Removal of Limited Antitrust Immunity for Ocean Carriers will harm American businesses, ports, and consumers.

World Shipping Council

Removal of the Limited Antitrust Immunity in the Shipping Act would risk loss of, or reduced service to ports, and higher shipping costs.

- Elimination of antitrust immunity would undermine ocean carriers' ability to form vessel sharing agreements – or VSAs. VSAs in multi-trade arrangements are called alliances. VSAs enable carriers to share vessel space. This ability to share space provides customers with more frequent service at a lower cost, because liner companies working in a VSA can maximize the efficient use of their ships and reach more ports than if they could only move cargo on their own vessels. VSA members remain commercially independent, with each carrier separately marketing and pricing its services.
- 90 percent of global trade is carried by sea – and containers shipped by carriers cooperating in VSAs represent a large share of containers shipped across the globe, including containers to and from the United States. The U.S. economy would be badly harmed by undermining that transportation system.
- VSA's efficiencies enable carriers to offer service at smaller and medium-size ports that would be difficult to serve at reasonable cost without vessel sharing – elimination of VSAs would likely result in concentration of services at large ports.

Alliances do not include commercial cooperation or pricing.

- Every carrier independently prices its services. Therefore, carriers in an alliance compete with each other, and with other carriers, when selling their services to customers.
- In addition, carriers are free to offer and add their own services outside of the alliance to which they are a member.
- All alliances that serve the United States are publicly registered with and monitored by the Federal Maritime Commission (FMC). In fact, competition authorities around the world allow cooperation in alliances in view of the efficiencies they generate.

There is no need to eliminate antitrust immunity – ocean carriers are not a highly concentrated industry.

- Liner shipping is a highly competitive industry, with a large number of competing firms, both globally and on the shipping lines that are most relevant for U.S. trade.
- Regulators in the U.S. and Europe have repeatedly and recently confirmed that this is the case. Concentration levels in many other U.S. industries, such as airlines, wireless carriers, and local television broadcasting, are markedly higher than those in container shipping.

Ocean transportation pricing is market driven.

- The market for container shipping has many price makers – carriers, freight forwarders, agents, exchanges – and as a well-functioning, transparent market is very sensitive to demand and supply changes.
- With demand for ocean transportation into the U.S. at record levels, ocean carriers are deploying all available ships and equipment, but bottlenecks on land are preventing ships from unloading imported cargo and then loading exports.
- Ships that are forced to wait offshore to get into port are neither moving cargo nor satisfying demand – thus reducing effective supply. These and other market dynamics influence prices and are the reason why prices are what they currently are.