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NITL Asks for Ocean Carrier Anti-Trust Removal

Washington, DC, August 1, 2022. The National Industrial Transportation League (NITL or League), the nation’s oldest trade association representing US businesses that rely on freight transportation systems to ship their industrial materials domestically and internationally supports proposed legislation that would repeal ocean carrier anti-trust immunity. NITL thanks Rep. Jim Costa’s (D-CA-16) for introducing **H.R. 6864, the Ocean Shipping Antitrust Enforcement Act**, which would protect US businesses by ensuring that ocean carriers are subject fully to US antitrust laws.

The ocean transportation market has become significantly concentrated into a field of very few large, global shipping firms following decades of mergers, acquisitions, and departures since the limited exemption from antitrust laws was first granted to ocean carriers under the 1916 Shipping Act. Currently, the ocean carrier industry has become dominated by three ocean carrier mega-alliances comprised of foreign shipping companies that control approximately 90% of the US liner shipping market collectively. “While the League worked diligently with Congress on the important recent enactment of the **Ocean Shipping Reform Act of 2022**, distinct concerns remain about the ocean transportation industry structure that H.R. 6864 seeks to address by repealing ocean carrier antitrust immunity, stated Lori Fellmer, NITL Ocean Transportation Chair.

To be clear, the League recognizes that value can be achieved through ocean common carrier operating agreements, often referred to as “alliance” or “consortia” agreements, to the extent those agreements facilitate efficiencies for the benefit of the shipping public and bring natural economies of scale resulting in service enhancements for US shippers. However, removal of antitrust immunity would not preclude ocean carrier vessel sharing or similar agreements that are pro-competitive and result in operating efficiencies. The continued protection of ocean common carriers operating under the cloak of antitrust immunity is therefore unnecessary and, we believe, detrimental to the promotion of a robust ocean transportation market that best serves the international maritime trade of US businesses.

“Access to reliable ocean transportation is a cornerstone to the viability and success of many US enterprises, large and small. To continue the participation and growth of US businesses on the global stage, our members require competitive and dependable service from our ocean carrier partners,” stated Nancy O’Liddy, NITL Executive Director. O’Liddy added that “we believe that steps should be taken to foster an environment where serving US trade is appropriately prioritized.”



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In addition to Rep. Costa's leadership on this issue, NITL thanks the following for sponsoring **The Ocean Shipping Antitrust Enforcement Act**, Reps John Garamendi (D-CA-3), Adrian Smith (R-NE-3), and Dusty Johnson (R-At Large-SD). NITL also recognizes the additional co-sponsors since the bill's introduction: Reps Kim Schrier (D-WA-8), Jimmy Panetta (D-CA-20), Katie Porter (D-CA-45), Josh Harder (D-CA-10), David Cicilline (D-NJ-1), and Josh Gottheimer (D-NJ-5).