



THE
NATIONAL
INDUSTRIAL
TRANSPORTATION
LEAGUE

June 18, 2024

David Eng, Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, DC 20573-0001
Secretary@fmc.gov

Re: Gemini Cooperation Agreement, FMC Agreement No. 201429

Dear Secretary Eng:

The National Industrial Transportation League (“NITL” or the “League”) hereby submits its comments to the Federal Maritime Commission (“FMC”) regarding the Gemini Cooperation Agreement (“Gemini Agreement”) for which notice of the agreement’s filing with the agency was published in the Federal Register on June 6, 2024 (89 Fed. Reg. 48430).

NITL was founded in 1907 and its member companies range from some of the largest users of the nation’s transportation systems to smaller companies engaged in the shipment and receipt of goods. The League represents the “voice of the shipper” in transportation policy matters and many members are importers and exporters who require competitive and efficient international ocean transportation services and cargo handling at our nation’s seaports.

The Gemini Agreement is a vessel sharing agreement between the global ocean carriers, Maersk A/S and Hapag-Lloyd AG and Hapag Lloyd USA LLC, in the trades between the United States, Asia, the Middle East, and Europe. NITL generally supports the stated goals of the agreement, which are to maximize the efficiency and utilization of the carriers’ respective vessels, provide a high degree of schedule reliability and environmental friendliness, and meet the needs of their respective customers in a manner that provides value and choice. Agreement, Art. 2. Notably, the carriers have proposed a service structure involving main line services where major ports are served directly (“Mainline Network”) and shuttle services to other ports of call (“Shuttle Network”). Agreement, Art. 5.

Like many vessel sharing agreements filed with the FMC, the Gemini Agreement provides the carrier parties with broad authority to “discuss and agree” upon many operational matters effecting the size, number, deployment, and schedules of vessels within the covered trades, among numerous other issues, without providing many details as to how those agreements will impact the new service offerings or the US trades. Given the substantial supply chain disruption that has impacted ocean shipping in the U.S. foreign commerce in recent years, the League strongly encourages the FMC to seek additional information to the extent necessary to ensure



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that the agreement will not adversely impact service availability and reliability at a reasonable cost for US importers and exporters.

Further, the Gemini Agreement states that “Initially, only one service in the Shuttle Network will be in the United States”, but this will be reviewed from time to time. Agreement, Art. 5. Accordingly, NITL asks the FMC to closely monitor implementation of the Gemini Agreement, and the specific workings of the hub and spoke model, to ensure that the stated goals of “providing a quality product with a high degree of schedule reliability....” and “meeting the needs of their respective customers in a manner that provided value and choice to their customers” are achieved.

Finally, the filing of the Gemini Agreement raises important issues and questions not only about its implementation but also regarding the exit of Hapag Lloyd from The Alliance. There are few details available regarding the plans and strategy for Hapag’s exit and the survival of The Alliance. NITL members are concerned and urge the FMC to exercise its oversight role regarding these significant developments to help ensure that ocean liner services are not disrupted with adverse impacts to shippers, their supply chains, and consumers.

As always, NITL greatly appreciates the opportunity to submit these comments to the FMC on this important matter.

Sincerely,

Nancy O’Liddy
Executive Director
The National Industrial Transportation League

cc: Wayne Rohde, Esq.