

BLOG



JULY 24, 2013

On July 22, 2013 the U.S. Court of Appeals for the Fourth Circuit issued an order underscoring the Coast Guard's broad authority to demand discretionary bond amounts, detain vessels, and impose obligations on vessel owners and their crewmembers. The Fourth Circuit reversed a ruling by a district court that the government had acted unconstitutionally by demanding an excessive bond for vessel clearance and by imposing non-monetary conditions. The case arose from a port state control inspection of a vessel in Norfolk, Virginia during which inspectors learned as a result of a note passed by a crewmember to the Coast Guard inspectors that pollution prevention equipment had been bypassed and oily bilge waste discharged overboard. The Coast Guard withheld the vessel's clearance to depart until the vessel's owner posted a \$2.5 million dollar bond and imposed other obligations to ensure cooperation in the investigation. The vessel owner filed an emergency petition seeking immediate release of the vessel or imposition of a lesser bond. The district court determined that the government had acted unconstitutionally by demanding an excessive bond for vessel clearance and by imposing non-monetary conditions. On appeal, the Fourth Circuit rejected the district court's assertion of jurisdiction based on the "committed to agency discretion" exception to the usual ability of courts to review agency action.

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