

(S E R V E D)
(MAY 29, 1997)
(FEDERAL MARITIME COMMISSION)

FEDERAL MARITIME COMMISSION

WASHINGTON, D. C.

May 29, 1997

DOCKET NO. 96-18

RED HOT TRANSPORT

v.

**NAVAJO SHIPPING AGENCY, INCORPORATED;
AFRICA MIDEAST LINE**

JOINT MOTION TO APPROVE SETTLEMENT, GRANTED

By joint motion dated May 28, 1997, the parties, complainant and respondent, move for approval of a settlement agreement they have reached, and jointly move, contingent on the approval of their settlement, for dismissal of the subject complaint. Also, respondent requests that the terms of the settlement agreement be kept confidential, which request the complainant does not oppose.

In the complaint filed on October 22, 1996, the complainant alleged that it booked numerous shipments as a freight forwarder on behalf of several shippers with respondent,

an NVOCC. The dried food items from Long Beach, California, were destined to Moscow, Russia. The complainant averred violations of our rules and regulations concerning section 10(d)(1) of the Shipping Act of 1984, and sought reparation, interest and attorneys' fees, including damages of \$20,668.75. The gravamen of the complaint is that the cargo was routed via feeder from Bremerhaven, Germany, to Kotka, Finland, and thence by rail to Moscow, as opposed to direct trucking from Bremerhaven to Moscow.

Respondent filed an answer stating that the cargo arrived at destination without incident, loss or damage, and that the shipment complied with all statutory and regulatory provisions of the Shipping Act of 1984. Respondent also asserted numerous affirmative defenses. Finally, respondent maintained that common carriers generally reserve the right to divert cargo from one intended transshipment point to another if circumstances warrant such changes in routing.

Both respondent and complainant considered the consequences of protracted litigation, the strengths and weaknesses of their claims and defenses, and agreed to settle their differences without admitting to any issue of liability or ability to prevail on the merits. If there were no settlement, the result may be lengthy litigation and expenses.

It is well settled that the Commission strongly favors settlement as advantageous to judicial administration. (*Old Ben Coal Co. v. Sea-Land Service, Inc.*, 21 F.M.C. 506, 512, and other cases.)

Finally, respondent requests confidentiality of the settlement agreement, which has been done in prior Commission proceedings, so as to minimize respondent's potential exposure to frivolous claims. The parties request that all allegations contained in

complainant's complaint be dismissed with prejudice pursuant to the terms of settlement, and without an award of costs or attorneys' fees to any party.

The confidential part of the settlement agreement is attached to the joint motion to approve settlement.

Of course, any information designated as confidential may be used by the Commission if deemed necessary to a correct decision, as per Rule 119 of the Commission's Rules of Practice and Procedure, 46 CFR 502.119.

The joint motion to approve the settlement agreement of the parties hereby is granted. The complaint herein, contingent on approval of the said settlement agreement, is dismissed.


Charles E. Morgan
Administrative Law Judge