Public Law 89-777

November 6, 1966
[H. R. 10327]

AN ACT

To require evidence of adequate financial responsibility to pay judgments for personal injury or death, or to repay fares in the event of nonperformance of voyages, to establish minimum standards for passenger vessels and to require disclosure of construction details on passenger vessels, and for other purposes.

Vessels.
Safety standards.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4400 of the Revised Statutes, as amended (46 U.S.C. 362) is hereby further amended by designating the existing section as subsection (a) and by adding new subsections (b) and (c) as follows:

"(b) Owners, operators, agents, or any persons selling passage on a foreign or domestic passenger vessel of one hundred gross tons or over having berth or stateroom accommodations for fifty or more passengers and embarking passengers at United States ports for a coastwise or an international voyage shall notify each prospective passenger of the safety standards with which the vessel complies or does not comply in a manner prescribed by regulations promulgated in accordance with this subsection. In addition, all promotional literature or advertising in or over any medium of communication within the United States offering passage or soliciting passengers for ocean voyages anywhere in the world shall include similar information as a part of the advertisement or description of the voyage in a manner prescribed by the same regulations. The Secretary of the Department in which the Coast Guard is operating is authorized to promulgate regulations to implement the provisions of this subsection. For each violation of regulations so promulgated, the owner, operator, agent, or other person involved shall be subject to a civil penalty of not more than $10,000 for which the vessel on which passage is to be or is sold shall be liable. If tickets are sold, the owner, operator, agent, or any other person involved in each violation of regulations so promulgated shall also be subject to a civil penalty of $500 for each ticket sold for which the vessel on which passage is sold shall be liable.

Promulgation of regulations.

"(c) Notwithstanding the provisions of subsection (a) of this section, any foreign or domestic vessel of over 100 gross tons having berth or stateroom accommodations for 50 or more passengers, shall not depart a United States port with passengers who are United States nationals, and who embarked at that port, if the Secretary of the Department in which the Coast Guard is operating finds that such vessel does not comply with the standards set forth in the International Convention for the Safety of Life at Sea, 1960, as modified by the amendments proposed by the thirteenth session of the Maritime Safety Committee of the Inter-governmental Maritime Consultative Organization contained in Annexes I through IV of the Note Verbale of the Secretary General of the Organization dated 17 May 1966, No. A1/C/3.07 (NV.1)."

16 UST 185.

Death or injury to passengers.
Financial responsibility of owners, etc.

SEC. 2. (a) Each owner or charterer of an American or foreign vessel having berth or stateroom accommodations for fifty or more passengers, and embarking passengers at United States ports, shall establish, under regulations prescribed by the Federal Maritime Commission, his financial responsibility to meet any liability he may incur for death or injury to passengers or other persons on voyages to or from United States ports, in an amount based upon the number of passenger accommodations aboard the vessel, calculated as follows:

$20,000 for each passenger accommodation up to and including five hundred; plus

$15,000 for each additional passenger accommodation between five hundred and one and one thousand; plus

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$10,000 for each additional passenger accommodation between one thousand and one and one thousand five hundred; plus

$5,000 for each passenger accommodation in excess of one thousand five hundred:

Provided, however, That if such owner or charterer is operating more than one vessel subject to this section, the foregoing amount shall be based upon the number of passenger accommodations on the vessel being so operated which has the largest number of passenger accommodations. This amount shall be available to pay any judgment for damages, whether in amount less than or more than $20,000 for death or injury occurring on such voyages to any passenger or other person. Such financial responsibility may be established by any one of, or a combination of, the following methods which is acceptable to the Commission: (1) policies of insurance, (2) surety bonds, (3) qualifications as a self-insurer, or (4) other evidence of financial responsibility.

Filing of bonds.

(b) If a bond is filed with the Commission, then such bond shall be issued by a bonding company authorized to do business in the United States or any State thereof or the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, or any territory or possession of the United States.

Penalties.

(c) Any person who shall violate this section shall be subject to a civil penalty of not more than $5,000 in addition to a civil penalty of $200 for each passage sold, such penalties to be assessed by the Federal Maritime Commission. These penalties may be remitted or mitigated by the Federal Maritime Commission upon such terms as they in their discretion shall deem proper.

(d) The Federal Maritime Commission is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section. The provisions of the Shipping Act, 1916, shall apply with respect to proceedings conducted by the Commission under this section.

39 Stat. 728.
46 USC 842.

Refusal of clearance.

(e) The collector of customs at the port or place of departure from the United States of any vessel described in subsection (a) of this section shall refuse the clearance required by section 4197 of the Revised Statutes (46 U.S.C. 91) to any such vessel which does not have evidence furnished by the Federal Maritime Commission that the provisions of this section have been complied with.

Nonperformance of transportation.
Indemnification of passengers.

SEC. 3. (a) No person in the United States shall arrange, offer, advertise, or provide passage on a vessel having berth or stateroom accommodations for fifty or more passengers and which is to embark passengers at United States ports without there first having been filed with the Federal Maritime Commission such information as the Commission may deem necessary to establish the financial responsibility of the person arranging, offering, advertising, or providing such transportation, or in lieu thereof a copy of a bond or other security, in such form as the Commission, by rule or regulation, may require and accept, for indemnification of passengers for nonperformance of the transportation.

(b) If a bond is filed with the Commission, such bond shall be issued by a bonding company authorized to do business in the United States or any State thereof, or the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands or any territory or possession of the United States and such bond or other security shall be in an amount paid equal to the estimated total revenue for the particular transportation.

Penalties.

(c) Any person who shall violate this section shall be subject to a civil penalty of not more than $5,000 in addition to a civil penalty of $200 for each passage sold, such penalties to be assessed by the

Federal Maritime Commission. These penalties may be remitted or mitigated by the Federal Maritime Commission upon such terms as they in their discretion shall deem proper.

(d) The Federal Maritime Commission is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section. The provisions of the Shipping Act, 1916, shall apply with respect to proceedings conducted by the Commission under this section.

39 Stat. 728.
46 USC 842.

(e) The collector of customs at the port or place of departure from the United States of any vessel described in subsection (a) of this section shall refuse the clearance required by section 4197 of the Revised Statutes (46 U.S.C. 91) to any such vessel which does not have evidence furnished by the Federal Maritime Commission that the provisions of this section have been complied with.

U.S. passenger vessels.
Construction with fire-retardant material.

SEC. 4. Subsection (b) of section 5 of the Act of May 27, 1936 (49 Stat. 1384; 46 U.S.C. 369), is amended by adding at the end thereof the following: "After November 1, 1968, no passenger vessel of the United States of one hundred gross tons or over, having berth or stateroom accommodations for fifty or more passengers, shall be granted a certificate of inspection by the Coast Guard unless the vessel is constructed of fire-retardant material. The structural fire protection provided on these vessels shall conform to the requirements set forth in regulations for a vessel contracted for on or after May 28, 1936."

Effective dates.

SEC. 5. The new subsection (b) of section 4400 of the Revised Statutes and section 3 of this Act shall become effective one hundred and eighty days after enactment of this Act. The new subsection (c) of section 4400 of the Revised Statutes shall become effective on the date when the recommended amendments to the International Convention for the Safety of Life at Sea, 1960, come into force, but in any case not later than November 2, 1968. Section 2 of this Act shall become effective nine months after enactment of this Act. Section 4 of this Act shall become effective on November 2, 1968.

Approved November 6, 1966.

Public Law 89-778

November 6, 1966
[S. 3391]

AN ACT

To amend the Shipping Act, 1916, as amended, to authorize exemption from the provisions of the Act.

Shipping Act, 1916, amendment.
39 Stat. 728.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Shipping Act, 1916 (46 U.S.C. 801 et seq.), is amended by adding thereto the following new section:

"SEC. 35. The Federal Maritime Commission, upon application or on its own motion, may by order or rule exempt for the future any class of agreements between persons subject to this Act or any specified activity of such persons from any requirement of the Shipping Act, 1916, or Intercoastal Shipping Act, 1933, where it finds that such exemption will not substantially impair effective regulation by the Federal Maritime Commission, be unjustly discriminatory, or be detrimental to commerce.

47 Stat. 1425.
46 USC 848.

"The Commission may attach conditions to any such exemptions and may, by order, revoke any such exemption.

"No order or rule of exemption or revocation of exemption shall be issued unless opportunity for hearing has been afforded interested persons."

Approved November 6, 1966.