

**PROPOSED SHIP TARIFF REGULATIONS
OF THE
FEDERATED STATES OF MICRONESIA**

PART 1. GENERAL PROVISIONS

1.1 **Authority.** These regulations are hereby promulgated by the Secretary of the FSM Department of Transportation, Communications, and Infrastructure, pursuant to the authority granted under subsections Section 6.1(a)(i) and (ii) of Presidential Order No. 1, as amended, and under the procedures set forth in 17 F.S.M.C 102.

1.2. **Purpose.** The purpose of these regulations is to repeal and replace the regulations adopted by the Secretary of the Department of Transportation, Communications and Infrastructure on July 15, 1998, relating to the transportation of passengers and cargo on field trip vessels owned by the Government of the Federated States of Micronesia and operated by the FSM Department of Transportation, Communications, and Infrastructure, and to set new uniform freight charges, passenger fares, and special voyage rates.

1.3. **Force and Effect.** These regulations and any amendments hereto shall have the force and effect of law.

1.4. **Definitions.** For the purposes of these regulations, unless it is otherwise defined or the context requires a different construction, application or meaning:

1.4.1. “Crew” means those persons employed on board and in the business of a field trip vessel, but does not include a pilot, supercargo, or a person temporarily employed on board the vessel while it is in port.

1.4.2. “Field trip vessels” includes the MS Caroline Islanders, MS Caroline Voyager, and any other field trip vessels owned by the Government of the Federated States of Micronesia and operated by the Department of Transportation, Communication, and Infrastructure for the transport of passengers and cargo.

1.4.3. “F.I.O.” or “Free In and Out” means all stevedoring, handling, terminal and wharfage charges are for the account of the cargo.

1.4.4. “Dangerous goods” means any goods classified as dangerous goods in the International Maritime Dangerous Goods Code published by the International Maritime Organization, London.

1.4.5. “International” as it relates to voyages of field trip vessels means transport between any island in the Federated States of Micronesia and any island or country outside of the Federated States of Micronesia.

1.4.6. “Intra-state” as it relates to voyages of field trip vessels means transport between islands within a single State.

1.4.7. “Inter-state” as it relates to voyages of field trip vessels means transport from any island of one State to any island of another State.

1.4.8. “Master” means the person having lawful command or charge of a field trip vessel.

1.4.9. “National Government” means the Government of the Federated States of Micronesia, its agencies or instrumentalities.

1.4.10. “Passenger” a person carried on board a field trip vessel with the knowledge and consent of the Secretary or the master other than a person engaged in the business of the vessel.

1.4.11. “Personnel effects” means any such personnel property as is necessary or appropriate for wear, use, comfort or convenience of any passenger for the purpose of the trip.

1.4.12. “Point to point” means from a place to which a ship has access to another place accessible to that ship. Examples of these locations could be from a dock to a safe anchorage or a place a ship could heave-to in the case an island has no anchorage; or from anchorage/heave-to area to another anchorage/heave-to area; or from an anchorage or heave-to area to a dock.

1.4.13. “Revenue ton” means the greater of weight ton of 2,000 pounds or a measurement ton of 40 cubic feet.

1.4.14. “Secretary” means the Secretary of the FSM Department of Transportation, Communication, and Infrastructure, or his designee.

1.4.15. “Short ton” means weight of 2000 pounds.

Part 2. TYPES OF VOYAGES.

2.1. Regular Voyages.

2.1.1 Within thirty (30) days following the adoption of these regulations, the Secretary shall adopt a regular schedule for all field trip vessels owned by the Government of the Federated States of Micronesia to service the various States of the Federated States of Micronesia, and shall insure that such regular schedule is followed to the extent economically possible.

2.1.2. In devising the regular schedule, the Secretary shall put into account the time required for the field trip vessels to undergo maintenance and repair, and the need to accommodate potential requests for special voyages.

2.1.3. To the extent possible, the regular shipping schedule shall include at least four (4) field trips to each of the four State centers on an annual basis.

2.2 Special Voyages.

2.2.1. A special voyage for the convenience of any government or private party may be made from a State center to an outer island of that State, provided that such special voyage will not adversely disrupt the regular schedule of the vessel involved.

2.2.2. The cost of a special voyage shall be computed from the time of its departure from the port of the State center until its return to the same port at the rate of \$120.00 per hour. The cost of fuel, oil, and provisions shall be included in the above hourly rate.

2.2.2.2. In the event that a user cannot afford to pay the \$120.00 per hour special voyage rate, the user may pay for the necessary POL to complete a voyage from the port of hire and back to the same port. On such voyage the user's consignment cargos and passengers will be charged the going freight and fare rates.

2.2.3. A charter voyage may be arranged from a State center to an island of another State, only when a field trip vessel is available and is not engaged in any regular trip during the period of the charter.

2.2.4. The rate for a charter voyage shall be negotiated on a cost plus basis through appropriate charter agreements.

2.2.5. Freight charges and passenger fares collected from any government or private party who are not responsible for the payment of the cost of the special or charter voyages shall be deducted from the actual cost of such voyages. Freight charges and passenger fares collected from any government or private party who are not responsible for the payment of the diversion cost shall be deducted from the actual diversion cost.

2.3. Diversion of Voyage.

2.3.1. A field trip vessel may be diverted from its assigned route for the convenience of any government or private party while such vessel is undertaking its assigned regular voyage, provided that such diversion may not disrupt the regular schedule of the field trip vessel involved for more than two (2) days. Any government or private party on whose request the diversion was granted shall be charged at the rate of \$140.00 per hour, plus expenses for meals, board and lodging incurred by passengers while they are on board the vessel, or at ports not included in their route of travel due to such diversion. The hourly rate of \$140.00 shall be computed based on the actual time during which the vessel is diverted from its assigned route until its return to its original route.

2.3.2. Except for emergency situations, requests for diversion of voyages shall be submitted to the Secretary within a reasonable time before the departure of a fieldtrip.

vessel. If such requests are granted, the Secretary shall inform all parties who have booked, intend to book, passengers or bills of lading of such diversion before the departure of the fieldtrip vessel involved.

2.3.3. Freight charges and passenger fares collected from any government or private party who are not responsible for the payment of the diversion cost shall be deducted from the actual diversion cost.

2.4. **Right to Refuse Passage.**

2.4.1. A master of a filed trip vessel may refuse to take on board any passenger, cargo, goods or substances, which he believes would endanger the vessel or constitute a danger to human life.

2.4.2. A master of a field trip vessel may refuse to take on board, or may open and inspect, any package which he reasonably suspects may contain dangerous goods, and may destroy or otherwise dispose of goods which reasonably appear to be dangerous goods, and which have been shipped on board the vessel without the master's knowledge and consent.

2.4.3. No person may send, bring, carry, or use dangerous goods on board any field trip vessel, unless the carriage of such dangerous goods have been cleared pursuant to the regulations implementing Chapter 4 of Title 19 of the Code of the Federated States of Micronesia.

2.4.4. Any dangerous goods carried, shipped, or used in a field trip vessel unlawfully may be forfeited without notice to the owner of the goods, whether or not an offense has been committed by the owner.

2.4.5. Passengers on a field trip vessel shall be taken on board on a space available basis and as authorized in the vessel's certificate of inspection.

2.4.5. A field trip vessel may take on board cargo on a space available basis and in accordance with Section 427 of Title 19 of the Code of the Federated States of Micronesia.

Part 3. PASSENGER FARES AND SERVICES.

3.1. **Passenger Fares.**

3.1.1. All passenger fares provided herein shall be applicable for inter-state, intra-state, and international voyages.

3.1.2. A cabin passenger shall be charged a fare of \$0.18 per mile on a Point to point basis per bunk. A minimum fare of \$13.00 shall be charged to each cabin passenger

traveling between points having a distance of less than 100 miles. Cabin fares shall be inclusive of room and berth only.

3.1.3. A cabin passenger traveling between points having a distance of 100 miles or more shall be charged a fare of \$0.20 per mile. For purposes of illustration, a cabin passenger traveling between State centers shall be charged the fares indicated below:

Pohnpei to Kosrae	319 miles	= \$63.80
Pohnpei to Chuuk	385 miles	= \$77.00
Pohnpei to Yap	1,210 miles	= \$242.00
Kosrae to Chuuk	687 miles	= \$137.00
Kosrae to Yap	1,515 miles	= \$303.00
Chuuk to Yap	842 miles	= \$168.40

3.1.4. Deck passengers shall be charged \$0.07 per mile on a Point to point basis. For purposes of illustration, a deck passenger traveling between state centers are charged the following fares:

Pohnpei to Kosrae	319 miles	= \$22.30
Pohnpei to Chuuk	385 miles	= \$26.95
Pohnpei to Yap	1,210 miles	= \$84.70
Kosrae to Chuuk	687 miles	= \$48.10
Kosrae to Yap	1,515 miles	= \$106.05
Chuuk to Yap	842 miles	= \$58.90

3.1.5. The passenger fares provided in Parts 3.1.3 and 3.1.4 are full one-way fares.

3.1.6. Full fare shall apply to all passengers thirteen (13) years of age or older.

3.1.7. Passengers four (4) to twelve (12) years of age may pay only 50% of the full fare for each trip.

3.1.8. Children under four (4) years of age shall be provided free passage when accompanied by a parent or guardian.

3.1.9. A child twelve (12) years of age or younger shall not be allowed passage on board any field trip vessel, unless they are accompanied by a parent or a competent guardian.

3.2. **Personal Effects.**

3.2.1. A passenger may carry on board a field trip vessel a maximum of two (2) packages containing personal effects free of charge. Any excess package shall be charged \$1.00 per piece.

3.3. **Meals.**

3.3.1. Meals may be served to any passenger upon request at the rate of \$4.00 per breakfast, \$6.00 per lunch, and \$7.50 per dinner.

3.3.2. Food for consumption for the duration of a voyage may be carried free of charge.

3.4. **Lighterage.**

3.4.1. Lighterage of cargo and passengers may be provided free of charge by the master of a field trip vessel with the vessel's service boats.

3.4.2. A master of a field trip vessel may extend lighterage only to the extent that such services do not delay or disrupt the normal operation of the ship, or endanger the safety of the crew, passengers or cargo. Nothing in this section shall prevent shippers or consignees and local boat owners from engaging in the transfer of cargo and passengers from ship to shore or vice versa.

3.4.3. The National Government, the master, and the crew of the field trip vessel or operators of the service boats shall not be held liable for any damages to cargo and passengers incurred while in transit on the ship's service boats from ship to shore or vice versa.

Part 4. SHIPMENT OF CARGO.

4.1. **General Commodity Rates.**

4.1.1. Intra-state freight shall be charged \$35.00 per revenue ton, F.I.O.

4.1.2. Inter-state freight shall be charged \$45.00 per revenue ton, F.I. O.

4.1.3. International freight shall be charged \$55.00 per revenue ton, F.I.O.

4.2. **Specific Commodity Rates.**

4.2.1. Specific commodity rates apply to Intra-state cargo only. Any specific commodity shipment shall be charged on an FIO basis.

4.2.2. Copra shall be charged \$30.00 per short ton.

4.2.3. Refrigerated cargo shall be charged \$35.00 per revenue ton.

4.2.4. Aggregate and Sand shall be charged \$20.00 per revenue ton.

4.2.5. General merchandise and other commodities for trade may be carried on Government field trip vessels on a space available basis, and shall be charged \$35.00 per revenue ton when such goods are shipped for sale from the ship's hold by a trading company. If such goods are not sold on a fieldtrip, the goods may be left on the ship for

sale on following trips free of charge; provided, however, that the Government, the master, crew, and agents of the ship shall not be held responsible for any loss of, or damage to, such goods.

4.2.6. Boats or canoes twenty (20) feet in length or under shall be charged a flat rate of \$30.00 each, on a space available basis. Boats or canoes over twenty (20) feet in length will be charged at the general commodity rate provided in Part A3.

4.2.7. Empty drums shall be charged \$3.50 per drum, subject to minimum bill of lading.

4.2.8. Pigs, goats and dogs shall be charged \$7.00 per head regardless of size or weight.

4.2.9. Chickens shall be charged \$1.00 per head regardless of size or weight.

4.2.10. Cows and horses shall be charged \$20.00 per head regardless of size or weight.

4.2.11. Any other live animals shall be charged the rate provided in Part 4.2.8 through 4.2.10 for live animals whose weight and/or sizes are most relatively similar to such other live animals.

4.2.12. Any commodities not specifically provided in Part 4.2 hereof shall be charged the appropriate rate provided in Part 4.1

4.3. **Minimum Bill of Lading.**

4.3.1. The minimum charge for one bill of lading shall be \$20.00. The minimum bill of lading shall be 20 cubic feet or less, or 1,000 pounds or less. Pieces or packages which exceed the 20 cubic feet or 1,000 pounds but less than a revenue ton or weight shall be charged on a percentage basis.

Part 5. PAYMENT OF PASSENGER FARES AND FREIGHT CHARGES.

5.1 **Application of Rates.**

5.1.1. Passenger fares and freight charges on regular voyages shall apply at the same rates to all freight and passengers, whether such freight or passengers are of or for the National Government, its constituent States, municipalities, or private parties.

5.1.2. Rates provided herein are in United States currency.

5.3. **Collection and Deposit of Revenues.**

5.3.1 Booking of passengers and cargo shall be made with the ship's agents or the Division of Marine Transportation prior to vessel departure for fieldtrip services. The agents or the Division of Marine Transportation shall issue copy of booking document to

the concern passenger and or cargo owner who shall make payment of fare and freight at the FSM National Government Finance Office. Such passenger and/or cargo owner shall be furnished by FSM Finance Office "Receipts" for amount paid. The receipts shall serve as documentary evidence for delivery of cargo to the dock and loading of cargo and boarding of passengers. No loading of cargo or boarding of passenger will be allowed onboard the vessels without the FSM Finance's "Receipt"

5.3.2 Revenues collected from the operations of the field trip vessels shall be deposited in the FSM Maritime Operations Fund.

APPROVAL

Pursuant to the authority vested in me as the Secretary of the FSM Department of Transportation, Communication, and Infrastructure by Section 6.1(a)(i) and (ii) of Presidential Order No. 1, as amended, these Ship Tariff Regulations are submitted to the President for his approval and promulgation thereof.

Date: _____, 2003

Secretary
Department of TC&I

These regulations have been reviewed by the FSM Department of Justice and found to be in proper legal form

Date _____, 2003

Paul McIlrath
Secretary
Department of Justice

"Pursuant to the authority vested in me as President of the Federated States of Micronesia by 17 FSMC § 102(1), I hereby approve the adoption of these Ship Tariff Regulations, which shall become effective August _____, 2003."

Date _____, 2003

H. E. Joseph Urusemal
President

