

- **Rate Reductions:** TACA would suspend all rate increases implemented under its 1995 Business Plan. Specifically, within fifteen (15) days after approval of the settlement by the Commission, TACA would reduce its current tariff rates to those in effect on December 31, 1994. In addition, the Conference would offer to amend current service contracts to undo 1995 rate increases and replace them with the rates offered in 1994. The suspension of the 1995 increases would remain in effect through December 31, 1995, for both tariff rates and service contract rates. In a joint memorandum in support of the settlement proposal, Hearing Counsel estimate that the value to the shipping public of the rate reductions would be \$60–70 million, depending on such factors as cargo volumes and trade growth.

- **Service Contracts:** (1) TACA agreement provisions would be revised to provide that shippers may negotiate with the carrier of the shippers' choice; however, the Conference Secretariat could elect to participate in such negotiations. (2) NVOCC service contracts would be amended to remove volume caps and geographic limits. (3) TACA would offer to remove or revise certain restrictions in existing service contracts, including 7-day booking notice requirements and requirements that cargo must be owned by the shipper. (4) TACA may not adopt a general policy of treating shippers who did not sign service contracts in a prior period less favorably than those who did sign contracts.

- **IA:** TACA agreement provisions would be revised as follows: (1) When a TACA member communicates an IA rate to the Conference Secretariat, the Secretariat would be required to publish the IA rate immediately, rather than first notifying other members. (2) The lines could not agree that they must discuss IA with other members. (3) Each line would be free to designate who within its company is authorized to take IA. (4) Quarterly IA reporting would be made to the Commission.

- **Withdrawal from Discussion Agreements:** the TACA lines would withdraw from membership in, or cancel, a number of rate discussion and rate-setting agreements, including the Eurocorde Discussion Agreement, FMC No. 202–010829, and the Gulfway Agreement, FMC No. 203–011141, which authorize discussions about rates between TACA lines and independent lines.

Furthermore, under the settlement, the TACA lines would also eliminate much of their current broad space charter authority; instead, long-term

charter arrangements between Conference lines would be covered by separate and discrete filed agreements. Also, all connecting carrier agreements with NVOCCs would be cancelled, and applicable tariffs and service contracts would set forth the terms by which containers and equipment will be made available to shippers. Beginning in September 1995, representatives of TACA and the Commission would meet semi-annually to discuss TACA activities and plans.

As with the proposed rate reductions, the settlement agreement ties the proposed changes to TACA to the date of any settlement approval by the Commission.

As a matter of clarification, it should be noted that the amendments to TACA called for by the settlement are in addition to those which the Commission obtained from the Conference in October 1994, *i.e.*:

- removal of the Conference's "capacity regulation" program, whereby the TACA lines had withheld part of their vessel capacity from the shippers;
- authorization allowing Conference carriers not participating in a TACA service contract to unilaterally negotiate different rates with the shippers during a 15-day window following filing of the TACA contract;

- reduction of the IA notice on rates from five to three days;

- reduction of the number of Conference carriers required to approve a service contract from a "majority-minus-two" formula to five favorable votes;

- outright elimination of the 100 TEU or \$100,000 minimum volume or value requirement for service contracts; and

- the deletion of provisions authorizing TACA carriers to collectively negotiate with inland carriers concerning European inland segments of through transportation, and to enter into agreements with other parties.

The Commission believes that this solicitation of public comment pursuant to the agency's *amicus curiae* procedure is warranted by the general importance of the TACA investigations, which require us to consider any settlement under broad public interest considerations as well as by the usual settlement criteria such as cost savings and effective law enforcement. For that reason and because the rate reduction and other provisions of the settlement could have a direct and immediate effect on the economic interests of shippers currently doing business with TACA, the Commission wishes to allow an opportunity for any interested person to express its opinion on the settlement

before we act upon it. The Commission has already received comments opposing the settlement from the National Industrial Transportation League, Container Freight International I/S and Danish Consolidation Services, and favorable comments from the North American Shippers Association, Inc., and the New York/New Jersey Foreign Freight Forwarders and Brokers Association, Inc. These comments will be considered as filed in response to this Order, and need not be refiled.

As a matter of fairness to all parties, the Commission wishes to resolve the status of this proposed settlement as quickly as possible. For that reason, comments from shippers and other interested persons must be received by the Commission no later than February 21, 1995. The Commission intends to meet on the settlement on February 24, 1995.

Therefore, it is ordered, That pursuant to Rule 76 of the Commission's Rules of Practice and Procedure, 46 CFR 502.76, the Commission hereby grants permission to any interested person to file comments as *amicus curiae* on the proposed settlement of these proceedings;

It is further ordered, That an original and fifteen copies of such comments must be physically lodged with the Secretary of the Commission on or before February 21, 1995.

By the Commission.

**Joseph C. Polking,**  
Secretary.

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## FEDERAL RESERVE SYSTEM

### City Holding Company; Notice of Application To Engage *de novo* in Permissible Nonbanking Activities

The company listed in this notice has filed an application under § 225.23(a)(1) of the Board's Regulation Y (12 CFR 225.23(a)(1)) for the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.21(a) of Regulation Y (12 CFR 225.21(a)) to commence or to engage *de novo*, either directly or through a subsidiary, in a nonbanking activity that is listed in § 225.25 of Regulation Y as closely related to banking and permissible for bank holding companies. Unless otherwise noted, such activities will be conducted throughout the United States.

The application is available for immediate inspection at the Federal Reserve Bank indicated. Once the