

33 CFR 1.07

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TITLE 33--NAVIGATION AND NAVIGABLE WATERS

CHAPTER I--COAST GUARD, DEPARTMENT OF HOMELAND SECURITY

PART 1_GENERAL PROVISIONS--Table of Contents

Subpart 1.07_Enforcement; Civil and Criminal Penalty Proceedings
Authority: 14 U.S.C. 633; Sec. 6079(d), Pub. L. 100-690, 102 Stat. 4181; 49 CFR 1.46.

Source: CGD 78-82, 43 FR 54186, Nov. 20, 1978, unless otherwise noted.

Sec. 1.07-1 Purpose.

This part describes procedures for enforcement and administration of all statutory penalty provisions that the Coast Guard is authorized to enforce.

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Sec. 1.07-5 Definitions.

(a) The term District Commander, when used in this subpart, means the District Commander, or any person under the District Commander's command, delegated to carry out the provisions of Sec. 1.07-10(b).

(b) The term Hearing Officer means a Coast Guard officer or employee

who has been delegated the authority to assess civil penalties.

(c) The term issuing officer means any qualified Coast Guard commissioned, warrant, or petty officer.

(d) The term Notice of Violation means a notification of violation and preliminary assessment of penalty, given to a party, in accordance with Sec. 1.07-11.

(e) The term party means the person alleged to have violated a statute or regulation to which a civil penalty applies and includes an individual or public or private corporation, partnership or other association, or a governmental entity.

[CGD 93-079, 59 FR 16560, Apr. 7, 1994]

Sec. 1.07-10 Reporting and investigation.

(a) Any person may report an apparent violation of any law, regulation, or order that is enforced by the Coast Guard to any Coast Guard facility. When a report of an apparent violation has been received, or when an apparent violation has been detected by any Coast Guard personnel, the matter is investigated or evaluated by Coast Guard personnel. Once an apparent violation has been investigated or evaluated, a report of the investigation may be sent to the District Commander or other designated official in accordance with paragraph (b) of this section or a Notice of Violation under Sec. 1.07-11 may be

given to the party by an issuing officer.

(b) Reports of any investigation conducted by the Coast Guard or received from any other agency which indicate that a violation may have occurred may be forwarded to a District Commander or other designated official for further action. This is normally the District Commander of the District in which the violation is believed to have occurred, or the

District in which the reporting unit or agency is found. The report is reviewed to determine if there is sufficient evidence to establish a prima facie case. If there is insufficient evidence, the case is either returned for further investigation or closed if further action is unwarranted. The case is closed in situations in which the investigation

has established that a violation did not occur, the violator is unknown,

or there is little likelihood of discovering additional relevant facts. If it is determined that a prima facie case does exist, a case file is prepared and forwarded to the Hearing Officer, with a recommended action. A record of any prior violations by the same person or entity, is forwarded with the case file.

[CGD 78-82, 43 FR 54186, Nov. 20, 1978, as amended by CGD 87-008a, 52 FR

17554, May 11, 1987; CGD 93-079, 59 FR 16560, Apr. 7, 1994; USCG-2000-7223, 65 FR 40054, June 29, 2000]

Sec. 1.07-11 Notice of violation.

(a) After investigation and evaluation of an alleged violation has been completed, an issuing officer may issue a Notice of Violation to the party.

(b) The Notice of Violation will contain the following information:

(1) The alleged violation and the applicable law or regulations violated;

(2) The amount of the maximum penalty that may be assessed for each violation;

(3) The amount of proposed penalty that appears to be appropriate;

(4) A statement that payment of the proposed penalty within 45 days will settle the case;

(5) The place to which, and the manner in which, payment is to be made;

(6) A statement that the party may decline the Notice of Violation and that if the Notice of Violation is declined, the party has the right

to a hearing prior to a final assessment of a penalty by a Hearing Officer.

(7) A statement that failure to either pay the proposed penalty on the Notice of Violation or decline the Notice of Violation and request a

hearing within 45 days will result in a finding of default and the Coast

Guard will proceed with the civil penalty in the amount recommended on the Notice of Violation without processing the violation under the procedures described in 33 CFR 1.07-10(b).

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(c) The Notice of Violation may be hand delivered to the party or an

employee of the party, or may be mailed to the business address of the party.

(d) If a party declines the Notice of Violation within 45 days, the

case file will be sent to the District Commander for processing under the procedures described in 33 CFR 1.07-10(b).

(e) If a party pays the proposed penalty on the Notice of Violation within 45 days, a finding of proved will be entered into the case file.

(f) If within 45 days of receipt a party--

(1) Fails to pay the proposed penalty on the Notice of Violation;
and

(2) Fails to decline the Notice of Violation--the Coast Guard will enter a finding of default in the case file and proceed with the civil penalty in the amount recommended on the Notice of Violation without processing the violation under the procedures described in 33 CFR 1.07-10(b).

[CGD 93-079, 59 FR 66482, Dec. 27, 1994, as amended by USCG-2001-9175, 67 FR 38388, June 4, 2002]

Sec. 1.07-15 Hearing Officer.

(a) The Hearing Officer has no other responsibility, direct or supervisory, for the investigation of cases referred for the assessment of civil penalties. The hearing officer may take action on a case referred by any District Commander.

(b) The Hearing Officer decides each case on the basis of the evidence before him, and must have no prior connection with the case. The Hearing Officer is solely responsible for the decision in each case referred to him.

(c) The Hearing Officer is authorized to administer oaths and issue subpoenas necessary to the conduct of a hearing, to the extent provided by law.

[CGD 78-82, 43 FR 54186, Nov. 20, 1978, as amended by CGD 87-008a, 52 FR 17554, May 11, 1987]

Sec. 1.07-20 Initiation of action.

(a) When a case is received for action, the Hearing Officer makes a preliminary examination of the material submitted. If, on the basis of the preliminary examination, the Hearing Officer

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determines that there is insufficient evidence to proceed, or that there

is any other reason which would make penalty action inappropriate, the Hearing Officer returns the case to the District Commander with a written statement of the reason. The District Commander may close the case or cause a further investigation of the alleged violation to be made with a view toward resubmittal of the case to the Hearing Officer.

(b) If on the basis of the preliminary examination of the case file, the Hearing Officer determines that a violation appears to have been committed, the Hearing Officer notifies the party in writing of:

(1) The alleged violation and the applicable law or regulations;

(2) The amount of the maximum penalty that may be assessed for each violation;

(3) The general nature of the procedure for assessing and collecting the penalty;

(4) The amount of penalty that appears to be appropriate, based on the material then available to the Hearing Officer;

(5) The right to examine all materials in the case file and have a copy of all written documents provided upon request; and,

(6) The fact that the party may demand a hearing prior to any actual assessment of a penalty.

(c) If at any time it appears that the addition of another party to the proceedings is necessary or desirable, the Hearing Officer provides the additional party with notice as described above.

Sec. 1.07-25 Preliminary matters.

(a) Within 30 days after receipt of notice of the initiation of the action, as described above, the party, or counsel for the party, may request a hearing, provide any written evidence and arguments in lieu of

a hearing, or pay the amount specified in the notice as being appropriate. A hearing must be requested in writing; the request must specify the issues which are in dispute. Failure to specify a nonjurisdictional issue will preclude its consideration.

(b) The right to a hearing is waived if the party does not submit the request to the Hearing Officer within 30 days after receiving notice

of the alleged violation. At the discretion of the Hearing Officer, a hearing may be granted if the party submits a late request.

(c) The Hearing Officer must promptly schedule all hearings which are requested. The Hearing Officer shall grant any delays or continuances which may be necessary or desirable in the interest of fairly resolving the case.

(d) A party who has requested a hearing may amend the specification of the issues in dispute at any time up to 10 days before the scheduled date of the hearing. Issues raised later than 10 days before the scheduled hearing may be presented only at the discretion of the Hearing Officer.

[CGD 78-82, 43 FR 54186, Nov. 20, 1978, as amended by CGD 85-001A, 51 FR 19329, May 29, 1986]

Sec. 1.07-30 Disclosure of evidence.

The alleged violator may, upon request, receive a free copy of all the written evidence in the case file, except material that would disclose or lead to the disclosure of the identity of a confidential informant. Other evidence or material, such as blueprints, sound or video tapes, oil samples, and photographs may be examined in the Hearing Officer's offices. The Hearing Officer may provide for examination or testing of evidence at other locations if there are adequate safeguards to prevent loss or tampering.

Sec. 1.07-35 Request for confidential treatment.

(a) In addition to information treated as confidential under Sec. 1.07-30, a request for confidential treatment of a document or

portion thereof may be made by the person supplying the information on the basis that the information is:

(1) Confidential financial information, trade secrets, or other material exempt from disclosure by the Freedom of Information Act (5 U.S.C. 552);

(2) Required to be held in confidence by 18 U.S.C. 1905; or

(3) Otherwise exempt by law from disclosure.

(b) The person desiring confidential treatment must submit the request to

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the Hearing Officer in writing and state the reasons justifying nondisclosure. Failure to make a timely request may result in a document

being considered as nonconfidential and subject to release.

(c) Confidential material is not considered by the Hearing Officer in reaching a decision unless:

(1) It has been furnished by a party, or

(2) It has been furnished pursuant to a subpoena.

Sec. 1.07-40 Counsel.

A party has the right to be represented at all stages of the proceeding by counsel. After receiving notification that a party is represented by counsel, the Hearing Officer directs all further communications to that counsel.

Sec. 1.07-45 Location of hearings and change of venue.

(a) The hearing is normally held at the office of the Hearing Officer.

(b) The Hearing Officer may transfer a case to another Hearing Officer on request or on the Hearing Officer's own motion.

(c) A request for change of location of a hearing or transfer to another Hearing Officer must be in writing and state the reasons why the requested action is necessary or desirable. Action on the request is at the discretion of the Hearing Officer.

[CGD 87-008a, 52 FR 17554, May 11, 1987]

Sec. 1.07-50 Witnesses.

A party may present the testimony of any witness either through a personal appearance or through a written statement. The party may request the assistance of the Hearing Officer in obtaining the personal appearance of a witness. The request must be in writing and state the reasons why a written statement would be inadequate, the issue or

issues to which the testimony would be relevant, and the substance of the expected testimony. If the Hearing Officer determines that the personal appearance of the witness may materially aid in the decision on the case, the Hearing Officer seeks to obtain the witness' appearance. Because many statutes prescribing civil penalties do not provide

subpena power, there may be cases where a witness cannot be required to attend.

In such a case, the Hearing Officer may move the hearing to the witness' location, accept a written statement, or accept a stipulation in lieu of testimony. If none of these procedures is practical, the Hearing Officer shall proceed on the basis of the evidence before him.

Sec. 1.07-55 Hearing procedures.

(a) The Hearing Officer must conduct a fair and impartial proceeding in which the party is given a full opportunity to be heard. At the outset of the hearing, the Hearing Officer insures that the party is aware of the nature of the proceeding and of the alleged violation, and of the provisions of the law or regulation allegedly violated.

(b) The material in the case file pertinent to the issues to be determined by the Hearing Officer is presented. The party has the right to examine, and to respond to or rebut, this material. The party may offer any facts, statements, explanations, documents, sworn or unsworn testimony, or other exculpatory items which bear on appropriate issues, or which may be relevant to the size of an appropriate penalty. The Hearing Officer may require the authentication of any written exhibit or statement.

(c) At the close of the party's presentation of evidence, the Hearing Officer may allow the introduction of rebuttal evidence. The Hearing Officer may allow the party to respond to any such evidence submitted.

(d) In receiving evidence, the Hearing Officer is not bound by strict rules of evidence. In evaluating the evidence presented, the Hearing Officer must give due consideration to the reliability and relevance of each item of evidence.

(e) The Hearing Officer may take notice of matters which are subject to a high degree of indisputability and are commonly known in the community or are ascertainable from readily available sources of known accuracy. Prior to taking notice of a matter, the Hearing Officer gives the party an opportunity to show why notice should not be taken. In any case in which notice is taken, the Hearing Officer places a written statement of the matters as to

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which notice was taken in the record, with the basis for such notice, including a statement that the party consented to notice being taken or a summary of the party's objections.

(f) After the evidence in the case has been presented, the party may present argument on the issues in the case. The party may also request an opportunity to submit a written statement for consideration by the Hearing Officer and for further review. The Hearing Officer shall allow a reasonable time for submission of the statement and shall specify the date by which it must be received. If the statement is not received within the time prescribed, or within the limits of any extension of time granted by the Hearing Officer, the Hearing Officer renders his decision in the case.

Sec. 1.07-60 Records.

(a) A verbatim transcript will not normally be prepared. The Hearing Officer prepares notes on the material and points raised by the party, in sufficient detail to permit a full and fair review and resolution of the case, should it be appealed.

(b) A party may, at its own expense, cause a verbatim transcript to be made. If a verbatim transcript is made, the party shall submit two copies to the Hearing Officer not later than the time of filing and administrative appeal. The Hearing Officer includes them in the record.

Sec. 1.07-65 Hearing Officer's decisions.

(a) The Hearing Officer issues a written decision. Any decision to assess a penalty is based upon substantial evidence in the record. If the Hearing Officer finds that there is not substantial evidence in the record establishing the alleged violation or some other violation of which the party had full and fair notice, the Hearing Officer shall dismiss the case and remand it to the District Commander. A dismissal is without prejudice to the District Commander's right to refile the case and have it reheard if additional evidence is obtained. A dismissal following a rehearing is final and with prejudice.

(b) If the Hearing Officer assesses a penalty, the Hearing Officer's decision contains a statement advising the party of the right to an administrative appeal. The party is advised that failure to submit an appeal within the prescribed time will bar its consideration and that failure to appeal on the basis of a particular issue will constitute a waiver of that issue in any subsequent proceeding.

[CGD 78-82, 43 FR 54186, Nov. 20, 1978, as amended by CGD 85-001A, 51 FR 19329, May 29, 1986]

Sec. 1.07-70 Right to appeal.

(a) Any appeal from the decision of the Hearing Officer must be submitted by a party within 30 days from the date of receipt of the decision. The appeal and any supporting brief must be submitted to the Hearing Officer. The only issues which will be considered on appeal are those issues specified in the appeal which were properly raised before the Hearing Officer and jurisdictional questions.

(b) The failure to file an appeal within the prescribed time limit results in the action of the Hearing Officer becoming the final agency action in the case.

Sec. 1.07-75 Action on appeals.

(a) Upon receipt, the Hearing Officer provides a copy of the appeal and any supporting brief to the District Commander who referred the case. Any comments which the District Commander desires to submit must be received by the Hearing Officer within 30 days. The Hearing Officer includes the District Commander's comments, or not later than 30 days

after receipt of the appeal if no comments are submitted by the District Commander, the Hearing Officer forwards all materials in the case to the Commandant.

(b) The Commandant issues a written decision in each case and furnishes copies to the party, the District Commander, and the Hearing Officer. The Commandant may affirm, reverse, or modify the decision, or remand the case for new or additional proceedings. In the absence of a remand, the decision of the Commandant on appeal shall be final. In addition to the actions which may be taken by the Commandant on appeal, the Commandant may also remit, mitigate or suspend the assessment in whole or in part.

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Upon the taking of remission, mitigation, or suspension action, the Commandant will inform the party of the action and any conditions placed on the action.

[CGD 78-82, 43 FR 54186, Nov. 20, 1978, as amended by CGD 87-008a, 52 FR 17555, May 11, 1987]

Sec. 1.07-80 Reopening of hearings.

(a) At any time prior to final agency action in a civil penalty case, a party may petition to reopen the hearing on the basis of newly discovered evidence.

(b) Petitions to reopen must be in writing describing the newly found evidence and must state why the evidence would probably produce a different result favorable to the petitioner, whether the evidence was known to the petitioner at the time of the hearing and, if not, why the newly found evidence could not have been discovered in the exercise of due diligence. The party must submit the petition to the Hearing Officer.

(c) The District Commander may file comments in opposition to the petition. If comments are filed, a copy is provided the party.

(d) A petition to reopen is considered by the Hearing Officer unless an appeal has been filed, in which case the petition is considered by the Commandant.

(e) The decision on the petition is decided on the basis of the record, the petition, and the comments in opposition, if any. The petition is granted only when newly found evidence is described which has a direct and material bearing on the issues and when a valid explanation is provided as to why the evidence was not and could not have been, in the exercise of due diligence, produced at the hearing. The decision is rendered in writing.

(f) Following a denial of a petition to reopen, the party is given 30 days to file an appeal if one has not already been filed, or to amend an appeal which has already been filed.

[CGD 78-82, 43 FR 54186, Nov. 20, 1978, as amended by CGD 87-008a, 52 FR

17555, May 11, 1987]

Sec. 1.07-85 Collection of civil penalties.

(a) Payment of a civil penalty may be made by check or postal money order payable to the U.S. Coast Guard.

(b) Within 30 days after receipt of the Commandant's decision on appeal, or the Hearing Officer's decision in a case in which no appeal has been filed, the party must submit payment of any assessed penalty to the office specified in the assessment notice. Failure to make timely payment will result in the institution of appropriate action under the Federal Claims Collection Act and the regulations issued thereunder.

(c) When a penalty of not more than \$200 has been assessed under Chapter 43 or 123 of Title 46 U.S.C., the matter may be referred for collection of the penalty directly to the Federal Magistrate of the jurisdiction wherein the person liable may be found, for the institution of collection procedures under supervision of the district court, if the court has issued an order delegating such authority under section 636(b) of Title 28, United States Code.

[CGD 87-008a, 52 FR 17555, May 11, 1987]

Sec. 1.07-90 Criminal penalties.

(a) Prosecution in the Federal courts for violations of those laws or regulations enforced by the Coast Guard which provide, upon conviction, for punishment by fine or imprisonment is a matter finally determined by the Department of Justice. This final determination consists of deciding whether and under what conditions to prosecute or to abandon prosecution.

(b) Except in those cases where the approval of the Commandant is required, the District Commander is authorized to refer the case to the U.S. attorney. The Commandant's approval is required in the following cases where evidence of a criminal offense is disclosed:

(1) Marine casualties or accidents resulting in death.

(2) Marine Boards (46 CFR part 4).

(3) Violations of port security regulations (33 CFR parts 6, 121 to 126 inclusive).

(c) The District Commander will identify the laws or regulations which were violated and make specific recommendations concerning the proceedings to be instituted by the U.S. attorney in every case.

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Sec. 1.07-95 Civil and criminal penalties.

(a) If a violation of law or regulation carries both a civil and a criminal penalty, the District Commander is authorized to determine whether to institute civil penalty proceedings or to refer the case to the U.S. attorney for prosecution in accordance with Sec. 1.07-90.

(b) When the U.S. Attorney declines to institute criminal proceedings, the District Commander decides whether to initiate civil penalty proceedings or to close the case.

Sec. 1.07-100 Summons in lieu of seizure of commercial fishing industry vessels.

(a) As used in this section, the following terms have the meanings specified:

(1) Commercial fishing industry vessel means a fishing vessel, a fish processing vessel, or a fish tender vessel as defined in 46 U.S.C. 2101 (11a), (11b), or (11c), respectively.

(2) Personal use quantity means a quantity of a controlled substance as specified in 19 CFR 171.51.

(b) When a commercial fishing industry vessel is subject to seizure for a violation of 21 U.S.C. 881(a)(4), (6), or (7); of 19 U.S.C. 1595a(a); or of 49 U.S.C. App. 782 and the violation involves the possession of a personal use quantity of a controlled substance, the vessel shall be issued a summons to appear as prescribed in **subpart F** of 19 CFR part 171 in lieu of seizure, provided that the vessel is:

(1) Proceeding to or from a fishing area or intermediate port of call; or

(2) Actively engaged in fishing operations.

[CGD 89-003, 54 FR 37615, Sept. 11, 1989]