

ADMIRALTY COMMITTEE

International Shipment of Yachts



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Chair

Want to take your yacht to Gibraltar to cruise the Mediterranean? Or to Bora Bora to cruise the leeward group of the Society Islands of French Polynesia? Or to New Zealand and Australia? You should consider shipping your yacht to the cruising area of your choice by vessel common carrier. Shipment of yachts via vessel common carriers is more convenient and cost effective than hiring a captain or doing it yourself. And few of us have the time or inclination to embark on a major ocean passage between cruising grounds. Shipping via vessel common carrier also reduces risk of damage and saves wear and tear on your yacht's structures, fittings and engines. A boat can be transported on its trailer or on a specially-built cradle to ocean transport specifications on the vessel carrier's deck or in the hold (where it won't wash overboard in a storm). Some vessel common carriers can accommodate the yacht's owner on the voyage with the yacht. An owner can contract directly with the vessel common carrier or via a middleman. The middleman can arrange to transport the yacht to the port of embarkation, arrange for loading at the port, handle the paperwork, arrange for a customs broker at the entry port, as well as making the ocean transportation arrangements with the vessel common carrier.



International shipping is regulated by the Federal Maritime Commission ("FMC"), the government agency responsible for regulating ocean shipping between U.S. and foreign ports in accordance with the U.S. Shipping Act of 1984, 46 U.S.C. §§ 40101-41309, and Foreign Shipping Practices Act, 46 U.S.C. §§ 42301-42307. Middlemen are required to be licensed by the FMC and bonded either as Non-Vessel-Operating Common Carriers ("NVOCC") or Ocean Freight Forwarders ("OFFs"). FMC provides a list of licensed and bonded Ocean Transport Intermediaries ("OTIs") at www.fmc.gov. Dealing with unlicensed middlemen can lead to problems with little recourse where the entity lacks a surety bond or other meaningful assets and can result in liens placed on the owner's yacht for non-payment by the middleman for all the vessel carrier's services. FMC can informally resolve problems related to ocean transportation activities through its Consumer Affairs and Dispute Resolution Services. Formal proceedings before the FMC are initiated by filing a complaint to allege specific violations of the Shipping Act. Small claims proceedings for claims of \$50,000 or less are handled by a settlement officer in accordance with 46 CFR Par 502 Subpart S. Other claims are adjudicated by an Administrative Law Judge pursuant to the Commission's Rules of Practice and Procedure at 46 CFR Part 502.

The full text is available on my website, www.barbcooklaw.com