

(S E R V E D)
(March 30, 2011)
(FEDERAL MARITIME COMMISSION)

FEDERAL MARITIME COMMISSION

DOCKET NO. 11 - 04

**Worldwide Logistics Co., Ltd.
Possible Violations of Sections 10(a)(1) and 10(b)(2)
of the Shipping Act of 1984**

ORDER OF INVESTIGATION AND HEARING

Worldwide Logistics Co., Ltd. (Worldwide) is a company based in the People's Republic of China, providing service as a non-vessel-operating common carrier (NVOCC). Worldwide registered with the FMC as a foreign-based NVOCC in September 2004. Worldwide's reported address is 14F-16F Junjiang International Tower, No. 228 Ning Guo Road, Yangpu District, Shanghai, PRC 200090. It is a part of the Worldwide Logistics Group, said to be one of the leading integrated logistics service providers in China.¹

Worldwide currently holds itself out as a NVOCC pursuant to its automated tariff No. 019194-001. Its tariff is maintained by Distribution Publications, Inc., and is published electronically at <https://www.dpiusa.com>. Worldwide currently

¹ <http://www.worldwide-logistics.cn/en/ourservice.aspx?id=8>

maintains a NVOCC bond with Navigators Insurance Company, 6 International Drive, Rye Brook, NY, 10573.

It appears that Worldwide originated and substantially participated in an ongoing practice of misdescribing cargo to the transporting ocean common carrier since at least April 2008. With respect to those shipments apparently misdescribed, Worldwide was identified as the shipper signatory to various service contracts with ocean common carriers² and as the person for whose account the transportation was being provided. Contemporaneous documentation such as the commercial invoice or the NVOCC house bill of lading reflect that shipments declared to the vessel operator as “fabric” or “cotton fabric” actually were loaded with garments or with other miscellaneous finished textile goods. Due to the difference between the rate Worldwide paid to ship the misdescribed goods and the rate at which the cargo should have moved under the various service contracts used by Worldwide, it appears that Worldwide obtained lower than applicable rates for these shipments, in violation of section 10(a)(1) of the Shipping Act.

It also appears that for these same shipments, Worldwide acted as a common carrier in relation to its NVOCC customers and issued its own NVOCC bill of lading. Worldwide has maintained an electronic tariff since September 17, 2004. However, as indicated by Worldwide’s debit notes, the rate assessed by Worldwide to its NVOCC customers appears to differ substantially from its published rates. Accordingly, it appears that Worldwide provided service that was

²As relevant herein, these contracts include, but are not limited to: Evergreen S/C # SC325398, # SC34303, and # SC37000; Hanjin S/C# AEF24208; K Line S/C # 41033; Maersk S/C# 275214; NYK S/C# SC0109828, #SC0114261, and # SC0114580; and OOCL S/C# PE084981.

not in accordance with its published tariff, in violation of 10(b)(2) of the Shipping Act.

NOW THEREFORE, IT IS ORDERED, That pursuant to sections 10, 11, and 13 of the Shipping Act, 46 U.S.C. §§41102, 41104, and 41107-41109, an investigation is instituted to determine:

1) whether Worldwide Logistics Co., Ltd. violated section 10(a)(1) of the Shipping Act by obtaining transportation at less than the rates and charges otherwise applicable by an unjust or unfair device or means;

2) whether Worldwide Logistics Co., Ltd. violated section 10(b)(2) of the Shipping Act by providing service other than at the rates, charges, and classifications set forth in its published NVOCC tariff or applicable NSA;

3) whether, in the event violations of sections 10(a)(1) or 10(b)(2) of the Shipping Act are found, civil penalties should be assessed against Worldwide Logistics Co., Ltd. and, if so, the amount of penalties to be assessed;

4) whether, in the event violations of sections 10(a)(1) or 10(b)(2) of the Shipping Act are found, the tariff(s) of Worldwide Logistics Co., Ltd. should be suspended; and

5) whether, in the event violations are found, an appropriate cease and desist order should be issued.

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 C.F.R. §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 Worldwide Logistics Co., Ltd. is designated Respondent 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 C.F.R. §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 2 of the Commission's Rules of Practice and Procedure, 46 C.F.R. §502.2 (formerly §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 29, 2012 and the final decision of the Commission shall be issued by July 27, 2012.

By the Commission.

Karen V. Gregory
Secretary