

( S E R V E D )  
( November 21, 1997 )  
( FEDERAL MARITIME COMMISSION )

FEDERAL MARITIME COMMISSION

46 CFR PART 514

[DOCKET NO. 97-23]

SIMPLIFICATION OF SERVICE CONTRACT FILING REQUIREMENTS

**AGENCY:** Federal Maritime Commission.

**ACTION:** Final Rule.

**SUMMARY:** The Federal Maritime Commission is amending its rules to discontinue the requirement that service contracts be filed in double envelopes. This should reduce duplication and Commission and carrier costs, as well as facilitate the submission of service contract filings at the Commission.

**EFFECTIVE DATE:**

(Upon publication in the Federal Register).

**FOR FURTHER INFORMATION CONTACT:**

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**SUPPLEMENTARY INFORMATION:**

**I. BACKGROUND**

The rules of the Federal Maritime Commission ("Commission"), at 46 C.F.R. §§ 514.7(g)(1)(i) and (ii), require service contracts to be filed in double envelopes. This requirement originated with the Commission's initial service contract rules, when all filings

were in paper form and was intended to facilitate the separation of service contracts from their associated essential terms filings. Service contract essential terms are now filed electronically in the Commission's Automated Tariff Filing and Information system ("ATFI"). As a consequence, the double-envelope procedure has become superfluous.

The Commission received 38,747 service contract filings during fiscal year 1997. Each filing is now required to be "filed in single copy contained in a double envelope." This proposal will thus reduce by half the number of envelopes that must be filed with and handled by the Commission's staff. This will result in cost savings and processing efficiencies for the industry and Commission.

Because the removal of this obsolete requirement eliminates, rather than creates, a regulatory requirement, this revision is being promulgated as a final rule effective upon publication in the Federal Register.

This final rule does not impose any additional reporting or recordkeeping requirements from those which were previously approved by the Office of Management and Budget under the Paperwork Reduction Act of 1995, as amended. (OMB Control No. 3072-0055, expires May 31, 1998.)

The Chairman of the Commission certifies, pursuant to section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 601, et seq., that this final rule will not have a significant economic impact on a substantial number of small entities, including small businesses,

small organizational units, and small governmental jurisdictions.

The subject final rule is not a major rule under the Small Business Regulatory Flexibility Act (5 U.S.C. §804(2)) because it will not result in an annual effect on the economy of \$100 million or more; a major increase in cost or prices for consumers, individual industries, Federal, State or local government agencies, or geographic regions; or significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of U.S.-based enterprises to compete with foreign-based enterprises.

**List of Subjects in 46 CFR Part 514**

Administrative practice and procedure, Antitrust, Automatic data processing, Cargo vessels, Confidential business information, Contracts, Exports, Freight, Freight forwarders, Imports, Maritime carriers, Penalties, Rates and fares, Reporting and recordkeeping requirements.

Therefore, pursuant to 5 U.S.C. 553 and sections 3, 8, and 17 of the Shipping Act of 1984 (46 U.S.C. app. 1702, 1707 and 1716), the Federal Maritime Commission amends Part 514 of Title 46 of the Code of Federal Regulations as follows:

PART 514 -- [AMENDED]

1. The authority citation for Part 514 continues to read:

**Authority:** 5 U.S.C. 552 and 553; 31 U.S.C. 9701; 46 U.S.C. app. 804, 812, 814-817(a), 820, 833a, 841a, 843, 844, 845, 845a, 845b, 847, 1702-1712, 1714-1716, 1718, 1721, and 1722; and sec. 2(b) of Pub. L. 101-92, 103 Stat. 601.

2. Section 514.7 is amended by revising paragraph (g)(1) to read as follows:

§ 514.7 Service contracts in foreign commerce.

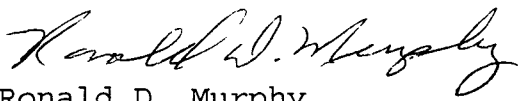
\* \* \* \* \*

(g) \* \* \*

(1) *Service contracts*. Within ten (10) days of the electronic filing of essential terms under § 514.17, a true and complete copy of the related contract(s) shall be submitted in form and content as provided by this section and § 514.17, in single copy contained in an envelope, which contains no other material, addressed to: "Director, Bureau of Tariffs, Certification and Licensing, Federal Maritime Commission, Washington, DC 20573." The envelope shall state "This Envelope Contains a Confidential Service Contract." If multiple service contracts are filed in an envelope, the pages of each individual contract should be fastened together. The top of each page of a filed service contract shall be stamped "Confidential."

\* \* \* \* \*

By the Commission.

  
Ronald D. Murphy  
Assistant Secretary