

**FEDERAL EMERGENCY
MANAGEMENT AGENCY****[FEMA-1195-DR]****Florida; Amendment to Notice of a
Major Disaster Declaration****AGENCY:** Federal Emergency
Management Agency (FEMA).**ACTION:** Notice.

SUMMARY: This notice amends the notice of a major disaster for the State of Florida, (FEMA-1195-DR), dated January 6, 1998, and related determinations.

EFFECTIVE DATE: March 3, 1998

FOR FURTHER INFORMATION CONTACT: Madge Dale, Response and Recovery Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646-3260.

SUPPLEMENTARY INFORMATION: The notice of a major disaster for the State of Florida, is hereby amended to include the following areas among those areas determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of January 6, 1998:

The counties of Alachua, DeSoto, Levy and Taylor for Public Assistance (already designated for Individual Assistance).

(The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 83.537, Community Disaster Loans; 83.538, Cora Brown Fund Program; 83.539, Crisis Counseling; 83.540, Disaster Legal Services Program; 83.541, Disaster Unemployment Assistance (DUA); 83.542, Fire Suppression Assistance; 83.543, Individual and Family Grant (IFG) Program; 83.544, Public Assistance Grants; 83.545, Disaster Housing Program; 83.548, Hazard Mitigation Grant Program.)

Dennis H. Kwiatkowski,*Deputy Associate Director, Response and Recovery Directorate.*

[FR Doc. 98-6699 Filed 3-13-98; 8:45 am]

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**FEDERAL EMERGENCY
MANAGEMENT AGENCY****[FEMA-1195-DR]****Florida; Amendment to Notice of a
Major Disaster Declaration****AGENCY:** Federal Emergency
Management Agency (FEMA).**ACTION:** Notice.

SUMMARY: This notice amends the notice of a major disaster for the State of Florida (FEMA-1195-DR), dated January 6, 1998, and related determinations.

EFFECTIVE DATE: March 5, 1998.

FOR FURTHER INFORMATION CONTACT: Madge Dale, Response and Recovery Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646-3260.

SUPPLEMENTARY INFORMATION: The notice of a major disaster for the State of Florida is hereby amended to include the following areas among those areas determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of January 6, 1998:

Lafayette and Putnam Counties for Public Assistance (already designated for Individual Assistance).

Sarasota County for Public Assistance. (The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 83.537, Community Disaster Loans; 83.538, Cora Brown Fund Program; 83.539, Crisis Counseling; 83.540, Disaster Legal Services Program; 83.541, Disaster Unemployment Assistance (DUA); 83.542, Fire Suppression Assistance; 83.543, Individual and Family Grant (IFG) Program; 83.544, Public Assistance Grants; 83.545, Disaster Housing Program; 83.548, Hazard Mitigation Grant Program.)

Lacy E. Suiter,*Executive Associate Director, Response and Recovery Directorate.*

[FR Doc. 98-6700 Filed 3-13-98; 8:45 am]

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**FEDERAL EMERGENCY
MANAGEMENT AGENCY****[FEMA-1195-DR]****Florida; Amendment to Notice of a
Major Disaster Declaration****AGENCY:** Federal Emergency
Management Agency (FEMA).**ACTION:** Notice.

SUMMARY: This notice amends the notice of a major disaster for the State of Florida, (FEMA-1195-DR), dated January 6, 1998, and related determinations.

EFFECTIVE DATE: March 2, 1998.

FOR FURTHER INFORMATION CONTACT: Madge Dale, Response and Recovery Directorate, Federal Emergency Management Agency, Washington, DC 20472, (202) 646-3260.

SUPPLEMENTARY INFORMATION: The notice of a major disaster for the State of Florida, is hereby amended to include the following area among those areas determined to have been adversely affected by the catastrophe declared a major disaster by the President in his declaration of January 6, 1998:

Brevard County for Public Assistance (already designated for Individual Assistance).

Holmes County for Public Assistance.

Levy County for Individual Assistance.

(The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 83.537, Community Disaster Loans; 83.538, Cora Brown Fund Program; 83.539, Crisis Counseling; 83.540, Disaster Legal Services Program; 83.541, Disaster Unemployment Assistance (DUA); 83.542, Fire Suppression Assistance; 83.543, Individual and Family Grant (IFG) Program; 83.544, Public Assistance Grants; 83.545, Disaster Housing Program; 83.548, Hazard Mitigation Grant Program.)

Lacy E. Suiter,*Executive Associate Director, Response and Recovery Directorate.*

[FR Doc. 98-6701 Filed 3-13-98; 8:45 am]

BILLING CODE 6718-02-P

FEDERAL MARITIME COMMISSION**[Docket No. 98-03]****Sea Dragon Navigation Ltd., et al.—
Possible Violations of Sections 8,
10(a)(1), 10(b)(1) and 23 of the
Shipping Act of 1984; Order of
Investigation and Hearing**

Since early 1996, it appears that Sea Dragon Navigation Ltd. ("Sea Dragon"), a Hong Kong company, has become an increasingly active and problematic participant in the inbound Far East-United States trades. It is alleged that Sea Dragon has involved itself in myriad rate malpractices with respect to this traffic including, *inter alia*, improperly accessing service contracts belonging to other shippers, widespread misdescription of commodities to ocean common carriers transporting the cargo and the use of other devices such as improper connecting carrier agreements as a means of obtaining transportation at less than applicable rates. It further appears that, in the conduct of this enterprise Sea Dragon has employed various false or assumed names, and has obtained the services, participation and assistance of numerous companies, destination agents and individuals, both in the U.S. and abroad.

Due to the concerted nature of the malpractices apparently carried out here, and the significant inter-relationships, both commercial and corporate, between the companies and individuals involved, seventeen (17) corporate parties and individuals are named Respondents herein:

(1) Sea Dragon Navigation Ltd. is a Hong Kong company located at Room 602, The Centre Mark, 287-299 Queen's Road Central, Hong Kong, PRC. Sea

Dragon purports to be an ocean common carrier (i.e. a vessel operator) and holds out to perform such services pursuant to its ATFI tariff FMC No. 011712-001,¹ effective October 15, 1993. Lee Man Wong, a.k.a. Denis Lee, is identified in its tariff as Sales Manager of Sea Dragon. K. C. "Philip" Yu is the Director of Sea Dragon.

(2) CES Express Inc. ("CES Express") is a California corporation, whose place of business was 801 S. Garfield Avenue, Alhambra, California 91801. According to the 1994 and 1995 Statement by Domestic Stock Corporation filed with the California Secretary of State, the President of CES Express is Philip Yu; Christine Cheng serves as Secretary of the corporation and as its resident agent. Yun Kei Lo is Chief Financial Officer. As relevant herein, CES Express served as the U.S. destination agent of Sea Dragon with respect to inbound shipments from the Far East to U.S. West Coast ports during the period prior to November 1996.

(3) Chin Express Services Inc. ("Chin Express Services") is a California corporation whose place of business is 410 S. San Gabriel Boulevard, Suite 7, San Gabriel, California 91776. According to the 1997 Statement by Domestic Stock Corporation filed with the California Secretary of State, the President of Chin Express Services is Philip Yu; Christine Cheng serves as Secretary and Chief Financial Officer of the corporation, and as its resident agent. As relevant herein, Chin Express Services acted as the U.S. destination agent of Sea Dragon with respect to inbound shipments from the Far East to U.S. West Coast ports during the period subsequent to November 1996.

(4) L & L Chain Inc. ("L & L Chain") is a California corporation whose registered place of business is 317 South Isis Avenue, Inglewood, California 90301. According to the 1996 Statement by Domestic Stock Corporation filed with the California Secretary of State, the President of L & L Chain is Yun Kei Lo; Christine Cheng serves as its resident agent. As relevant herein, L & L Chain acted as the shipper and/or consignee with respect to inbound shipments from the Far East to U.S. West Coast ports prior to November 1996.

(5) CTL Maritime (USA) Inc. ("CTL Maritime") is a tariffed and bonded NVOCC whose place of business is 317 South Isis Avenue, Suite 105, Inglewood, California 90301. CTL

Maritime's address is the same as L & L Chain, and is the address previously reported for CES Express. Through 1996 and 1997, CTL Maritime has served as notify party and destination agent on behalf of numerous shipments purportedly shipped on behalf of Welrich Trading, L & L Chain, and Transnation Shipping Ltd., among other shipper names. Raymond Cheng is the Managing Director of CTL Maritime.

(6) Pan Sharp International Limited ("Pan Sharp") is a tariffed and bonded NVOCC located at Room 602, The Centre Mark, 287-299 Queen's Road Central, Hong Kong, PRC. Pan Sharp holds itself out as an NVOCC pursuant to its ATFI tariff FMC No. 014944-001, effective September 5, 1997.² Pan Sharp currently maintains an NVOCC bond with the Intercargo Insurance Company, in the amount of \$50,000. Bond No. 102737 became effective June 13, 1997.

As relevant herein, Pan Sharp is believed to have been established by the principals of Sea Dragon, and currently operates from the same premises as those occupied by Sea Dragon. The NVOCC bond form filed on behalf of Pan Sharp includes the corporate certification of corporate Sales Manager Lee Man Wong, also known to be the Sales Manager of Sea Dragon, and further identifies Mr. K.C. Yu as General Manager.

(7) K.C. "Philip" Yu is a principal in Sea Dragon, CES Express, and Chin Express Services. It is believed that Mr. Yu also is the same individual shown as Director of Pan Sharp. Originally resident in Hong Kong, Mr. Yu appears to be the individual responsible for direction of the business affairs of Sea Dragon, CES Express, Chin Express Service and Pan Sharp.

(8) Christine Cheng is a principal in CES Express and Chin Express Service. While providing services as the "clearing agent" for inbound shipments imported by Y & W Worldtrade Inc., it appears that Ms. Cheng facilitated the misuse of Y & W Worldtrade's service contract with ANERA and Sea Dragon's misdescription of cargo being transported thereunder. Ms. Cheng apparently played a similar role in serving as destination agent for shipments whereby Sea Dragon improperly obtained access to Hyundai Merchant Marine Co. Ltd. ("Hyundai") service contract No. 96-5064 with Welrich Trading Co. and likewise misdescribed those commodities being shipped.

(9) Yun Kei Lo is President of L & L Chain Inc., shown as shipper and/or consignee on numerous misdescribed shipments of inbound cargo from the Far East. Mr. Yun also is Chief Financial Officer and a Director of CES Express.

(10) Y & W Worldtrade Inc. ("Y & W Worldtrade") is an importer and distributor of pottery located at 4373 Santa Anita Avenue, El Monte, California 91731. Y & W Worldtrade is the shipper signatory to ANERA service contract No. 5476/96, executed by Y & W Worldtrade's President and by its Traffic Manager, based in Hong Kong. Y & W Worldtrade's Hong Kong office is located on the premises of Sea Dragon Navigation. At destination in the U.S., Y & W Worldtrade employs the services of Christine Cheng of CES Express to act as clearing agent in handling inbound shipments and arranging delivery of goods to Y & W Worldtrade and its customers.

(11) Worldwide Container Line Inc. ("Worldwide Container") d.b.a. Worldwide Trade Inc., was an NVOCC located at 145-34 157th Street, Jamaica, New York 11434.³ Worldwide Container appears to have handled numerous shipments from Hong Kong to the East Coast of the United States on behalf of Sea Dragon.

Prior to July 17, 1997, Worldwide Container maintained a tariff⁴ and NVOCC bond with the Commission. While canceled prior to the date of this Order, Worldwide Container's bond continues to provide coverage with respect to any civil penalties assessed against Worldwide Container for violations occurring before the date of bond termination.

(12) Bonnie Yang was the Managing Director of Worldwide Container and handled the company's daily operations.

(13) O.E.I. International Inc. ("OEI") is a tariffed and bonded NVOCC⁵ located at 813 W. Arbor Vitae Street, 2nd Floor, Inglewood, CA 90301. In addition to being identified by name as the notify party on the certain vessel-operating common carrier ("VOCC" or "master") bills of lading in 1996, OEI also is known to have handled inbound shipments while doing business as Power International, Pacific Century

¹ As an ocean common carrier, Sea Dragon need not provide evidence that it maintains a non-vessel-operating common carrier ("NVOCC") bond, nor has it designated a resident agent in the United States.

² Pursuant to Rule 24 of Pan Sharp's tariff, Distribution Publications Inc., 7996 Capwell Drive, Oakland, California 94621, serves as the U.S. resident agent for purposes of receiving service of process on behalf of Pan Sharp.

³ It appears that in or about July 1997, Worldwide moved its offices to 108 S. Franklin Avenue, #17, Valley Stream, New York 11582.

⁴ The tariff (ATFI No. 009890-002) contained only three commodity descriptions: Cargo, NOS (Premium Service); Cargo NOS (Regular Service); and Cargo NOS (Superior Service).

⁵ O.E.I. International Inc. currently maintains an effective tariff, ATFI No. 012107-001, with the Commission.

Inc., Oster International, Care Group, and Orient Connection.

(14) OMNI-Freight International, Inc. ("OMNI-Freight") is a California corporation, located at the same address in Inglewood, California as OEI. OMNI-Freight does not maintain an NVOCC tariff and bond.

As relevant herein, OMNI-Freight issues arrival notices and collects freight charges for OEI's shipments. Whereas OEI often is identified as the notify party on certain VOCC bills of lading, OMNI-Freight generally appears as the consignee or notify party in the underlying NVOCC bills of lading for the same shipment. For certain 1997 shipments, OMNI-Freight is shown on VOCC bills of lading as the notify party.

(15) Hwai Nien Hsu, a.k.a. Power Hsu, is the president of OEI International and president of OMNI-Freight. Mr. Hsu is believed generally knowledgeable as to the involvement of both firms insofar as they served as consignees and/or destination agents with respect to misdescribed cargoes originating with Transnation Shipping Company and Sea Dragon.

(16) Transnation Shipping Company ("Transnation Co."), located at Rm. 1408, The Centre Mark, 287-299 Queen's Road, Central District, Hong Kong, purports to be a VOCC according to its tariff maintained in the Commission's ATFI system. Its ATFI filings identify Ivy Chan as Director of Transnation Co.

Transnation Co. maintains an effective tariff in ATFI (ATFI No. 012748-001); however, that tariff contains only one rate, applicable to Cargo, NOS between the United States and Asia Countries, filed in August 1994.

(17) Transnation Shipping Limited ("Transnation Ltd.") is located at Rm. 1104, The Centre Mark, 287-299 Queen's Road, Central District, Hong Kong. The business address, phone and fax numbers for Transnation Ltd. and Transnation Co. are the same.⁶ Choi Ling "Ivy" Chan is Director, Corporate Secretary and principal shareholder of Transnation Ltd.

Transnation Ltd. operates as an NVOCC. It appears that Transnation Ltd. was doing business as early as January 1996; however, Transnation Ltd.'s tariff (ATFI No. 015124-001) did not become effective until December 4, 1997.⁷

⁶ Transnation Ltd. previously moved its offices from Room 1408 in the same building, i.e. the offices of Transnation Co. Its "registered office" in Hong Kong is Room 1408.

⁷ The tariff contains three commodity descriptions: Cargo, NOS (Premium Service); Cargo, NOS (Regular Service); and Cargo, NOS (Superior Service) for shipments between the United States and Asia Countries.

Transnation Ltd. maintains and NVOCC bond, No. 8941515, issued by Washington International Insurance Company, which became effective November 25, 1997.

Based on available import data, Sea Dragon would appear to be the actual shipper on over 4500 inbound shipments during 1996 and 1997. Records obtained under the auspices of Commission Fact Finding Investigation No. 22 are indicative generally of the considerable scope and extent of cargo misdescriptions, untariffed activities and NVOCC misratings in which it appears Sea Dragon and its co-venturers have become involved.

Time Period: January 1 Through November 30, 1996

During the time period through November 30, 1996, Sea Dragon allegedly accessed a service contract between Hyundai Merchant Marine Co. Ltd. and Welrich Trading Co., Hyundai SC No. 96-5064, to obtain transportation of commodities on its own behalf as shipper (in relation to the underlying ocean common carrier, Hyundai) and as a carrier issuing its own Sea Dragon house bill of lading with respect to the commodity being shipped. It appears that Sea Dragon misdescribed the commodities declared on the ocean common carrier's bills of lading (master bill), which were rated by Hyundai pursuant to the service contract. Sea Dragon and its U.S. counterparts, primarily CES Express and CTL Maritime, nonetheless made payment to the ocean common carrier on the basis of the inaccurate commodity shown on the bill of lading when issued.

During this same time period, it is believed that a substantial volume of misdescriptions had occurred on shipments imported pursuant to a service contract between Y & W Worldtrade, of El Monte, California, and the Asia North American Eastbound Rate Agreement ("ANERA"). Under an arrangement whereby Y & A Worldwide contracted for "cargo clearing" services to be provided by Christine Cheng of CES Express, it appears that Sea Dragon and CES Express accessed the service contract of Y & W Worldtrade and utilized same to handle the inbound NVOCC traffic of Sea Dragon at ANERA service contract rates.

It appears that Sea Dragon misdescribed numerous shipments as KD furniture while utilizing the proprietary service contract rates available under the Y & W Worldtrade service contract. Y & W Worldtrade's Hong Kong office generally was listed as shipper on the ocean carrier's bill of

lading, and Y & W Worldtrade, El Monte, acted as the consignee or notify party. Records obtained by the Commission's Bureau of Enforcement ("BOE") indicate that an NVOCC bill of lading was issued by Sea Dragon to a consignee wholly unrelated to Y & W Worldtrade, which house bill subsequently was tendered to Sea Dragon's U.S. agent at destination.

Moreover, misdescription activities apparently were not confined to the Y & W Worldtrade and Welrich Trading service contracts during this period. It appears that Sea Dragon and/or Transnation Co., using a false or assumed name⁸ in the shipper box of the ocean carrier's bill of lading, participated in additional shipments in which the commodity was variously described as "DK furniture," "kitchenware," "chinaware," "woodenware" and "exercise equipment." In numerous instances the notify party for West Coast cargoes utilized an assumed name⁹ subsequently identified as one of Power Hsu's companies. Worldwide Container generally acted as notify party in the case of New York shipments.

Of similar import are shipments transported during 1996, in which L & L Chain purported to serve as shipper, consignee and/or notify party.¹⁰ More than 180 shipments from Hong Kong to the United States, described as "furniture" or "KD furniture," were carried by NYK and Hyundai on behalf of L & L Chain. Consignees and notify parties with respect to these shipments were CES Express, CTL Maritime, OMNI-Freight and others. It is alleged that commodities also were misdescribed on the master bills of lading.

Time Period: November 1, 1996 Through May 30, 1997

Subsequent to its receipt of a Fact Finding subpoena in October 1996, CES Express vacated its offices in Alhambra, California. Likewise, Sea Dragon appeared to have abandoned its use of the Welrich Trading service contract.

⁸ Additional shipper names include Perfect International, Oster International, International Merchandise Inc., Santa National, China World, Shimon Import, Glory Noble and Orient Connection Corp.

⁹ The consignee/notify party identified on the master bill of lading often reflected assumed names such as Power International, Pacific Century, Oster International, Care Group and Orient Connection. All reflect the telephone number or address of O.E.I. International and OMNI-Freight.

¹⁰ L & L Chain's address alternately appears as Room 57, Ground Floor, Seven Seas Shopping Centre, 121 King's Road, North Point, Hong Kong, or as 801 S. Garfield Ave., Suite 102, Alhambra, California, the business address then occupied by CES Express.

It appears that on and after November 1, 1996, Sea Dragon contracted to obtain transportation from Hong Kong to the United States pursuant to a connecting carrier agreement signed with Hyundai.¹¹ Otherwise undated, the agreement provides carrier-to-carrier rates whereby Sea Dragon could obtain transportation on Hyundai's linehaul vessels to the U.S. during the period November 1, 1996 through October 31, 1997. While Sea Dragon presently maintains a VOCC tariff, Sea Dragon is not known to operate any vessels which serve U.S. ports. Accordingly, it appears that Sea Dragon would not be entitled to utilize an agreement subject to 46 CFR Part 572 as a means of obtaining transportation from an ocean common carrier. See, e.g., 46 CFR 572.306(b) and (c).¹²

Significant volumes of cargo appear to have been transported by Hyundai under the above agreement. Various names were identified as shippers¹³ on the master bills of lading, whereas Sea Dragon was identified solely within the "Marks & Numbers" portion of the bill. The above shipments were destined for handling by Chin Express¹⁴ for West Coast cargo, and Worldwide Container with respect to East Coast cargo. Through July 1997, Chin Express alone is believed to have handled over 2900 TEUs of import cargo from Hong Kong.

Time Period: May 30, 1997 to Present

Subsequent to service of a Fact Finding subpoena upon Chin Express in May 1997, Sea Dragon abandoned its use of the Hyundai connecting carrier agreement. It further appears that Philip Yu thereafter commenced operations as Pan Sharp International Ltd., an NVOCC. According to records maintained by the Bureau of Tariffs, Certification and Licensing, an NVOCC bond was filed on behalf of Pan Sharp, effective June 13, 1997. Pan Sharp

initially filed in ATFI on July 28, 1997; however, its tariff did not become effective until September 5, 1997.

In and after May 1997, Pan Sharp acted as shipper on numerous shipments from Hong Kong to the U.S. At this same time, Pan Sharp separately negotiated and executed a time volume rate arrangement, TVR 97-004, and a service contract with Hyundai¹⁵ in which Pan Sharp is identified as an NVOCC. More than 160 shipments were originated by Pan Sharp during the months of June-August 1997, at a time when Pan Sharp did not yet have any tariff rates effective for its NVOCC services.

Section 10(a)(1) of the Shipping Act of 1984 ("1984 Act"), 46 U.S.C. app. § 1709 (a)(1), prohibits any person knowingly and willfully, directly or indirectly, by means of false billings, false classification, false weighing, false report of weight, false measurement, or by any other unjust or unfair device or means, from obtaining or attempting to obtain ocean transport for property at less than the rates or charges that would otherwise be applicable. Operating both independently and in concert with one another, it appears that Sea Dragon and Transnation Co. engaged in a pattern of commodity misdescription practices, in many instances adopting false or assumed names as a means of concealing the transport of NVOCC shipments and facilitating the movement of misdescribed cargoes.¹⁶ As shipper at origin, it appears that Sea Dragon and Transnation Co. had knowledge of the actual description of the commodities for which transportation was to be obtained, and were primarily responsible for misdescribing the shipments to the ocean common carrier. Likewise, at destination, it appears that the U.S. consignees and agents of Sea Dragon and Transnation Co. knew the actual commodities being shipped through their access to the NVOCC bills of lading. Accordingly, it appears that CES Express, Chin Express Services, OMNI-Freight, OEI, and Worldwide Container each participated with Sea Dragon in a scheme of knowingly and willfully obtaining ocean transportation of cargo

for which the parties paid rates less than otherwise applicable.

It further appears that other individuals knew of, and assisted or facilitated various shipments on behalf of Sea Dragon, for which transportation was obtained in violation of section 10(a)(1) of the 1984 Act. Among these additional persons are Philip Yu with respect to Sea Dragon, CES Express, Chin Express Services and Pan Sharp; Christine Cheng with respect to CES Express and Chin Express Services; Yun Kei Lo with respect to CES Express and L & L Chain; Bonnie Yang with respect to Worldwide Container; and Power Hsu with respect to OEI and OMNI-Freight. It further appears that other corporate entities, specifically Y & W Worldtrade, L & L Chain, CTL Maritime and Transnation Ltd., knew of, and assisted or facilitated various misdescribed shipments involving Sea Dragon.

Section 10(b)(1), 46 U.S.C. app. 1709(b)(1), prohibits a common carrier from charging, collecting or receiving greater, less or different compensation for the transportation of property than the rates and charges set forth in its tariff. With respect to the above shipments in which Sea Dragon issued its own house bill of lading and collected freight from the consignees, it appears that Sea Dragon routinely has disregarded its filed tariff. Insofar as such shipments are representative of Sea Dragon's ongoing business, it would appear that later shipments under the connecting carrier agreement with Hyundai, and pursuant to Pan Sharp's service contract, likewise may be found to have applied rates other than those set forth in Sea Dragon's filed tariff, in violation of section 10(b)(1) of the 1984 Act.

Transnation Co. similarly has routinely issued its own house bills of lading on numerous shipments, yet currently maintains a tariff, ATFI No. 012748-001, which contains only one rate, applicable to Cargo, NOS between the United States and Asia Countries. It therefore appears that Transnation Co. has not applied its filed tariff rate to any of its shipments transported during 1996 and 1997. Thus, it appears that Transnation Co. may have violated section 10(b)(1) of the 1984 Act.

In addition, shipping records reflect that Transnation Shipping Ltd. and Pan Sharp International Ltd. both began operating as shippers prior to the time tariff or bonds were filed with respect to their services as NVOCCs. Transnation Ltd.'s tariff, ATFI No. 015124-001, did not become effective until December 4,

¹¹ The agreement is signed by Philip Yu, on behalf of Sea Dragon.

¹² Subparagraph (b) of the cited rule makes such agreements exempt from filing only to the extent the parties meet the tariff provisions set forth in paragraph (c) thereof. Subparagraph (c) requires publication in the applicable tariffs of all through rates, routings and additional charges for such service, as well as the identification within the tariff of any participating carriers to such transshipment agreement. See also 46 CFR 514.15(b)(13). Sea Dragon's tariff contains no references to any such agreements. Its mandatory tariff rule 13 specifies that such rule is "not applicable."

¹³ Putative shippers include Tuanjin Import & Export Corp., East Corp., Fast Sales Ltd., Motive Products Manufactory Co., Dairy Products Manufactory Co., Rich Chat Chong Import/Export Corp among others.

¹⁴ In or about November 1996, Christine Cheng commenced operations as Chin Express Services, with business offices located in San Gabriel, California.

¹⁵ Hyundai Service Contract No. 97-5817 was executed May 31, 1997, to be effective from June 3, 1997 through April 30, 1998. That agreement identifies Pan Sharp as an NVOCC.

¹⁶ Sea Dragon, Chin Express and possibly other U.S. respondents may have continued to engage in rate practices violative of section 10(a)(1) of the 1984 Act through at least May 1997, pursuant to an unfiled and improper connecting carrier agreement whereby Sea Dragon obtained the benefit of rates not filed in any tariff or service contract.

1997,¹⁷ and thus cannot account for shipments occurring as early as January 1996. Pan Sharp's ATFI tariff did not include any rates which were effective prior to September 5, 1997.

Accordingly, it appears that Transnation Ltd. and Pan Sharp each charged rates not then effective for the NVOCC services provided, in apparent violation of section 8 of the 1984 Act and 46 CFR Part 514, and that they each operated as an NVOCC without benefit of the bond required by the 1984 Act, in apparent violation of section 23. In addition, it appears that Transnation Ltd. and Pan Sharp thereafter assessed and collected rates other than those set forth in their respective tariffs, in apparent violation of section 10(b)(1) of the 1984 Act.

As first noted above, Sea Dragon purports to be a vessel-operating common carrier, yet no indication can be found that Sea Dragon in fact operates any vessels in the United States foreign commerce. Likewise, Transnation Co. purports to be a VOCC according to its tariff maintained in the Commission's ATFI system, but there are no records reflecting that Transnation Co. operates vessels. To the extent these firms are maintaining VOCC tariffs as a means of evading the NVOCC bonding and resident agent requirements, or as a device by which to obtain off-tariff rates pursuant to connecting carrier agreements, it should further be determined whether those tariffs should be canceled as violative of sections 8 and 23 of the 1984 Act and 46 CFR Part 514 of the Commission's regulations.

Now therefore, it is ordered, That pursuant to sections 8, 10, 11, 13, and 23 of the 1984 Act, 46 U.S.C. app. 1707, 1709, 1710, 1712, and 1721, an investigation is instituted to determine:

(1) Whether Sea Dragon Navigation Ltd., CES Express Inc., Chin Express Services Inc., Pan Sharp International Ltd., L & L Chain Inc. and their respective principals, Philip Yu, Christine Cheng and Yun Kei Lo, violated section 10(a)(1) of the 1984 Act, 46 U.S.C. app. 1709(a)(1), by obtaining transportation for property at less than the rates or charges applicable from the ocean common carriers furnishing the transportation;

(2) Whether Y & W Worldtrade Inc., Transnation Shipping Co., Transnation Shipping Ltd., CTL Maritime (USA) Inc., O.E.I. International Inc., OMNI-Freight International Inc., Hwai Nien Hsu, Worldwide Container Line Inc. and

Bonnie Yang violated section 10(a)(1) of the Shipping Act of 1984, 46 U.S.C. app. 1709(a)(1), by obtaining transportation for property at less than the rates or charges applicable from the ocean common carrier furnishing the transportation;

(3) Whether Sea Dragon Navigation Ltd., Transnation Shipping Co., Transnation Shipping Ltd. and Pan Sharp International Ltd. violated section 10(b)(1) of the 1984 Act, 46 U.S.C. app. 1709(b)(1), by charging, demanding, collecting or receiving compensation for the transportation of property other than the rates and charges set forth in their respective tariffs;

(4) Whether Transnation Shipping Ltd. and Pan Sharp International Ltd. violated section 8(a) of the 1984 Act, 46 U.S.C. app. 1707(a)(1), and 46 CFR Part 514 by providing common carrier services without having an effective tariff filed with the Commission;

(5) Whether Sea Dragon Navigation Ltd., Transnation Shipping Co., Transnation Shipping Ltd. and Pan Sharp International Ltd. violated section 23 of the 1984 Act, 46 U.S.C. app. 1721, by operating as NVOCCs without filing the requisite NVOCC bond and designating a resident agent with the Commission;

(6) Whether, in the event violations of sections 8, 10(a)(1), 10(b)(1) and 23 of the 1984 Act are found, civil penalties should be assessed and, if so, the amount of penalties to be assessed against any or all of the parties;

(7) Whether the tariffs of Transnation Shipping Co. and Sea Dragon should be canceled under sections 8 and 23 of the 1984 Act and 46 CFR Part 514;

(8) Whether the tariffs of Pan Sharp International, Transnation Shipping Ltd., O.E.I. International Inc. and CTL Maritime (USA) Inc. should be suspended pursuant to sections 13 and 23 of the 1984 Act; and

(9) Whether, in the event violations are found, an appropriate cease and desist order should be issued against any or all of the parties;

It is further ordered, That a public hearing be held in this proceeding and that this matter be assigned for hearing before an Administrative Law Judge of the Commission's Office of Administrative Law Judges at a date and place to be hereafter determined by the Administrative Law Judge in compliance with Rule 61 of the Commission's Rules of Practice and Procedure, 46 CFR 502.61. The hearing shall include oral testimony and cross-examination in the discretion of the Presiding Administrative Law Judge only after consideration has been given by the parties and the Presiding

Administrative Law Judge to the use of alternative forms of dispute resolution, and upon a proper showing that there are genuine issues of material fact that cannot be resolved on the basis of sworn statements, affidavits, depositions, or other documents or that the nature of the matters in issue is such that an oral hearing and cross-examination are necessary for the development of an adequate record;

It is further ordered, That Sea Dragon Navigation Ltd., CES Express Inc., Chin Express Services Inc., Pan Sharp International Ltd., L & L Chain Inc., Philip Yu, Christine Cheng, Yun Kei Lo, Y & W Worldtrade Inc., Transnation Shipping Co., Transnation Shipping Ltd., CTL Maritime (USA) Inc., O.E.I. International Inc., OMNI-Freight International Inc., Hwai Nien Hsu, Worldwide Container Line Inc. and Bonnie Yang are designated Respondents in this proceeding;

It is further ordered, That the Commission's Bureau of Enforcement is designated a party to this proceeding;

It is further ordered, That notice of this Order be published in the **Federal Register**, and a copy be served on parties of record;

It is further ordered, That other persons having an interest in participating in this proceeding may file petitions for leave to intervene in accordance with Rule 72 of the Commission's Rules of Practice and Procedure, 46 CFR 502.72;

It is further ordered, That all further notices, orders, and/or decisions issued by or on behalf of the Commission in this proceeding, including notice of the time and place of hearing or prehearing conference, shall be served on parties of record;

It is further ordered, That all documents submitted by any party of record in this proceeding shall be directed to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, in accordance with Rule 118 of the Commission's Rules of Practice and Procedure, 46 CFR 502.118, and shall be served on parties of record; and

It is further ordered, That in accordance with Rule 61 of the Commission's Rules of Practice and Procedure, the initial decision of the Administrative Law Judge shall be issued by March 11, 1999 and the final decision of the Commission shall be issued by July 9, 1999.

By the Commission.

Joseph C. Polking,
Secretary.

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¹⁷ In any event, the Transnation Ltd. tariff contains only three commodity descriptions: Cargo, NOS (Premium Service); Cargo, NOS (Regular Service); and Cargo, NOS (Superior Service).