FEDERAL MARITIME COMMISSION

REVOCATION OF LICENSES FOR FAILURE TO COMPLY WITH THE FINANCIAL RESPONSIBILITY REQUIREMENTS OF THE SHIPPING ACT OF 1984	Docket No. 06-04

Served: August 18, 2006

ORDER GRANTING BOE'S MOTIONS TO SUBMIT SUPPLEMENTAL MEMORANDA OF LAW AND AFFIDAVITS OF FACT; REVOKING OTI LICENSES OF CAMBELL & GARDINER, INC., INDEPENDENCE SHIPPING LINES, LTD., AND S & B INTERNATIONAL FREIGHT FORWARDERS, INC.

On March 10, 2006, the Commission instituted a proceeding directing eight companies to show cause why the Commission should not revoke their ocean transportation intermediary ("OTI") licenses and order them to cease and desist from operating as OTIs for failure to comply with the financial responsibility requirements of section 19 of the Shipping Act. The parties were directed to submit affidavits of fact and memoranda of law by April 17, 2006. The respondents are: Ken Lehat & Associates; Ocean Transportation Service, LLC; Ford International Forwarding, Inc.; Interfreight, Inc.; Cambell & Gardiner, Inc.; Caribbean American Shipping Corp.; Independence Shipping Lines, Ltd.; and S & B International Freight Forwarders, Inc. Order to Show Cause at 6.

The Commission's Bureau of Enforcement ("BOE") was designated a party to the proceeding and was directed to submit reply affidavits of fact and memoranda of law by May 17, 2006. In its

memorandum of law, BOE asserts that four of the eight named respondents submitted responses to the Order to Show Cause. Ken Lehat & Associates furnished evidence of an acceptable bond; Ocean Transportation Service, LLC surrendered the NVOCC portion of its OTI license; Ford International Forwarding, Inc. surrendered its OTI license, effective April 17, 2006; and Interfreight, Inc., provided proof of a bond. Interfreight's surety later filed a termination request, effective June 10, 2006, because it did not want the bond filed due to incomplete paperwork. BOE Memorandum of Law at 5. BOE asserts that the four remaining respondents failed to submit responses to the Order to Show Cause and have not submitted any evidence of financial responsibility. Id. at 6.

On June 20, 2006, BOE filed a motion to supplement memorandum of law and affidavit of fact, which requests that Interfreight be dismissed as a party to this proceeding. BOE indicates that Interfreight has provided proof of financial responsibility by submitting a bond, issued by an acceptable surety, to cover its freight forwarding services. BOE Intefreight Motion at 1-2. On June 23, 2006, BOE filed another motion to supplement memorandum of law and affidavit of fact seeking the dismissal of Caribbean American Shipping Corp. because it also provided proof of financial responsibility by submitting a bond, issued by an acceptable surety, to cover its NVOCC services. BOE Caribbean American Motion at 1-2.

For the reasons set forth below, we grant BOE's motions and dismiss Interfreight, Inc. and Caribbean American Shipping Corp. as parties to this proceeding. We also dismiss Ken Lehat & Associates, Ocean Transportation Service, LLC, and Ford International Forwarding, Inc. as parties to this proceeding. Finally, we revoke the OTI licenses of Cambell & Gardiner, Inc., Independence Shipping Lines, Ltd., and S & B International Freight Forwarders, Inc.

DISCUSSION

Rule 73 of the Commission's Rules of Practice and Procedure provides in pertinent part that "[i]n any docketed proceeding, an

application or request for an order or ruling not otherwise specifically provided for in this part shall be by motion." 46 C.F.R. § 502.73(a).

In accordance with Rule 73, BOE has properly moved to have Interfreight and Caribbean American dismissed as parties to this proceeding. In its motions, BOE seeks to supplement its memoranda of law and affidavits of fact attesting to Interfreight's and Caribbean American's compliance with the financial responsibility requirements of section 19 of the Shipping Act. That section provides in relevant part that: "[n]o person may act as an ocean transportation intermediary unless that person furnishes a bond, proof of insurance, or other surety in a form and amount determined by the Commission to insure financial responsibility that is issued by a surety company found acceptable by the Department of the Treasury." 46 U.S.C. § 1718.

In its supplemental memorandum of law filed on June 20, BOE states that on May 4, 2006, Interfreight provided proof of a bond issued by an acceptable surety. The surety later notified the Commission's Bureau of Certification and Licensing ("BCL") that the bond should not be filed because of incomplete paperwork. BOE Interfreight Supplemental Memorandum at 2. The surety filed a termination request with an effective date of June 10, 2006. On June 6, 2006, the surety informed BCL that the bond, which covered Interfreight's freight forwarding activities, was now effective and requested that the termination request be rescinded. Id.

In its supplemental memorandum of law filed on June 23, BOE asserts that on June 22, 2006, Caribbean American provided proof of a bond, issued by an acceptable surety, to cover its NVOCC services. The bond has an effective date of June 6, 2006. BOE Caribbean American Supplemental Memorandum at 2.

In light of Interfreight's and Carribean American's compliance with the Order to Show Cause, we grant BOE's motions and dismiss Interfreight and Caribbean American as parties to this proceeding because their effective bonds conform with the financial responsibility requirements of section 19 of the Shipping Act. Similarly, we dismiss

Ken Lehat & Associates, Ocean Transportation Service, LLC, and Ford International Forwarding, Inc. because they complied with the Order to Show Cause. Further, we revoke the OTI licenses of Cambell & Gardiner, Inc., Independence Shipping Lines, Ltd., and S & B International Freight Forwarders, Inc. for failure to comply with the Order to Show Cause. These respondents failed to submit responses demonstrating why the Commission should not revoke their OTI licenses.

THEREFORE, IT IS ORDERED, That BOE's Motions to Supplement Memorandum of Law and Affidavit of Fact are Granted;

IT IS FURTHER ORDERED, That Interfreight, Inc., Caribbean American Shipping Corp., Ken Lehat & Associates, Ocean Transportation Service, LLC, and Ford International Forwarding, Inc. are dismissed as parties to this proceeding;

IT IS FURTHER ORDERED, That the OTI licenses of Cambell & Gardiner, Inc., Independence Shipping Lines, Ltd., and S & B International Freight Forwarders, Inc. are revoked; and

FINALLY, IT IS ORDERED, That Cambell & Gardiner, Inc., Independence Shipping Lines, Ltd., and S & B International Freight Forwarders, Inc. are to cease and desist from engaging in all OTI activities.

By the Commission.

Bryant L. VanBrakle
Secretary