



THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

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NITL EXPRESSES “PROFOUND DISAPPOINTMENT” IN FMC’S CAPACITY INVESTIGATION

The National Industrial Transportation League (NITL) announced today its profound disappointment in the Federal Maritime Commission’s (FMC) conclusions reached in the agency’s “Fact Finding Investigation No. 26” based on a statement issued on December 8, 2010 by the agency.

The investigation was ordered by the Commission’s Chairman, Richard A. Lidinsky, Jr., on March 17, 2010 in response to a flood of complaints from U.S. importers and exporters who experienced service disruptions, rolled cargoes, abrogated service contracts and virtually uniform rate and surcharge increases from carriers in the transpacific trades. The turmoil in the two way Pacific trades occurred over an extended period beginning in late 2009 and well into 2010. Shippers’ deep concerns over perceived malpractices by ocean carriers led to widespread calls for this investigation.

Two Congressional hearings before the Coast Guard and Maritime Transportation Subcommittee of the House Transportation and Infrastructure Committee were also held as a result of their complaints.

“We were expecting that a ‘fact finding investigation’ conducted over a nine month period would have yielded some facts about what happened—or did not happen—during this protracted disruption of the shipping market in the Pacific” said League President Bruce Carlton. “The Commission’s announcement failed to include any reference to the findings made during the investigation and is conclusory. The Commission also failed to include any analysis of the facts gained in 170 interviews with market participants under the relevant statute that it administers.”

Additionally Carlton said, “The Commission appears to have concluded that these problems were simply a misunderstanding between carriers and their customers over their respective contractual obligations. The Commission went on to suggest that the solution to the problems experienced by U.S. exporters and importers be developed through collaboration between ocean carriers and their customers with the FMC taking on the unconventional role of a commercial facilitator.”

Finally he added, “we would expect the FMC to release the full report of its investigation or at least substantially more details of the facts and its analysis of the Shipping Act of 1984, as amended by the Ocean Shipping Reform Act of 1998. If the full report is not forthcoming, we will certainly consider filing a request to see it under the Freedom of Information Act with all appropriate redactions to protect the identities of those interviewed.”

The League is the nation's oldest and largest association of companies interested in transportation. The League's more than 600 members range from some of the largest companies in the nation to much smaller enterprises. The League's members primarily include companies that move their products through our country's transportation network and are engaged in the movement of goods both domestically and internationally. These members ship their products via all modes of transportation, including ocean transportation, and they export and import products to and from points all over the world.