



**Before the
FEDERAL MARITIME COMMISSION
Washington, DC 20573**

**Docket No. 20-02
Service Contracts**

April 13, 2020

COMMENTS OF THE WORLD SHIPPING COUNCIL

The World Shipping Council (“WSC” or the “Council”) files these comments in response to the Commission’s Notice of Proposed Rulemaking (“NPRM”) in Docket 20-02, published in the Federal Register on February 14, 2020 (85 Fed. Reg. 8527). The NPRM follows the Commission’s decision issued on December 20, 2019, in which the Commission granted in part and denied in part a petition (P3-18) submitted by WSC. Specifically, the Commission in its December 20, 2019, action granted that part of the WSC Petition that requested relief from the requirement that carriers publish the “essential terms” associated with their service contracts.

Inasmuch as the NPRM proposes to implement essential terms publication relief that WSC requested in its petition in FMC Docket P3-18, WSC supports the proposed elimination of the requirement to publish service contract essential terms.

Although WSC supports the primary purpose of the NPRM, there are several issues on which WSC urges the Commission to make adjustments when it issues its final rule. Specifically:


1. The seventh proposed amendment, which states that it would revise the heading of 46 CFR Part 530 subpart C, does not in fact propose a revision to that heading. The heading today reads “Publication of Essential Terms,” and that heading is unchanged in the proposal. Given that the purpose of the NPRM is to amend the Commission’s regulations to remove the requirement to publish essential terms, the heading of subpart C must be revised appropriately (if indeed subpart C is retained at all; see comment 2 below). If subsection C is retained at all, a more appropriate heading would be “Publication of service contract rules and notices.”
2. The proposed new language for 46 CFR § 530.12 appropriately removes the existing language requiring the publication of service contract essential terms. However, the NPRM then goes on to propose language that creates new requirements associated with the publication of tariff provisions dealing with “service contract rules and notices.” This introduction of new proposed regulations on the publication of rules tariffs applicable to service contracts is inconsistent with the Commission’s statement that “the scope of this rulemaking is limited to amending part 530 in line with the Commission’s [P3-18] decision.” 85 Fed. Reg. 8528, column 1.

The Commission is correct in its discussion on page 8528, column 2, that carriers sometimes place rules and notices applicable to service contracts in their essential terms tariffs. What does not follow is that, in the future absence of essential terms publications, there is a need to specify the placement of tariff rules that govern service contracts. Instead, the Commission’s existing tariff regulations at 46 CFR Part 520 are adequate to provide minimum standards for tariff publications that contain rules applicable to service contracts. Put differently, there has been no specific regulation until now that singles out treatment of tariff rules applicable to service contracts, and neither the Commission nor

any party has identified a basis for enacting such a rule. Given that the purpose of the current rulemaking is to reduce rather than increase regulatory burdens, WSC respectfully urges that the proposed additions to 46 CFR 530.12 not be adopted.

The World Shipping Council appreciates the opportunity to share these comments with the Commission and encourages the Commission to issue a final rule consistent with the comments above at its earliest opportunity.

Respectfully submitted,

A handwritten signature in black ink that reads "John W. Butler". The signature is written in a cursive style and is positioned above a horizontal line.

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