariff filings received during the year resulted in the establishment of 198,568 new or initial rates and 285,710 rate changes.

Computer Processing of Freight Rates

The Commission inaugurated a pilot program for facilitating the retrieval of freight rate data from the mass of approximately 3,000,000 rate items filed by carriers under the law. The pilot project contemplates the application of electronic computer technology to freight rate data retrieval and to the processing of shipping documentation by shippers and carriers.

Results to date fully support the conclusions of the feasibility study conducted in fiscal year 1965. Discussions with shippers and carriers point to significant potential benefits to be achieved when the program becomes operational. The tariff automation pilot project is being continued in fiscal year 1967. The basic problem remaining concerns incompatibility of commodity descriptions used in ocean freight tariffs with those employed in the Census Bureau Schedule B commodity classification code. Methods are being sought to achieve a more precise identification of commodities to overcome differences in commodity descriptions as used.

Liaison With Other Federal Agencies

The Commission continued its program of close liaison with other U.S. government agencies in an effort to insure that government cargoes move in our foreign trade at non-discriminatory rates.

A significant accomplishment is the concerted action by the Commission and the Agency for International Development, the Department of Agriculture, and the Military Sea Transportation Service in connection with surcharges at Vietnamese ports. In the summer of 1965, various conferences and independent carriers serving the trade between the United States and Vietnam established additional charges to compensate for extraordinary expenses attendant with operation in Vietnamese waters as a result of hostilities in that country. One of these charges was established as a war risk compensation charge, initially, at the level of $7.50 per ton. Additionally, a charge of $8.25 per ton was established to offset vessel detention as a result of congestion at Vietnamese ports. Following establishment of these charges, the Commission dispatched letters to the conferences and carriers relative to the circumstances which

caused their establishment and expressed concern in the matter. At that time, the Commission was approached by the Agency for International Development which expressed concern over the additional charges and asked for assistance in an effort to obtain reductions in their levels. After consultations by the agencies concerned, the Commission obtained from the conferences and certain independent carriers certain cost data related to vessel operations in Vietnamese waters. After analyzing these data and other pertinent facts it was decided to approach the conferences and their American-flag members on an informal basis in the hope they would voluntarily effect reductions without recourse to formal proceedings. Staff members of the Commission and the other agencies held meetings with the conference chairmen and representatives of the carriers to present the government case. The conferences and carriers agreed to reconsider the level of the additional charges and shortly thereafter reduced the $7.50 war risk compensation charge to $5.50. Recently, following a reduction in war risk insurance premiums and Seaman's bonus expenses, the Commission dispatched letters to the conferences and carriers suggesting a further decline in their war risk compensation charge. As a result, all of the conferences and most of the independent carriers reduced the charge to $3.75 per ton. This will save the U.S. government millions of dollars.

Another example wherein reduced rates have effected considerable savings to the government is in the movement of household goods by the Department of State. Early in 1966, the Department expressed concern about differences in rates assessed the State Department and the Department of Defense for movement of household goods. The areas of major concern involved the Far East Conference, the Pacific Westbound Conference and the North Atlantic/Mediterranean Freight Conference.

After discussion with State Department representatives, the Commission agreed that it would approach the conferences on behalf of the Department in an attempt to encourage them to reduce the rates on State Department's household goods to the same levels as rates available to the military. As a result, the Far East Conference and the Pacific Westbound Conference reduced rates on household goods to approximate parity with that on military traffic. The North Atlantic/Mediterranean Freight Conference was considering the matter at the close of the fiscal year.

There are additional trades wherein the State Department expresses concern over a disparate rate situation. The Commission will make every effort to assist the State Department in obtaining proper relief.

Special Permission Applications

During the year, the Commission received 314 applications for special permission to waive the 30-day filing notice provisions set forth in section 18(b). That section authorized the Commission to do so in its discretion and for good cause. Of the total applications received, 269 were granted, 18 were denied, and 27 were withdrawn.

International Relations

The Federal Maritime Commission continued to be faced with a number of international problems in connection with investigation of rate disparities in the foreign trade and commerce of the United States and in securing compliance with the Commission's orders issued to implement the shipping statutes.

During the period under review the Commission was represented at several meetings in Europe. The Chairman, Commissioners Barrett and Day, and the Managing Director attended meetings of the Marine Transport Committee of the OECD in Paris to discuss continuing problems on regulation of international shipping and the U.S.-Japan trade route study. The Chairman, Commissioner Day and the Managing Director also attended a meeting of European shipowners in London to further discuss regulation of international shipping.

Representatives of the Commission, headed by the Chairman, and representatives of the Department of State, held a meeting in Washington, D.C.. with the shipping attachés of the major European shipping countries and Japan regarding compliance, by conferences based abroad, with the Commission's General Order No. 18. At the close of the fiscal year. the Commission was considering problems involved in the U.S.-Japan rate study as well as compliance with the Commission's General Order No. 18.

The Government of Sweden on May 13, 1966, passed a decree, similar to the British and German (reported in 1965 report), which might be used to counteract actions by the Federal Maritime Commission under current legislation.

Foreign Discriminations

The end of fiscal 1966 saw increased tendencies by foreign governments to pass regulations or legislation to assist their own national merchant marines. While these measures were considered promotional by the various governments, it appeared that their implementation would discriminate against the operations of U.S. shipping lines. New proposals for the unilateral allocation of cargo to their own national lines were advanced by three governments. The United States, through the Department of State, is discussing these proposed discriminations with the governments involved. Action to implement the proposals had not yet been taken at the close of fiscal 1966.

Another matter being watched closely was the multilateral shipping convention proposed by the Latin American Free Trade Association (whose members are the governments of Latin-American countries), with the purpose of developing the members' merchant fleets and to assure them increased participation in maritime traffic. While the United States generally favors such economic developments, the Federal Maritime Commission is carefully watching developments to insure that U.S.-flag carriers are equitably treated in the U.S.-Latin American trade.

DOMESTIC OFFSHORE COMMERCE

The Commission regulates rates and practices of domestic offshore common carriers by water serving the trades between continental United States and Alaska, Hawaii, Puerto Rico, Guam, American Samoa and the Virgin Islands, pursuant to the provisions of the Intercoastal Shipping Act of 1933 and the Shipping Act, 1916.

Regulatory Activity

Tariff Filings

The Intercoastal Shipping Act of 1933 requires that carriers file with the Commission and keep open to public inspection schedules showing all the rates, fares, and charges for or in connection with transportation between ports served in the domestic offshore trades. The Commission accepts or rejects tariff filings in accordance with the requirements of the statute and the Commission's rules and regulations.

The Commission continued its practice of meeting with domestic offshore water carriers, shippers, and representatives of the governments of the domestic offshore areas, to eliminate from tariffs the causes of potential protests. As a result, only 17 cases culminated in formal proceedings. These informal negotiations eliminated an estimated 38 proceedings representing substantial savings in time and money both to the Commission and to the carriers and shippers.

In fiscal year 1966, the Commission received and examined 11,998 pages of freight and passenger tariff filings, rejected 493 tariff pages and accepted the remainder. Examination of the rates and other tariff provisions contained in the accepted pages resulted in the institution by the Commission of 17 formal proceedings placing tariff matters under investigation and/or suspension pending hearing and adjudication.

Special Permission Applications

Under the provisions of section 2 of the Intercoastal Shipping Act, 1933, no change may be made in tariff rates or provisions except by publication, filing and posting of new tariff schedules. Such changes become effective not earlier than 30 days after the date of filing with the Commission. However, upon application of the carrier, the Commission may in its discretion and for good cause shown, allow changes to become effective upon less than 30 days. The Commission approved 138 special permission applications, denied 5, and 1 was withdrawn by the applicant.

Carrier Agreements

Agreements between carriers in the domestic offshore trade are subject to section 15 of the Shipping Act, 1916, which requires that such agreements be filed for approval before effectuation.

Two carrier agreements were pending at the end of fiscal year 1965. Six agreements and ten modifications to existing carrier agreements were filed with the Commission during fiscal year 1966. Each agreement and/or modification was examined to determine whether it would be unjust, discriminatory or unfair as between carriers, shippers, exporters, importers or ports; operate to the detriment of the commerce of the United States; violate any of the provisions of the Shipping Act; represented the true and complete understanding of the parties; and whether contrary to the public interest. Two of the agreements were withdrawn by the parties without formal action of the Commission; two were determined to be not subject to section 15; one is pending further investigation; the others were approved.

Special Studies

The fact-gathering phase of a comprehensive study of the Alaska Trade was completed during the fiscal year 1966. The purpose of the study is to develop the economic and transportation data needed by the Commission to evaluate the services, rates, and charges of common carriers subject to the jurisdiction of the Commission.

TERMINAL OPERATORS

The Commission is responsible for the regulation of the activities of marine terminal operators pursuant to the provisions of the Shipping Act, 1916. This entails the processing of terminal agreements and policing and regulating terminal practices.

In carrying out this responsibility the Commission in fiscal year 1966:

1. Issued final rules in Docket No. 875 (General Order 15) requiring terminal operators to file tariffs and prescribing uniform definitions of terminal services. The effective date within which terminal operators must comply with these rules was postponed indefinitely pending Court review requested by several railroads.

2. Published, on May 23, 1966, a staff report in Factfinding Investigation No. 4 (North Atlantic Ports) dealing with the Port of Boston, and completed hearings in Factfinding Investigation No. 5 (South Atlantic and Gulf Ports). These investigations developed facts for determining whether free time, demurrage and storage practices at terminals are fair and whether terminals discriminate against truck traffic in favor of rail traffic.

3. Instituted an investigation (Docket No. 66–9) to determine whether Agreement No. T–1870, between the City of Long Beach, California, and Sea-Land of California, Inc., should be approved, modified, or disapproved pursuant to section 15 of the Shipping Act, 1916.

4. Instituted an investigation (Docket No. 66–33) to determine whether certain modifications submitted by the New York Terminal Conference relating to loading and unloading lighters; free time and demurrage; sorting of inbound cargo; and independent rate fixing without tariff publication, is consistent with sections 15, 16 and 17 of the Shipping Act, 1916.

5. Instituted an investigation (Docket No. 65–46) to determine: (a) whether truck loading and unloading rates of the New York

Terminal Conference constitute an undue or unreasonable prejudice or disadvantage in violation of section 16 First or constitute unjust or unreasonable practices in violation of section 17, and (b) whether the conference agreement should be disapproved under section 15.

6. Examined 4680 terminal tariff filings to determine whether they were in conformity with the provisions of the Shipping Act, 1916, or with an approved conference agreement to which the terminal may have been a party.

7. Reviewed the minutes of 73 terminal conference meetings to determine whether any action reflected therein was violative of the Shipping Act.

8. Reviewed 31 reports covering shippers' requests and complaints submitted by rate-making conferences in accordance with the Commission's General Order No. 14.

9. Received 49 informal complaints concerning the activities of terminal operators or other persons subject to the Act, compared with 54 received during fiscal year 1965. Thirty complaints were disposed of during the year and 76 complaints are pending. Of the 76 pending complaints, the majority are pending consideration under formal proceedings now before the Commission. [56 are the subject of formal Dockets Nos. 65–11, 65–12, and 65–14.]

10. Examined 177 terminal agreements filed pursuant to section 15 of the Shipping Act, 1916. Ninety-one of these agreements were determined not to be subject to section 15, 59 were approved, and 1 was withdrawn. Twenty-six were pending final action at the end of the year—two being the subject of formal dockets.

FREIGHT FORWARDING

The Commission licenses and regulates independent ocean freight forwarders, promulgates and enforces rules and regulations, and approves or disapproves agreements between licensed forwarders pursuant to the provisions of the Shipping Act, 1916.

Licensing

The law authorized the Commission to issue licenses to those independent ocean freight forwarders found to be fit, willing, and able to function as such. As a consequence, the Commission is required to conduct sufficient investigation of each applicant to permit such a finding to be made.

At the beginning of fiscal year 1966, 840 licenses had been issued, and there were 144 applications pending. During the fiscal year, 40 new applications were received: 63 licenses were issued; 29 applications were denied or withdrawn; and 92 continued in process. Thirty-two licenses, issued previously, were revoked.

Agreements

Ocean freight forwarders frequently enter into joint working agreements or cooperative working arrangements. Such agreements are filed for Commission approval pursuant to section 15 of the Shipping Act, 1916.

At the beginning of the fiscal year, 349 agreements were pending approval. and an additional 667 were received during the year. Of this total. 977 were approved. and 39 were pending further review at the end of the year. In addition, 19 previously approved agreements were terminated. At the close of the year there were 4,000 joint working agreements between ocean freight forwarders on file with the Commission.

Rulemaking Proceedings

Experience gained in the licensing and regulation of independent ocean freight forwarders indicates a continuing need for revision and amendment of the basic rules which establish a code of business practices, duties, and obligations applicable to licensees. These rules are contained in General Order 4, as amended.

Section 510.22(a) of this order prescribes a rule which prevents any licensee from charging or collecting ocean freight compensation in the event it requests the carrier of the shipment or its agent to perform ocean freight forwarding services unless no other licensee is willing and able to perform such services. During the fiscal year, the Commission served notice of its intent to amend this section so as to prescribe a procedure for allowing port-wide exemptions from the operation of said rule to carrier agents who also operate as licensed independent ocean freight forwarders. On June 13, 1966, the Commission heard oral argument on this proposed revision, and final action was pending at the close of the year.

A comprehensive review of actual operating experience pursuant to the regulations prescribed in General Order 4 indicated that certain modifications and/or optional alternatives were warranted. Accordingly, during the fiscal year the Commission proposed additional revisions. Such proposals would amend General Order 4 to (1) allow oceangoing common carriers to perform ocean freight forwarding services on cargo carried on its own bill of lading, free of charge, provided the tariff of the carrier so indicates this practice; (2) provide for Commission approval of branch offices of licenses; (3) include a time limit within which a licensee would be required to pay over to carriers freight monies advanced by its principal; (4) provide for the filing of rate schedules for accessorial services rendered by licensees; (5) prohibit the payment of ocean freight compensation to a licensee whose name appears on an ocean bill of lading as shipper or as agent for an undisclosed principal; and (6) require carriers to specify in their tariffs, rates of ocean freight compensation to be paid to licensees.

FINANCIAL AND ECONOMIC ANALYSIS

Transport Economics

The Commission's efforts in the field of economics have been devoted primarily to a series of rate-level studies designed to discover and exhibit the presence of disparate rate structures in given trade routes.

An investigation by the Commission is presently in hearing in Docket 65–45—an investigation of the ocean rate structures in the U.S. North Atlantic/United Kingdom and Eire trade—to determine, inter alia, whether the outbound rate structure or any individual outbound rate may be effectively higher than the inbound rate structure or any individual reciprocal inbound rate, and if so, whether the disparate rate structures, or individual rate disparities, may be detrimental to the commerce of the United States, contrary to the public interest or otherwise in violation of the Shipping Act, 1916.

Thus far, in addition to the North Atlantic/U.K. rate-level analysis (Trade Route No. 5), analyses have been prepared or are in process for a number of other trade areas.

Financial Analysis

During the fiscal year 1966, financial reports were received from carriers in the domestic offshore trades of which 34 were submitted under provisions of General Order 5 and 32 under provisions of General Order 11. These reports reflect, respectively, the financial condition of the carrier as a corporate entity and the results of its operations in the trades subject to the Commission's regulations.

During April, 1966, the Commission published two notices of proposed rule-making covering (1) audits and auditing procedures; and (2) availability to the public of the reports filed under the terms

of General Order 11. The former results from the decision of the U.S. Court of Appeals in *Alcoa Steamship Co., Inc.* v. *Federal Maritime Commission and United States of America* (D.C. Circuit, Apr. 15, 1965).

Current information concerning the assets employed and the results of operations of the carriers in the domestic offshore trades facilitates the review of changes in tariff rates and has resulted in eliminating some investigations and suspensions. The general acceptance of the principles of General Order 11 facilitates the conclusion of general rate cases by reducing the number of accounting differences between the participating parties.

ENFORCEMENT AND COMPLIANCE

Informal Complaints

The Commission is responsible for administering the regulatory statutes which affect the relationships among common carriers by water engaged in transportation in the foreign commerce of the United States as well as the relationships between those carriers and the shipping public. Many exporters, importers, carriers and others in industry bring before the Commission for resolution problems involving the adjustment of freight rates established by steamship lines and conferences, possible discriminatory treatment, improper or incorrect application of freight rates or rules, disputes as to proper tariff classification of shipments, operation of common carrier services without appropriate tariff publication and filing with the Commission.

While the Commission is not authorized to set minimum or maximum rates and charges in the foreign commerce of the United States and cannot suspend such a rate, it can investigate and refuse to permit rates or practices which are unjustly discriminatory, unduly preferential, or detrimental to the commerce of the United States. The Commission has implemented an informal complaint program in an effort to insure that shippers are afforded fair and reasonable rate treatment from carriers.

During the past year, the Commission has placed greater emphasis on bringing together for face-to-face discussion the representatives of carriers and shippers or the persons in controversy who have rate and other shipping problems. In this way, many problems have been disposed of to the satisfaction of the parties concerned without resort to expensive and protracted formal proceedings. The Commission has thus been instrumental in assisting exporters in resolving with shipping conferences or carriers their ocean freight rate problems in connection with a wide range of commodities.

Information developed through non-adjudicatory factfinding investigation disclosed that there are many exporters and potential exporters who do not have sufficient basic knowledge of export procedures, rate adjustment procedures and steamship conference functions. In an attempt to alleviate this condition, the Commission in conjunction with the Department of Commerce prepared and published a pamphlet entitled "Ocean Freight Rates Guidelines for Shippers". This publication will assist exporters and importers in presenting requests for rate reductions to carriers and conferences and acquaint them with the further steps which may be taken in the event of unsatisfactory consideration.

Increased effectiveness in informal complaint techniques reflects, this fiscal year, in a significant increase in proceedings settled to the satisfaction of the shipper.

The Commission considered 628 informal complaints and concluded its findings and actions with respect to 439 cases. Seventy-two of the pending cases are involved in formal docketed proceedings. The types of complaints and actions taken are:

Rate Complaints—Foreign Commerce

The Commission considered 391 informal complaints relating to rates and shipping problems in the foreign commerce of the United States. Of this number, investigation was completed and action taken with respect to 319. Ocean freight rate reductions or other action favorable to the shipper or other complainant were obtained in 36 cases. In 255 cases, inquiry and investigation disclosed that there was no basis on which to obtain settlement favorable to the complainant, or the matters were not within the jurisdiction of the Commission, or the issues had been satisfactorily settled by the parties. Complaints in 10 of the cases were withdrawn. Investigation disclosed that 18 of the complaints involved violations of the Shipping Act, 1916, and were referred to the Department of Justice for prosecution. At year end, 72 cases were pending completion of investigation or other handling for final disposition, 16 of which are subjects of formal investigation in docketed proceedings.

Other Complaints—Foreign Regulation

In addition to the informal complaints discussed in the preceding paragraph, the Commission had before it for consideration in fiscal

year 1966, 41 additional complaints arising directly from possible violations under section 14(b), dual rate contract systems, and under section 15, possible violations of approved agreements and operation under alleged unfiled and unapproved agreements.

Investigation was completed on 21 of these complaints. Four of these were docketed for formal investigatory proceedings involving overland and OCP rates and operations under invalid dual rate contracts; two covered suspensions from dual rate contracts for shipper violations, two involved conference agency matters, four concerned possible violations for failure to file appropriate agreement modifications and for operations under unfiled agreements, nine covered travel agency matters under passenger conference agreements.

Informal Complaints—Domestic Regulation

The Commission considered 196 informal complaints involving claims for loss or damage, freight rates, tariff filing violations, unfiled section 15 agreements. unjust and unfair discriminatory practices of offshore carriers. terminal operators and freight forwarders. Thirty-one of these complaints were found not to involve violation of the shipping statutes. In 8 cases a rate adjustment was effected which benefited the shipper; 58 other cases were resolved through adjustments between the parties or other corrective action; 2 were referred to the Department of Justice; 56 are the subject of docketed proceedings; and 41 were pending further investigation by the staff on June 30. 1966.

Other Compliance Action

During fiscal year 1966 the Commission expanded its compliance program in the domestic offshore trades. The program is divided into two parts. Part I relates to general activities of water carriers subject to the shipping statutes and is intended to (1) acquaint the shipping public as well as the carriers with the provisions of the shipping statutes and rules and regulations of the Commission, and (2) detect and investigate instances of failure to comply with the statutes and rules of regulation of the Commission. Part II of the program is a container inspection program instituted to prevent or inhibit unlawful practices in weighing, measuring and describing an article transported in containers.

Factfinding Proceedings

During the past year the Commission completed hearings in Factfinding Investigation No. 5 (Terminal Practices at South Atlantic and Gulf Ports—from, but excluding, Hampton Roads, Va., to Brownsville, Tex.); made its report on Project Rates—Factfinding Investigation No. 8 (Project Rates and Practices Related thereto), and that portion of its report in Factfinding Investigation No. 4 (Terminal Practices at North Atlantic Ports—Hampton Roads, Va., to Searsport, Me.) dealing with the Port of Boston. Hearings were continued in the general investigation of conference rate structures, Factfinding Investigation No. 6 (The Effects of Steamship Conference Organization, Procedure, Rules, Regulations and Practices upon the Foreign Commerce of the United States), including testimony of conferences headquartered in New York and New Orleans. Hearings dealing with west coast conferences will commence during the next year.

Field Investigations

Fiscal year 1966 saw certain changes in emphasis in the Commission's investigative program. While the previous year required extensive activity in connection with the investigation of ocean freight forwarder applicants, the current year saw the initiation of the container inspection program and a reemphasis of compliance activities relating to malpractices generally.

Investigative activities resulted in fines and/or settlements for violations of the shipping statutes in the amount of $66,650. At the close of the fiscal year there remained pending in the Federal Courts or with the Department of Justice for appropriate criminal or civil action 46 additional cases developed through investigation.

During the year, 443 new investigative cases were opened and 391 investigations were completed. The pending active case load at the year's end was 342.

Formal Proceedings

The Commission on its own motion instituted 56 proceedings involving various regulatory matters. In addition, nine complaint cases were instituted. Seventy-three cases were concluded either

through Commission decision, satisfaction of complaint, or dismissal of the proceedings.

Compliance with the Commission's general orders by the conferences serving the United States trades was effectuated by the institution of 13 show cause proceedings. The majority of these proceedings were concluded by the conferences complying with the Commission's general orders without the need for a hearing. Surveillance of the offshore domestic trades rates structures was continued by the institution of nine formal proceedings; deviation from the standard dual rate contracts previously approved by the Commission was the subject matter of five formal proceedings.

The status of the Commission docket in formal proceedings is indicated below:

	*Beginning fiscal 1966	New dockets and remanded cases	Concluded fiscal 1966	Pending beginning fiscal 1967
Investigations:				
Section 15	19	24	23	20
Sections 14, 16, 17	10	2	8	4
Section 18(b)(5)	2	2	2	2
Complaints	18	9	12	15
Dual rate contracts	1	6	4	3
Freight forwarder licensing	4	8	7	5
Rate proceedings	8	10	11	7
Rulemaking	7	6	4	9
Total	69	67	71	65

*This column has been adjusted from the fourth annual report to include complaint cases and cases remanded by the Courts to the Commission for reconsideration.

PROCEEDINGS BEFORE HEARING EXAMINERS AND FEDERAL MARITIME COMMISSION

At the beginning of the fiscal year, 133 proceedings were pending before Hearing Examiners, and there were added during the fiscal year 52 cases; 2 cases were remanded for further proceeding, making a total of 54 proceedings. The Examiners conducted 19 hearings and issued 29 initial decisions; one decision embraced 90 special docket applications.

In proceedings other than rulemaking, the Commission heard 22 oral arguments involving as many proceedings and issued 68 decisions involving 177 proceedings. Of these proceedings, 19 were discontinued or dismissed without report, two were remanded to Examiners, and one was referred to the Chief Examiner for evidentiary hearing. At the end of the fiscal year, there were 15 proceedings pending decision by the Commission.

Final Decisions of the Commission

Docket No. 872—*Joint Agreement Between Member Lines of Far East Conference and the Member Lines of Pacific Westbound Conference.* It was determined that (1) respondents' supplementary agreements affecting overland rates, concurrence procedures, and placing of items on the initiative list constituted unapproved agreements required to be filed with the Commission pursuant to section 15 of the Act; (2) respondents' past conduct in regard to their treatment of Carnation Company was in violation of section 16 of the Act; (3) respondents did not surrender their right of independent action by reason of a secret agreement; and (4) the record was insufficient to warrant disapproval of respondents' agreement.

Docket No. 890—*In the Matter of Unapproved Section 15 Agreements—Spanish/Portuguese Trade;* Docket No. 891—*In the Matter of Rates, Charges and Practices of Carriers Engaged in the Trade Between United States and Spain/Portugal.* It was determined that respondents had entered into agree-

ments and understandings which were not filed with or approved by the Commission in violation of section 15 of the Act.

Docket No. 971—*New Orleans Steamship Association* v. *Bunge Corporation and Southern Stevedoring Company, Inc.* The complaint was dismissed on the ground that the operations of respondents were not subject to the jurisdiction of the Commission.

Docket No. 996—*Philippine Merchants Steamship Co., Inc.* v. *Cargill, Incorporated.* It was determined that (1) the agreement between respondent and Consolidated Stevedoring Company for division of net profits was a cooperative working arrangement for the apportionment of earnings required to be filed with the Commission pursuant to section 15 of the Act; and (2) respondent's assessment of weighing charges against complainant was an unjust and unreasonable practice contrary to section 17 of the Act. Proceeding remanded to Examiner for the taking of additional evidence and for a determination of the amount of reparations due for any injury caused by the improperly imposed charges.

Docket No. 1066—*Alcoa Steamship Co., Inc.—General Increases in Rates in the Atlantic Gulf Puerto Rico Trade.* It was determined that respondent's proposed rate increases were unjust and unreasonable to the extent that they provided a rate of return exceeding 10 percent on a rate base computed by means of the ton-mile method of allocation of vessel expenses and depreciation.

Docket No. 1082—*Thatcher Glass Manufacturing Co., Inc.* v. *Sea-Land Service, Inc., Puerto Rican Division.* The complaint was dismissed on the ground that respondent's minimum rate of $500 per trailer load for transportation of glass bottles from Jacksonville to Puerto Rico via Port Newark was not shown to be unjust and unreasonable nor subject shippers to undue or unreasonable prejudice or disadvantage.

Docket No. 1084—*Investigation of Wharfage Charges on Bulk Grain at Pacific Coast Ports.* It was determined that assessment of wharfage charges on bulk grain moving through marine terminal elevators on the Pacific Coast was not an unjust or unreasonable practice under section 17 of the Act.

Docket No. 1086—*Stockton Port District* v. *Pacific Westbound Conference, et al.* It was determined that respondents' equalization rules and practices were unjustly discriminatory and unfair to terminal ports of the San Francisco Bay area to the extent that they provided for equalization of inland transportation charges against such ports on cargo loaded at Los Angeles and Long Beach: (1) respondents' filed equalization rules, to the extent that they provide for equalization of inland transportation charges between San Francisco Bay area ports, were not in violation of law: and (3) Pacific Westbound Conference and its member lines were not in compliance with section 18(b) of the Act since their "equalization" rule on citrus fruit originating in Southern California was not filed with the Commission.

Docket No. 1089—*Volkswagenwerk Aktiengesellschaft* v. *Marine Terminals Corporation, et al.* The complaint was dismissed on the grounds that (1) respondents' agreement with others to contribute to a fund pursuant to a union agreement was not subject to section 15 of the Act; and (2) respondents' inclusion of their contribution in rates charged to complainant was not in violation of sections 16 and 17 of the Act.

Docket No. 1095—*Agreement No. 150–21, Trans-Pacific Freight Conference of Japan and Agreement 3103–17, Japan-Atlantic and Gulf Freight Conference.* The self-policing systems of respondent conferences were approved pursuant to section 15 of the Act.

Docket No. 1100 (Sub. 1)—*Agreement 9218 Between the Member Lines of the North Atlantic Continental Freight Conference and the Continental North Atlantic Westbound Freight Conference.* On reconsideration, it was determined that Agreement 9218, which provided that a member line of one conference operating within the trading range of the other conference must be a member of both conferences, was contrary to section 15 of the Act.

Docket No. 1114—*Iron and Steel Rates, Export-Import.* It was determined that respondents' rates on iron and steel in the trades under investigation were not shown to be contrary to sections 15, 17, or 18(b)(5) of the Act.

Docket No. 1136—*Investigation of Increased Sugar Rate in the Atlantic/Gulf-Puerto Rico Trade.* It was determined that the increased rate of Lykes Bros. Steamship Company on refined bagged sugar was not unjust or unreasonable.

Docket No. 1137—*Reduction of Wharfage Charges Port of Oakland.* The Commission affirmed the decision of the Examiner to discontinue the proceeding inasmuch as Oakland had cancelled the tariff item which had given rise to this proceeding and thus the issues had become moot.

Docket No. 1153—*Truck and Lighter Loading and Unloading Practices at New York Harbor.* It was determined that certain rules, regulations, and practices of the New York Terminal Conference with respect to loading and unloading services provided for trucks and lighters were contrary to section 16 First and section 17 of the Act.

Docket No. 1159—*In the Matter of Agreement No. 14–19 and Clause 11 of Agreement No. 14–1 as Amended and Clause 10 of Agreement No. 14–20, Trans-Pacific Freight Conference (Hong Kong).* Clause 10 of Agreement No. 14–20, providing for the exclusive services of shipping agents, was approved pursuant to section 15 of the Act.

Docket No. 1167—*Reduced Rates on Automobiles—Atlantic Coast Ports to Puerto Rico.* On remand, the Commission removed the 1 cent differential between the rates of South Atlantic & Caribbean Line and TMT Trailer Ferry for carriage of automobiles between Miami, Florida and San Juan, Puerto Rico and fixed rates for both carriers at 35 cents inclusive of all charges.

Docket No. 1170—*Firestone International Company (a Division of the Firestone Tire & Rubber Company)* v. *Far East Conference, et al.* The complaint was dismissed on the ground that the conduct of respondents in asserting breach of their dual rate contract and demanding damages therefor was not in violation of section 14 Third and section 14(b) of the Act.

Docket No. 1171—*Outbound Rates Affecting the Exportation of High-Pressure Boilers (Utility Type), Parts and Related Structural Components.* It was determined that respondent conferences' rates on utility-type boilers and components were not in violation of sections 17 and 18 of the Act and respondents' conference agreements, by reason of maintenance of such rates, did not require disapproval or modification pursuant to section 15 of the Act.

Docket No. 1185—*Ocean Freight Consultants, Inc.* v. *The Bank Line, Limited.* The Commission granted reparations to complainant on the ground that respondent charged a higher rate than that on file in its tariff in violation of section 18(b)(3) of the Act.

Docket No. 1187—*Reduced Rates on Machinery and Tractors from United States Atlantic Ports to Ports in Puerto Rico;* Docket No. 1187 (Sub. 1)—*Further Reduction in Rates on Machinery and Tractors from United States Ports to Ports in Puerto Rico.* The Commission (1) fixed the rates of the North Atlantic carriers at 50 cents upon a finding that such rates were not unjust or unreasonable: (2) fixed the rates of SACAL and TMT at 48 cents, except as to road scrapers, upon a finding that their respective 43 cents and 37 cents rates were in violation of section 16 First of the Act: and (3) found the 28 cents rates on road scrapers of South Atlantic and Caribbean Line and TMT Trailer Ferry just or reasonable.

Docket No. 1203—*Application for Freight Forwarding License-York Shipping Corporation.* Application for license was denied on the ground that applicant, as an employee of a firm engaged in shipping in foreign trade, was not an independent ocean freight forwarder within the meaning of the Act.

Docket No. 1205—*Sea-Land Service, Inc.* v. *South Atlantic and Caribbean Line, Inc.* The Commission ordered respondents to cease and desist from its practice of offering substituted service at Jacksonville, Florida, on the ground that such service unduly prejudiced the port of Jacksonville and unduly preferred the port of Miami, Florida, in violation of section 16 First of the Act.

Docket No. 1209—*Sacramento-Yolo Port District* v. *Fred F. Noonan Company, Inc.* Upon petition it was declared that wharfage charges for loading of bulk rice from offshore side of vessel did not lawfully accrue against respondent where complainant's definition of wharfage restricted application to cargo passed on, over, under, or through the wharf.

Docket No. 1210—*Continental Nut Company* v. *Pacific Coast River Plate Brazil Conference, et al.* Upon petition, it was declared that respondents' additional assessment of charges for carriage of Brazil nuts for use in pro-

moting their sale was an implementation of an agreement required to be filed pursuant to section 15 of the Act.

Docket No. 1211—*Independent Ocean Freight Forwarder License No. 542—Aetna Forwarding Company, Inc.* The Commission adopted the decision of the Examiner and revoked the license of Aetna Forwarding Company on the grounds that it was not financially able and did not furnish the bond required by Commission regulation.

Docket No. 1212—*Mediterranean Pools Investigation.* It was determined that the various agreements under investigation were not contrary to section 15 of the Act and the agreements were approved, subject to certain modifications.

Docket No. 1216—*Activities, Tariff Filing Practices and Carrier Status of Containerships, Inc.* It was determined that respondent, by reason of its activities and practices, was a common carrier by water within the meaning of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933.

Docket No. 1217—*Investigation of Free Time Practices at Port of San Diego.* It was determined that 10 days for outbound and 7 days for inbound cargo, exclusive of Saturdays, Sundays, and holidays, was a reasonable amount of free time to be offered at San Diego.

Docket No. 65–6—*Pacific Westbound Conference Amendment to Dual Rate Contract.* The Commission denied the application of respondent to amend the charter-exclusion clause of its dual rate contract on the ground that such amendment would be contrary to section 14(b) of the Act.

Docket No. 65–7—*Imposition of Surcharge at United States Atlantic and Gulf Ports on Cargo Moving Between Said Ports and Latin American Ports.* It was determined that the surcharge imposed by respondents was in conformance with their dual rate contract and not otherwise unlawful.

Docket No. 65–9—*Agreement No. T–1768: Terminal Lease Agreement.* Agreement No. T–1768, providing for preferential assignment of marine terminal property from the City of Oakland to Sea-Land of California, was approved pursuant to section 15 of the Act, subject to certain modifications.

Docket No. 65–27—*Marseilles/North Atlantic U.S.A. Freight Conference Exclusive Patronage (Dual Rate) System and Contract.* Respondents' proposed dual rate system and contract form were approved pursuant to section 14(b) of the Act, subject to modification.

Docket No. 65–28—*Admission to Conference Membership-Pacific Coast European Conference.* It was determined that respondents' conference agreement did not comply with the provisions of section 15 of the Act and Commission General Order 9, relating to admission, withdrawal, and expulsion of members and respondents were directed to modify their agreement in this respect.

Docket No. 65–29—*Imposition of Surcharge by the Far East Conference at Searsport, Maine.* It was determined that imposition of the surcharge was contrary to the requirements of section 15 of the Act.

Docket No. 65–28—*Israel/U.S. North Atlantic Ports Westbound Freight Conference Exclusive Patronage (Dual Rate) System and Contract.* The Commission adopted the decision of the Examiner and approved the respondents' proposed dual rate system and form of contract pursuant to section 14(b) of the Act.

Docket No. 65–42—*Agreement 8765—Order to Show Cause.* The Commission cancelled Agreement 8765, pursuant to section 15 of the Act, on the ground that the circumstances warranting its original approval had ceased to exist.

Docket No. 66–1—*Lomen Commercial Company-Increased Rates in the Northwest-Bering Sea Area of Alaska.* The Commission adopted the decision of the Examiner in finding that respondent's rates were just, reasonable, and otherwise lawful.

Docket No. 66–12—*Approved Scope of Trades Covered by Agreement 7840, As Amended—Atlantic Passenger Steamship Conference.* It was determined that respondents were not required to delete that portion of their agreement dealing with carriage of passengers between Europe and Canada.

The Commission granted application made under Rule 6(b) of the Commission's Rules of Practice and Procedure authorizing payment of reparation or waiver of collection of undercharges in the following proceeding: Special Docket No. 396. The Commission denied applications under Rule 6(b) in the following proceedings: Special Docket Nos. 269–277, 279–281, 283–289, 291–311, 314–363, 368, 373, 376, 379, 380, 381, 382, 383–389, 390–394, 395, 397, 398, and 400.

Decisions of Hearing Examiners

(*In proceedings not yet decided by Commission*)

Docket No. 916—*Investigation of Practices, Operations, Actions, and Agreements West Coast of Italy, Sicilian and Adriatic Ports/North Atlantic Range Trade.* Respondents were found not to have made unlawful deferred rebates; entered into agreements required to be filed with the Commission's predecessor; given undue or unreasonable preference or advantage to particular persons; and allowed persons to obtain transportation for property at less than the regular rates or charges by unjust or unfair devices or means. If necessary, alternatively it was found that certain events and practices in Italy were not shown to have had any direct and material effect upon the foreign commerce of the United States, and that jurisdiction is lacking.

Docket No. 1208—*In the Matter of Agreement 9229—Italy, France, Spain and Portugal/North Pacific Freight Pool and Agreement 8090, as amended—Mediterranean/North Pacific Coast Freight Conference.* It was determined that the Italy, France, Spain and Portugal/North Pacific Freight Pool Agreement No. 9229, as amended to date, and if further modified in accordance with this decision, would not be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers or ports, or between exporters from

the United States and their foreign competitors, or to be detrimental to the commerce of the United States, or contrary to the public interest, or otherwise in violation of the Shipping Act, 1916. The agreement was approved. It was further determined that the parties to the Mediterranean/North Pacific Coast Freight Conference, Agreement No. 8090, had not adequately policed their obligations under the said agreement but, considering the surrounding circumstances, it was not necessary to disapprove the Agreement on that account. The proposed self-policing system submitted by the Conference should be approved as it will provide adequate policing of the obligations of the parties as required by section 15 of the Shipping Act, 1916; and the proposed amendment of Agreement 8090, which will prohibit the Conference members or their agents from acting as agents for nonmember carriers, will not violate the standards of section 15 and was approved.

Docket No. 65-1—*Matson Navigation Company—Reduced Rates on Flour from Pacific Coast Ports to Hawaii.* Respondent, a common carrier in the carriage of flour from Pacific Coast Ports to Hawaii, is in competition with an unregulated barge line carrying wheat. Respondent's reduced rate on flour found to be compensatory, and justified as a means of meeting barge-line competition.

Docket No. 65-17—*Transshipment and Apportionment Agreements from Indonesian Ports to U.S. Atlantic and Gulf Ports.* The Indonesian/U.S. trade, involving through-cargo shipped from an Indonesian outport, transshipped at an Indonesian baseport and oncarried to a U.S. port by JNYRA members (Second Carriers), intended by all parties concerned with the movement to be cargo destined for the United States, was found to be cargo transported between the United States and a foreign country in the import trade though carried from the outport to the baseport by an Indonesian carrier (First Carrier) transporting cargo only between and among Indonesian outports and baseports. Agreement No. 9222, executed by all the First Carriers and Second Carriers individually, all the Second Carriers being members of JNYRA subject to the Act, involving an arrangement for the exclusive transshipment of Indonesian/U.S. through-cargo, was found to be an agreement between a common carrier subject to the Act and another common carrier subject to the Act, within the meaning of section 15 of the Act, and accordingly must be filed. It was further found under these circumstances that it is neither essential nor necessary to determine that a First Carrier that also executed the agreement is a common carrier subject to the Act where that carrier is wholly owned by Indonesia, its vessels never touch the United States, it has no representative in the United States, and it plys the trade only between and among Indonesian outports and baseports.

It was determined that Agreement No. 9222, if modified, would not be unjustly discriminatory or unfair as between carriers, shippers, exporters, importers, or ports, or between exporters from the United States and their

foreign competitors, detrimental to the commerce of the United States, or contrary to the public interest or otherwise in violation of the Shipping Act, 1916. The Indonesian/U.S. trade transshipped at Singapore/Penang having ceased, Agreement No. 9202 covering that trade was disapproved as not being in the public interest, without prejudice to refiling when the trade resumes or there is immediate possibility of its resumption.

Agreements to enter into Agreement No. 9222 (the latter a section 15 agreement) were found not to be subject to section 15 of the Act. Assuming such agreements to enter are subject to section 15, it would serve no useful regulatory purpose to require filing.

No showing made that Agreements No. 9222 and No. 9202 did not represent the entire agreement of the parties, or that they have been carried out in whole or in part without approval of the Commission as required by Section 15.

Docket No. 65-19—*Transshipment and Through Billing Arrangement between East Coast Ports of South Thailand and U.S. Atlantic and Gulf Ports.* It was found that Agreement No. 9311, between two groups of carriers providing for transshipment of rubber at Singapore, is subject to section 15 of the Shipping Act, 1916; and that inasmuch as the proposed transshipment agreement did not violate any of the standards of section 15, it was approved.

Docket No. 66-4—*Independent Ocean Freight Forwarder License Application—James J. Boyle & Co., San Francisco, California;* and *Independent Ocean Freight Forwarder License No. 480—World-Wide Services, Inc., Jamaica, New York.* It was determined that the applicant for freight forwarder license (Boyle) was not unfit for licensing by reason of unlawful operation, in view of the fact that applicant in good faith believed the operation lawful, and other extenuating circumstance. Proceeding as to World-Wide was dismissed.

Docket No. 66-17—*Independent Ocean Freight Forwarder License Application No. 552—Heskel Saleh d b a Eastern Forwarding Service.* An application by holder of "grandfather rights" for license as independent freight forwarder granted upon condition that applicant refrain from collecting unearned commissions from carriers and sever all use of office equipment and employees of shipper, and establish an independent office.

Special Docket No. 399—*Member Lines of the Java Pacific Rate Agreement v. Numerous Shippers in the Trade from Indonesia, Exclusive of Ports on the East Coast of Sumatra between Langsa and Indragiri, both inclusive, to Pacific Coast Ports of the United States during 1964.* Application under Rule 6(b) for leave to waive collection of undercharges was denied, on finding that no undercharges were properly collectible upon the facts shown.

Examiners also issued decisions in Docket Nos. 1095, 1100(1), 1137, 1153, 1185, 1205, 1209, 1210, 1211, 1212, 1217, 65-7, 65-9, 65-27, 65-38, 66-1 and Special Docket Nos. 269 through 277, 279 through 281, 283

through 289, 291 through 311, 314 through 363, 382, 398 and 400, described above under "Final Decisions of the Commission."

Pending Proceedings

At the close of the fiscal year there were 43 pending proceedings, of which 28 were initiated on the Commission's own motion, and the remainder were instituted by formal complaints and applications filed by conferences, trade associations, shippers, individual steamship operators and others.

RULEMAKING PROCEEDINGS

Six rulemaking proceedings were instituted in fiscal year 1966.

Docket No. 65–33—*Small Claims Procedures.* Proposed rules published August 27, 1965.

Docket No. 65–37—*Special Permission Requirements for Filing Project Rates.* Revised proposed rules published June 24, 1966.

Docket No. 66–2—*Practices of Independent Ocean Freight Forwarders, Ocean Freight Brokers, and Oceangoing Common Carriers.* (Operations of Carrier Agents.) Proposed rules published January 20, 1966.

Docket No. 66–19—*Audits and Auditing Procedures.* Proposed rules published April 8. 1966.

Docket No. 66–20—*Reports of Rate Base and Income Account by Vessel Operating Common Carriers in the Domestic Offshore Trade.* Proposed rules published April 8. 1966.

Docket No. 66–31—*Practices of Independent Ocean Freight Forwarders, Ocean Freight Brokers, and Oceangoing Common Carriers.* (General revision.) Proposed rules published May 6. 1966.

There were published during the fiscal year General Order No. 15—Filing of Tariffs by Terminal Operators: General Order No. 17—Time for Filing and Commenting on Certain Agreements: General Order No. 18—Filing of Minutes and Other Information by Parties to section 15 agreements.

LITIGATION

Seven petitions to review Federal Maritime Commission orders were pending in the various United States Courts of Appeals at the beginning of the fiscal year. During the year, 24 petitions to review were filed in the Courts of Appeals, and 1 case was reopened as a result of action by the Supreme Court. Fifteen cases were disposed of during the fiscal year, leaving seventeen cases submitted for decision or pending briefing on June 30, 1966.

One petition for a writ of certiorari was filed with the Supreme Court during the fiscal year, the Commission opposed the petition, and it was denied. Briefs on the merits were filed in two other cases which were disposed of by the Supreme Court during the term ending in June 1966.

Some of the more important cases decided in the Supreme Court and the Courts of Appeals were:

International Packers Ltd. v. *Federal Maritime Commission,* 356 F. 2d 808 (D.C. Cir. 1966), which affirmed an order of the Commission upholding the legality of a surcharge imposed because of a longshoremen's strike. Rejecting the shipper's claims that the surcharge was illegal because it constituted a charge not expressly set out in the carrier's tariff and that the bill of lading rule, under which the surcharge was imposed, was not properly a part of the tariff, the Court concluded: "This is clearly a question the resolution of which must be left primarily to the agency with expert experience in the everyday realities of the shipping industry, and to which Congress has entrusted primary responsibility for effectuating the purposes of the Act."

Alaska Steamship Company v. *Federal Maritime Commission,* 356 F. 2d 59 (9th Cir. 1966), which affirmed an order of the Commission denying a petition to reopen a rate case which had been pending before the Commission since 1961. The Court held that the Commission had broad discretion in disposing of petitions to reopen evidentiary records, and that there was no abuse of the discretion in this case.

Carnation Company v. *Pacific Westbound Conference,* 383 U.S. 213 (1966), which reversed the judgment of the United States Court of Appeals

for the Ninth Circuit and held that an action for treble damages under the antitrust laws should be stayed pending a determination by the Commission as to the legality under the Shipping Act of the Conferences' actions. The Ninth Circuit Court of Appeals had affirmed a judgment of the District Court dismissing the treble damage action. The Supreme Court also held that actions taken pursuant to agreements which have not been filed with or approved by the Commission are subject to the treble damage remedies provided by the antitrust laws.

Persian Gulf Outward Freight Conference v. *Federal Maritime Commission*, 361 F. 2d 80 (D.C. Cir. 1966) which affirmed a Commission order approving the operations of two steamship conferences in the same general trading area. The Court held that:

"* * * it seems equally clear that the right of the Commission to approve more than one conference in circumstances like those now before us was not prohibited. In this situation for the court to prohibit it would do what Congress should do if it is to be done at all."

Consolo v. *Federal Maritime Commission*, 383 U.S. 607 (1966), which reversed the judgment of the U.S. Court of Appeals for the District of Columbia Circuit and held that it was not inequitable for the Commission to award reparations to Consolo, a shipper of bananas. Consolo was denied shipping space for the carriage of bananas between 1957 and 1959, and the carrier had contended before the Commission and the Court of Appeals that an award of reparations was inequitable in the circumstances. The Supreme Court also reaffirmed the principle that Commission orders must be affirmed if they are supported by substantial evidence.

Pacific Coast European Conference, et al. v. *Federal Maritime Commission*, 359 F. 2d 416 (9th Cir. 1966), which held that the Commission could utilize its powers under both sections 21 and 27 of the Shipping Act, 1916, in conducting investigations. The Court stated:

"The Act does not in any way limit the purpose of a section 21 order. Obviously, it can relate only to matters falling within the jurisdiction of the Commission. The pending matter is clearly of that character."

Alaska Steamship Company v. *Federal Maritime Commission*, 362 F. 2d 406 (9th Cir. 1966), which held that in the event the Commission decides to suspend newly filed rates under the provisions of the Intercoastal Shipping Act, 1933, the orders reflecting the Commission's action must be served prior to the effective date of the rates. The Court also held that telegrams notifying the carrier of rate suspensions did not comply with the Act's requirement that the carrier be apprised of the suspension by being furnished with a written statement of the Commission's reasons for the suspension.

U.S. Atlantic & Gulf Australia-New Zealand Conference v. *Federal Maritime Commission* (United States Court of Appeals, District of Columbia Circuit, June 30, 1966), which remanded to the Commission a proceeding in which the Commission had sanctioned a single conference administration for two groups of carriers serving different trading areas. The Commission,

however, disapproved (1) the use of a single dual rate contract for both trades; (2) a veto power held by one section of the conference over the rates of the other section; and (3) a three quarter voting rule to be used by one section. The Court affirmed the Commission's disapproval of the use of a single dual rate contract, but it remanded the other two issues to the Commission for further findings.

In addition to the conduct of the Commission's appellate litigation, the Commission's legal staff instituted five suits to compel compliance with Commission orders or subpoenas and concluded one suit pending from the fiscal year 1965. Commission counsel also actively participated in three appeals from District Court decisions involving Commission orders which were briefed and argued during the fiscal year.

Two important cases involving the Commission's subpoena powers were decided by the United States District Courts during the fiscal year. In *Federal Maritime Commission* v. *A. T. DeSmedt,* 249 F. Supp. 496 (1966), the U.S. District Court for the Southern District of New York ordered compliance with certain subpoenas issued by a Commission hearing examiner in a complaint case. The Court stated:

"We conclude that to compel them [respondents] to produce evidence, wherever located, relevant and necessary to a determination of the charges made against them of violation of a statute under which they enjoy certain immunities is clearly within the power of the Commission."

Similarly, in *Federal Maritime Commission* v. *Transoceanic Terminal Corp., et al.,* 252 F. Supp. 743 (1966), the U.S. District Court for the Northern District of Illinois, Eastern Division, ordered obedience to Commission subpoenas. The Court held that the Commission could proceed to hearing on an application for enforcement of subpoenas by an order to show cause, rather than by complaint and answer:

"The subpoena powers given the Commission by Congress are vital to the investigatory responsibilities prescribed by the Shipping Act. Frustration of this power is unnecessary and unwarranted, and the procedure employed in this case is the sensible way to deal with a problem of some urgency."

During the fiscal year, the Commission referred to the Department of Justice for consideration 32 cases involving violations of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, and rendered the Department all necessary assistance in connection therewith.

LEGISLATIVE DEVELOPMENTS

The Commission was concerned with four legislative proposals which were transmitted to the Congress during the fiscal year. The proposals, which were introduced as bills, were (1) a proposal to amend the Intercoastal Shipping Act, 1933, to permit the Commission to require that carriers operating in the domestic offshore trades keep uniform accounts and allow Commission representatives access to those accounts for inspection purposes (H.R. 12627; S. 2964); (2) a proposal to amend section 28 of the Shipping Act, 1916, to require witnesses in Commission proceedings to make an express request for immunity (H.R. 12628; S. 2963); (3) a proposal to amend the Shipping Act, 1916, which would authorize the Commission to grant exemptions from the provisions of the Act (H.R. 15575; S. 3391); and (4) a proposal to amend the Intercoastal Shipping Act, 1933, to require carriers operating in the domestic offshore trades and whose rates have been suspended by the Commission to make an accounting of revenues derived as a result of increased rates going into effect at the end of a suspension period (H.R. 15722; S. 3544).

Representatives of the Commission testified before several Congressional committees in regard to maritime matters such as cruise and safety of life at sea legislation, the Administration's proposed Department of Transportation, rates on military cargo, and ocean freight rates in general. In addition, the Commission made studies of numerous bills introduced into Congress and furnished pertinent comments.

At the close of the fiscal year, the Commission had under consideration a number of legislative proposals, and it is expected that legislation which would expressly provide the Commission with an interim cease and desist power, refund authority, and deposition and discovery powers will be transmitted to the Congress in the next fiscal year.

ADMINISTRATION

Commissioners

There were no changes in Commission membership during fiscal year 1966. John Harllee, Rear Admiral, U.S. Navy (Retired) continued by designation of the President to serve as Chairman. The other members were Ashton C. Barrett of Mississippi; James V. Day of Maine; George H. Hearn of New York; and John S. Patterson of Illinois.

In accordance with its policy of rotating the Vice Chairmanship, the Commission on July 21, 1965, elected John S. Patterson as Vice Chairman, succeeding James V. Day.

Staff Organization

Edward Schmeltzer, formerly Director, Bureau of Domestic Regulation, was appointed Managing Director on March 15, 1966. He was succeeded by James E. Mazure as Director, Bureau of Domestic Regulation.

The Bureau of Compliance was established during the year to include in one Bureau, the former independent Bureau of Foreign Regulation, Bureau of Hearing Counsel and Office of Transport Economics. Robert J. Blackwell, formerly Director, Bureau of Hearing Counsel, was appointed Director of the Bureau of Compliance. Mr. Blackwell was succeeded by Donald J. Brunner as Chief, Office of Hearing Counsel.

Personnel

There were 257 employees on duty as of June 30, 1966. This is an increase of six over the June 30, 1965, employment.

Management Improvement Program

The Commission, is fiscal year 1966, continued an aggressive agency-wide effort for achieving operating efficiencies, improving

services to the public, and effecting maximum utilization of staff resources.

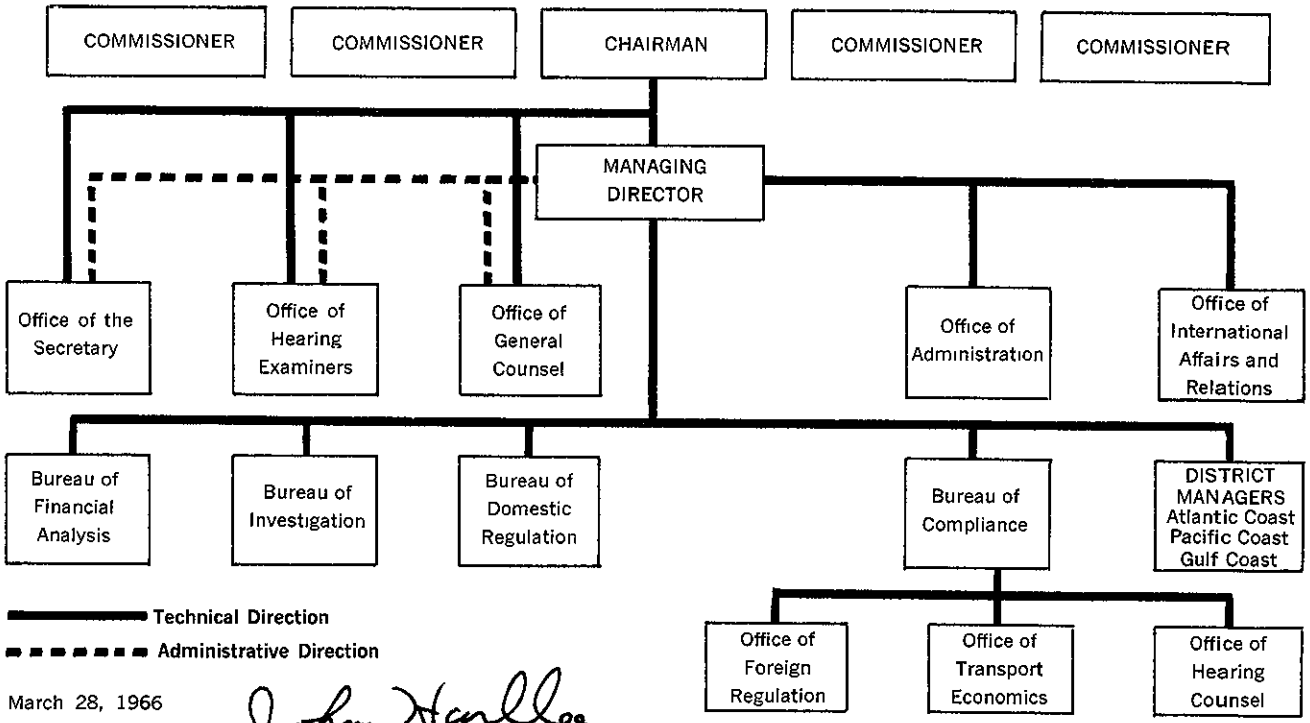
The results of these efforts are reflected in increased output, reduction of work on hand, more rapid processing of cases and documents, and improved quality of staff activity.

A number of procedural innovations and the active participation of supervisors and employees in seeking methods for improving their operations highlighted the accomplishments of the past year.

- Supervisor management responsibility was emphasized. Supervisors at all levels participated in the establishment of cost reduction goals. An honorary awards program, commenced in November 1965, accents the role of the supervisor in achieving cost reduction through management efficiency.
- The Employee Suggestion Program was directed towards employee participation in agency management activities and in improving service to the public. Employee participation in the suggestion program was increased from 10 percent in fiscal 1965 to nearly 25 percent in fiscal 1966.
- Professional positions in tariff examining were restructured to remove routine duties which were then assigned to clerks and technicians. This resulted in speeding staff action on substantive matters, improving the quality of the output of the professional staff, and improving service to the public.
- The Commission's new Rules of Practice and Procedure, effective December 1, 1965, include every modern procedural technique for speeding the litigation process. The new rules and other procedural innovations have resulted in a general speeding of the litigation process.

These and other management improvement actions are reflected throughout this report.

FEDERAL MARITIME COMMISSION



March 28, 1966

John Harllee

John Harllee,
Chairman

APPENDIX

Statement of Appropriation and Obligation for the Fiscal Year Ended June 30, 1966

APPROPRIATION:	
Public Law 89–164, 89th Congress, approved September 2, 1965: For necessary expenses of the Federal Maritime Commission, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); hire of passenger motor vehicles; and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131)	$3, 150, 000
Public Law 89–426, 89th Congress, approved May 13, 1966: Second Supplemental Appropriation Act, 1966, to cover increased pay costs incurred under the Act of October 29, 1965 (P.L. 89–301)	68, 000
Less transfer to General Services Administration	−45, 325
Appropriation availability	3, 172, 675
OBLIGATIONS AND UNOBLIGATED BALANCE:	
Net obligations for salaries and expenses for the fiscal year ended June 30, 1966	3, 116, 483
Unobligated balance withdrawn by the Treasury	56, 192
STATEMENT OF RECEIPTS DEPOSITED WITH THE GENERAL FUND OF THE TREASURY FOR THE FISCAL YEAR ENDED JUNE 30, 1966:	
Duplication of records and other documents	5, 489
Freight forwarder license fees	62, 800
Fines and penalties	113, 550
Bonus for reporting services	11, 250
Miscellaneous	13
Total general fund receipts	193, 102