



FEDERAL MARITIME COMMISSION
OFFICE OF THE SECRETARY
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January 14, 2025

The Honorable Kamala D. Harris
President of the Senate
Washington, DC 20510

Via UPS: Tracking No. 1Z Y2 R54 NT 9304 9961

Dear Madam President,

Pursuant to the Congressional Review Act, 5 U.S.C. § 801(a)(1)(A), I hereby submit to the United States Senate a Final Rule on Inflation Adjustment of Civil Monetary Penalties, 46 C.F.R. Part 506. Also enclosed with this letter is the Congressional Review Act submission form.

The Federal Maritime Commission is publishing this final rule to adjust the civil monetary penalties assessed or enforced by the Commission for inflation, pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

Sincerely,

David Eng
Secretary

Enclosures



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January 14, 2025

The Honorable Mike Johnson
Speaker of the U.S. House of Representatives
Washington, DC 20515

Via UPS: Tracking No. 1Z Y2 R54 NT 9903 6197

Dear Mr. Speaker,

Pursuant to the Congressional Review Act, 5 U.S.C. § 801(a)(1)(A), I hereby submit to the United States House of Representatives a Final Rule on Inflation Adjustment of Civil Monetary Penalties, 46 C.F.R. Part 506. Also enclosed with this letter is the Congressional Review Act submission form.

The Federal Maritime Commission is publishing this final rule to adjust the civil monetary penalties assessed or enforced by the Commission for inflation, pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

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FEDERAL MARITIME COMMISSION

46 CFR Part 506

[Docket No. FMC-2024-0024]

RIN 3072-AD03

Inflation Adjustment of Civil Monetary Penalties

AGENCY: Federal Maritime Commission.

ACTION: Final rule.

SUMMARY: The Federal Maritime Commission (Commission) is publishing this final rule to adjust for inflation the civil monetary penalties assessed or enforced by the Commission, pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Act). The 2015 Act requires that agencies adjust and publish their new civil penalties by January 15 each year.

DATES: This rule is effective January 15, 2025.

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

SUPPLEMENTARY INFORMATION: This rule adjusts the civil monetary penalties assessable by the Commission in accordance with the 2015 Act, which became effective on November 2, 2015. Public Law 114-74, section 701. The 2015 Act further amended the Federal Civil Penalties Inflation Adjustment Act of 1990 (FCPIAA), Public Law 101-410, 104 Stat. 890 (codified as amended at 28 U.S.C. 2461 note), in order to improve the effectiveness of civil monetary penalties and to maintain their deterrent effect.

The 2015 Act requires agencies to adjust civil monetary penalties under their jurisdiction by January 15 each year, based on changes in the consumer price index (CPI-U) for the month of October in the previous calendar year. On December 17, 2024, the Office of Management and Budget published guidance stating that based on the CPI-U for October 2024, not seasonally adjusted, the cost-of-living adjustment multiplier for 2025 is 1.02598.¹ In order to complete the annual adjustment, the Commission must multiply the most recent civil penalty amounts in 46 CFR part 506 by the multiplier, 1.02598.

Rulemaking Analyses and Notices

Notice and Effective Date

Adjustments under the FCPIAA, as amended by the 2015 Act, are not subject to the procedural rulemaking requirements of the Administrative Procedure Act (APA) (5 U.S.C. 553), including the requirements for prior notice, an opportunity for comment, and a delay between the issuance of a final rule and its effective date.² The 2015 Act requires that the Commission adjust its civil monetary penalties no later than January 15 of each year.

Congressional Review Act

The rule is not a “major rule” as defined by the Congressional Review Act, codified at 5 U.S.C. 801 et seq. The rule will not result in: (1) an annual effect on the

¹ Office of Management and Budget, M-25-02, Implementation of Penalty Inflation Adjustments for 2025, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, at 2 (Dec. 17, 2024) (M-25-02).

² Federal Civil Penalties Inflation Adjustment Act of 1990, Public Law 101-410, section 4(b)(2), 104 Stat. 890 (codified at 28 U.S.C. 2461 note).

economy of \$100,000,000 or more; (2) a major increase in costs or prices; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based companies to compete with foreign-based companies. 5 U.S.C. 804(2).

Regulatory Flexibility Act

The Regulatory Flexibility Act (codified as amended at 5 U.S.C. 601–612) provides that whenever an agency promulgates a final rule after being required to publish a notice of proposed rulemaking under the APA (5 U.S.C. 553), the agency must prepare and make available a final regulatory flexibility analysis describing the impact of the rule on small entities or the head of the agency must certify that the rule will not have a significant economic impact on a substantial number of small entities. 5 U.S.C. 604–605. As indicated above, this final rule is not subject to the APA's notice and comment requirements, and the Commission is not required to either conduct a regulatory flexibility analysis or certify that the final rule would not have a significant economic impact on a substantial number of small entities.

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3521) requires an agency to seek and receive approval from the Office of Management and Budget (OMB) before collecting information from the public. 44 U.S.C. 3507. The agency must submit collections of information in rules to OMB in conjunction with the publication of the notice of proposed rulemaking. 5 CFR 1320.11. This final rule does not contain any collection of information, as defined by 44 U.S.C. 3502(3) and 5 CFR 1320.3(c).

List of Subjects in 46 CFR Part 506

Administrative practice and procedure, Claims, Penalties.

For the reasons stated in the preamble, 46 CFR part 506 is amended as follows:

PART 506—CIVIL MONETARY PENALTY INFLATION ADJUSTMENT

1. The authority citation for part 506 continues to read as follows:

Authority: 28 U.S.C. 2461.

2. Amend § 506.4 by revising paragraph (d) to read as follows:

§ 506.4 Cost of living adjustments of civil monetary penalties.

* * * * *

(d) *Inflation adjustment.* Maximum civil monetary penalties within the jurisdiction of the Federal Maritime Commission are adjusted for inflation as follows:

Table 1 to Paragraph (d)

United States Code Citation	Civil Monetary Penalty Description	Maximum penalty as of January 15, 2024	Maximum penalty as of January 15, 2025
46 U.S.C. 42304	Adverse impact on U.S. carriers by foreign shipping practices	\$2,559,636	\$2,626,135
46 U.S.C. 41107(a)	Knowing and Willful violation/ Shipping Act of 1984, or Commission regulation or order	73,045	74,943
46 U.S.C. 41107(a)	Violation of Shipping Act of 1984, Commission regulation or order, not knowing and willful	14,608	14,988
46 U.S.C. 41108(b)	Operating in foreign commerce after tariff suspension	146,092	149,887
46 U.S.C. 42104	Failure to provide required reports, etc./ Merchant Marine Act of 1920	11,524	11,823
46 U.S.C. 42106	Adverse shipping conditions/Merchant Marine Act of 1920	2,304,629	2,364,503
46 U.S.C. 42108	Operating after tariff or service contract suspension/Merchant Marine Act of 1920	115,231	118,225
46 U.S.C. 44102, 44104	Failure to establish financial responsibility for non-performance of transportation	29,108 971	29,864 996

46 U.S.C. 44103, 44104	Failure to establish financial responsibility for death or injury	29,108 971	29,864 996
31 U.S.C. 3802(a)(1)	Program Fraud Civil Remedies Act/making false claim	13,946	14,308
31 U.S.C. 3802(a)(2)	Program Fraud Civil Remedies Act/giving false statement	13,946	14,308

By the Commission.

David Eng,
Secretary