

Carroll  
Froelich, PLLC

919 18th Street, NW  
Suite 901  
Washington, DC 20006  
p/202.587.4850  
f/202.587.4888  
www.cflaw.us

December 29, 2006

Reference: MTO Immunity Under The Shipping Act

VIA FACSIMILE

Antitrust Modernization Commission  
1120 G Street, NW  
Suite 810  
Washington, DC 20005

Dear Antitrust Modernization Commission,

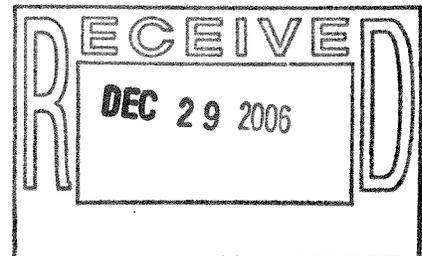
You will find attached the submission of the National Association of Waterfront Employers (NAWE) concerning the antitrust immunity granted marine terminal operators under The Shipping Act of 1998, 46 U.S.C. App. §§ 1701 *et seq.* Please feel free to contact me if you have any additional questions or need additional information.

Sincerely,



F. Edwin Froelich, MD, JD  
General Counsel  
National Association of Waterfront Employers

Enclosure (1)





**Submission to the  
Antitrust Modernization Commission  
On Behalf of the  
National Association of Waterfront Employers**

**1. INTRODUCTION**

**1.1. Summary of Arguments**

The National Association of Waterfront Employers (NAWE) submits this paper to the Antitrust Modernization Commission (Commission) in support of retaining the limited antitrust immunity for the marine terminal operator (MTO) industry contained in *The Shipping Act of 1998*, 46 U.S.C. App. §§ 1701 *et seq.* (*The Shipping Act*). NAWA advances several arguments as to why the limited antitrust immunity should be retained for MTOs:

1. MTOs operate in a sea of antitrust immunity. NAWA members compete with, and operate in, a marketplace where virtually every participant enjoys some degree of antitrust immunity including state entities that operate MTOs, foreign "controlled carriers" (some of whom own and operate MTOs), ocean common carriers and organized labor. NAWA submits that it would be nonsensical to consider repealing the limited antitrust immunity under *The Shipping Act* for MTOs without also considering the other antitrust immunities from other statutory and judicial sources such as the state action doctrine, enjoyed by other participants in the marketplace.
2. Both the carriage of goods by ocean common carriers and the operation of ports are "natural monopolies" as that phrase is defined by economists. Any repeal of the limited antitrust immunity contained in *The Shipping Act* must be evaluated in light of these "natural monopolies" and the potential impact on the maritime commerce and other markets. NAWA submits that repealing the limited antitrust immunity under *The Shipping Act* would result in greater consolidation in the maritime commerce marketplace and, more importantly, less competition in other markets that are more important to American consumers.
3. The MTO market is as far from a "perfect market" as that phrase is used by economists. As a result, the MTO marketplace is not responsive to market forces in the same way that a "perfect market" would respond. The government response to this economic fact has been to heavily regulate the MTO marketplace at the federal level.



4. Where antitrust immunity has been removed, there is little competition and cost of services is greater. The one area where the limited antitrust immunity in *The Shipping Act* does not apply is in the domestic trade between Hawaii, Alaska and the West Coast and Puerto Rico and the East Coast.
5. MTOs are being asked to solve problems that have nothing to do with meeting the needs of customers, such as increasing security, reducing pollution and reducing highway congestion. In many instances, these problems are not under the direct control of MTOs, are not subject to market forces and cannot be solved without port-wide, state-wide or coast-wide cooperation.

## 1.2. NAWE Background

NAWE is a not for profit, trade association organized under section 501(c)(6) of the tax code. NAWE represents the United States private sector marine terminal operators (MTOs) and stevedores. A marine terminal operator is a defined entity under *The Shipping Act*:

(14) *marine terminal operator* means a person engaged in the United States in the business of furnishing wharfage, dock, warehouse, or other terminal facilities in connection with a common carrier, or in connection with a common carrier and a water carrier subject to subchapter 11 of chapter 135 of title 49, United States Code.

*The Shipping Act*, 46 U.S.C. App. § 1701(14). *The Shipping Act* definition of MTO covers both private sector MTOs and public sector MTOs (port authorities) that are controlled by state governments, local governments and multi-state compacts.

NAWE member companies load and unload vessels at the vast majority of the general cargo and container terminals along the Great Lakes, East Coast, Gulf Coast, West Coast, Alaska, Hawaii, and territories and commonwealths of the United States. The ports of the United States handle approximately 15 percent of the United States gross domestic product and NAWE member companies handle the majority of this cargo. The national and world economies are dependent on the safe and efficient flow of commerce through NAWE facilities.

For example, cargo that is off loaded from a vessel in LA/Long Beach over the weekend may be in Chicago by Friday and on store shelves by the following Monday. If the cargo doesn't move efficiently, the store shelves start to become bare in a matter of days or weeks. The federal government has estimated that a one day shut down of the ports on either coast would take one month to get the system back to where it would have been without the shut down. A one week shut down on either coast would take six months to straighten out the cargo/logistics backup.



NAWE member companies are heavily regulated by the federal government through the admiralty/maritime jurisdiction and commerce powers of the federal government. The industry's workers' compensation law is federal under the *Longshore and Harbor Workers' Compensation Act*, 33 U.S.C. 901 *et seq.* (LHWCA). The industry's contracts for leasing land are federal contracts regulated by the Federal Maritime Commission (FMC) under *The Shipping Act*. The industry's customer contracts for loading and unloading vessels are federal contracts regulated by the FMC under *The Shipping Act*. The industry's tort liability for handling cargo is federal under the *Carriage of Goods by the Sea Act*, implementation codified at 46 U.S.C. 1300. The same federal admiralty/maritime jurisdiction that gave the federal government authority to regulate every aspect of the MTO/stevoring industry also protected the industry from conflicting and inconsistent state laws. *Knickerbocker Ice Co. v. Stewart*, 253 U.S. 149 (1920).

### 1.3. Regulating Process Versus Outcomes

*The Shipping Act* granted MTOs limited antitrust immunity for certain activities when conducted in accordance with the requirements of *The Shipping Act*, 46 U.S.C. App. § 1706. In exchange, *The Shipping Act* gives the Federal Maritime Commission (FMC) the right to regulate outcomes. The FMC has the authority to review the terms and conditions of MTO agreements, even after those agreements have been performed, to determine if the terms and conditions conform to the requirements of *The Shipping Act*. The FMC can conduct such reviews on its own initiative or in response to a complaint from an interested person. This approach to the maritime commerce marketplace is the exact opposite of how most other markets are regulated in the U.S.

United States antitrust laws regulate the process of making business decisions, not the end result. Thus, a group of competitors who agree on price may have committed a crime, even if the agreed upon price were extremely low and arguably in the interest of consumers. On the other hand, a single market participant with a natural monopoly who charges "monopoly prices" (a Microsoft or pharmaceutical company, for example), acts lawfully as long as the process through which the monopoly was achieved is legal. Our antitrust laws guarantee individual consumers a fair process, but do not guarantee individual consumer goods or services at fair or reasonable prices. The underlying assumption is that as long as the process of setting terms and conditions of goods and services is fair, the marketplace will protect and benefit consumers.

The federal approach to the maritime commerce system has been different for more than 100 years. While *The Shipping Act* does heavily regulate and supervise the process through which carrier and MTO business decisions are made, *The Shipping Act* also regulates outcomes. Individual consumers are assured the availability of services on terms and conditions that are reasonable without discrimination between customers.

NAWE submits that this system of regulating maritime commerce is justified by the unique aspects of maritime commerce outlined below. As a bottom line, the current system provides more protection for consumers and assures that there are more competitors in the



market place than would be the case if the limited antitrust immunity for MTOs were repealed.

## 2. MTOs OPERATE IN A SEA OF ANTITRUST IMMUNITY.

Any analysis of the MTO antitrust immunity must recognize that MTOs operate in a sea of antitrust immunity. Virtually every participant in the marine transportation system has some antitrust immunity from one or more legal sources. Those participants include the ocean common carriers, port authorities, MTOs and organized labor.

### 2.1. Ocean Common Carriers

As the Commission is well aware, the ocean common carriers have limited antitrust immunity in the United States under *The Shipping Act*. While NAWE will leave it to others to address the merits of ocean carrier immunity, the Commission should understand that some ocean common carriers are “controlled carriers.” Under *The Shipping Act* a “controlled carrier” is an ocean common carrier that is directly or indirectly owned or controlled by a government. The current list of [foreign government] controlled carriers include:

1. American President Lines, Ltd and APL Co., Pte., controlled by the Republic of Singapore
2. Ceylon Shipping Corporation, controlled by the Democratic Socialist Republic of Sri Lanka
3. COSCO Container Lines Company, Limited controlled by the People's Republic of China
4. China Shipping Container Lines Co., Ltd., controlled by the People's Republic of China
5. China Shipping Container Lines (Hong Kong) Company, Ltd., controlled by the People's Republic of China
6. Compagnie Nationale Algerienne de Navigation, controlled by the People's Democratic Republic of Algeria
7. Sinotrans Container Lines Co., Ltd. (d/b/a Sinolines), controlled by the People's Republic of China
8. The Shipping Corporation of India Ltd., controlled by the Republic of India

Because commercial activity is an express exception to the *Foreign Sovereign Immunities Act of 1976* (“FSIA”), 28 U.S.C. § 1605(a)(2), in theory, U.S. antitrust laws could be applied to these ocean common carriers controlled by foreign governments. However, the Commission must recognize that this is both a practical and political impossibility. The



Commission should consider how the United States government might apply its antitrust laws to these [foreign government] controlled carriers.

For example, as both a practical and political matter does the U.S. really want to bring civil or criminal charges when two foreign government officials involved with two controlled carriers talk to each other? One can only speculate that such an application of United States law is more likely to be resolved by the State Department than by the Justice Department. Applying U.S. antitrust law in circumstances like these will never happen. Under such circumstances, *The Shipping Act* has two significant advantages over the antitrust laws:

First, *The Shipping Act* requires that minutes of such conversations along with any “agreements” reached must be filed with the Federal Maritime Commission (FMC) for review by the United States government.

Second, and perhaps more importantly, *The Shipping Act* allows the United States government to regulate the results of such conversations—i.e., the reasonableness of the terms and conditions of services of ocean common carriers that operate between United States ports and foreign ports regardless of whether those business practices are the result of individual decisions or collective decisions. Thus, the results are regulated independent of the process.

## 2.2. Port Authorities

U.S. port authorities are government entities that also have limited antitrust immunity. First, under *The Shipping Act*, when a government port authority either leases land to a private sector MTO or operates the port itself, that port authority is an MTO under *The Shipping Act* because the public port authority is furnishing wharfage, dock, warehouse, or other terminal facilities, in this case to a private sector MTO. Therefore, the public port authorities have limited antitrust immunity under *The Shipping Act*.

Second, under current antitrust law, many port authorities will qualify for state action antitrust immunity under the *Parker v. Brown*, 317 U.S. 341 (1943), line of cases. While we will not attempt to analyze how the federal antitrust laws would or could be applied to the multitude of local, state and multi-state players under the state action doctrine, it is safe to say that any simple repeal of *The Shipping Act* antitrust immunity would result in decades of litigation to sort out the effect on the public port authorities. It is also safe to say that any simple repeal of *The Shipping Act* would leave a major player in the maritime transportation system—the public port authorities—with antitrust immunity.

Third, under the Eleventh Amendment to the United States Constitution, many port authorities enjoy sovereign immunity. *Federal Maritime Commission v. South Carolina Ports Authority*, 535 U.S. 743 (2002). To the extent public port authorities have sovereign immunity today, this immunity would remain after any repeal of *The Shipping Act* antitrust immunity.



### 2.3. Marine Terminal Operators (MTOs)

Today, MTOs have limited antitrust immunity under *The Shipping Act* for conversation that occurs within a FMC approved discussion agreement. The subject matter of what can be discussed requires prior FMC approval, and the content of all discussions must be filed with the FMC. Any agreement that comes out of such discussions must also be filed with the FMC and published. Any agreement that is reached between MTOs is subject to challenge by the FMC on its own initiative and by any injured party on multiple grounds.

As noted above, MTOs in the U.S. are both privately owned and government owned. Some MTOs in the U.S. are operated by the state or local port authorities. For example, the Commonwealth of Virginia controls the Virginia Port Authority that operates the Port of Norfolk; the South Carolina State Ports Authority operates the Port of Charleston, etc. As noted above, simple repeal of *The Shipping Act* antitrust immunity would still leave these state port authorities with immunity under the state action doctrine and the Eleventh Amendment.

Furthermore, some MTOs are owned or controlled by [foreign government] "controlled carriers." While a simple repeal of *The Shipping Act* antitrust immunity would in all likelihood reach these MTOs, it is not clear that these foreign government owned/controlled MTOs are subject to the same market forces to which privately owned MTOs are subject. Furthermore, these vertically integrated—and in some cases, foreign government controlled MTOs—may be in the position to offer other benefits such as access to government owned ports in foreign countries.

Thus, the simple repeal of antitrust immunity for MTOs under *The Shipping Act* would leave significant competitors in the MTO marketplace with practical and legal antitrust immunity.

### 2.4. Organized Labor

Organized labor also has antitrust immunity that has both a statutory basis under the *Clayton Act of 1914* and a non-statutory basis through federal case law. For the purpose of this submission, the Commission should be aware that the MTO industry is the only U.S. industry under judicial compulsion to participate in multiemployer bargaining. Thus, many of the terms and conditions of employment are set coast-wide through the collective bargaining process. These terms and conditions of employment frequently have a direct impact on the terms and conditions of service that MTOs can offer their customers. In other words, some of the terms and conditions of service are agreed to and standardized through the collective bargaining process. It also should be noted that these collective bargaining agreements prohibit MTOs from competing on the largest single component of their costs—labor.



Therefore, even if the limited antitrust immunity for MTOs under *The Shipping Act* were repealed, MTOs would still collectively discuss many of the terms and conditions of services that they offer through the collective bargaining process.

### 3. MTOs OPERATE IN A "NATURAL MONOPOLY."

The maritime transportation system is different from most other U.S. industries in that it is a "natural monopoly." The phrase "natural monopoly" is used here in the economic context to mean that costs per unit of service provided continuously decrease for producers as volume increases. Both the carriage of goods at sea and the operation of ports are "natural monopolies."

#### 3.1. Ocean Common Carriers are "Natural Monopolies."

The carriage of goods by ocean common carriers is a "natural monopoly." There is a reason why ocean common carriers are moving to larger and larger ships: it costs less to operate one larger vessel than it costs to operate two smaller vessels. For example, one study found that the cost of building one 12,000 twenty foot equivalent (TEU) vessel was 16% less than the cost of building two 6,200 TEU vessels and that fuel costs of operating a single 12,000 TEU vessel was 17% less. Obviously, crew costs for the larger vessel would be less as well. Therefore, it is not surprising that ocean common carriers are increasingly moving to 8,000 TEU and larger vessels.

As large ocean common carriers move to larger vessels, their cost advantage over small and medium size ocean common carriers only increases. As cargo is consolidated onto larger vessels, the entry barriers for new market entries in a given trade route only increase. The bottom line is that for the foreseeable future, the cost of operating vessels for individual market participants will continue to decrease as cargo volume for that individual market participant increases—i.e., ocean common carriage is what economists call a "natural monopoly."

Not surprisingly, in today's market, the largest ocean common carrier has more cargo handling capacity than the second and third largest ocean common carriers combined. The ongoing consolidation is further evidence of the economies of scale in the industry.

A pure free market in ocean common carriers should result in a "race to the bottom of the cost curve." In other words, the ocean common carrier with the highest volume that can use the largest number of large capacity vessels will have the lowest costs and be in the best position to compete for additional business. The end result would be significant consolidation of the market. If the market were allowed to run its natural course, a pure free market confronted with this natural monopoly should ultimately lead to a handful of ocean common carriers.

From a political standpoint, the Commission should address the question of whether it is the foreign government controlled ocean common carriers or the privately owned ocean



common carriers that would be in a better position to take advantage of the pure free market in maritime commerce and what the implications are for the United States.

In the current regulatory environment, the industry has used the limited antitrust immunity to address this economic reality while benefiting consumers. The industry has increasingly entered into load sharing agreements, especially among medium sized carriers. A load sharing agreement works by having several competing carriers enter into an agreement to jointly operate one or more large vessels. Each participant in the agreement is then responsible for selling and filling some percentage of the vessel's capacity.

With load sharing agreements, a smaller carrier that might only be able to sell 1000-2000 TEUs/week over a trade route can still enjoy the cost savings afforded by an 8,000 TEU vessel because other competitors are also selling capacity on that vessel. Consumers benefit from these load sharing agreements both in the short run and in the long run. In the short run, consumers have benefited because the load sharing agreements have increased the rate at which larger/lower cost vessels enter trade routes. In the long run, consumers will benefit because there are more carrier choices in the market place.

If *The Shipping Act* antitrust immunity were repealed, these load sharing/cost sharing agreements between competitors would be at risk. The end result would be further concentration of capacity in the industry.

### 3.2. Ports are "Natural Monopolies."

Ports/MTOs are also "natural monopolies." Cargo handling in the United States continues to become more and more concentrated into essentially two ports: (1) LA/Long Beach and (2) New York.<sup>1</sup> As mentioned, the roughly 15% of the U.S. GDP flows through the ports of the United States. Approximately one-third of the cargo by value (5% of the U.S. GDP) is handled by the Port of New York and a little over one-third of the cargo by value (5.5% of the U.S. GDP) is handled at the Port of LA/Long Beach. The remaining 30% of the cargo (4.5% of the U.S. GDP by value) is handled by the remaining 300+ U.S. ports.

The concentration of cargo handling capacity has continued to become more and more concentrated over the last 60 years because the ports are a "natural monopoly." As vessels get larger, the number of port calls actually falls, while the volume of cargo increases. A modern port requires deep water, high volume rail connections, high volume road connections, a large skilled work force, special cranes and other cargo handling equipment, warehouses and other cargo distribution capacity, etc. The public and private capital investment to efficiently operate a modern port is in the hundreds of billions of dollars.

---

<sup>1</sup> While the cargo handled has continued to increase in most of the ports of the United States, the relative percentage of cargo handled by LA/Long Beach and New York has increased relative to the other ports for most of the last fifty years.



But more importantly, the cost of moving cargo once this infrastructure is in place continues to drop as the volume handled increases. There is a reason why cargo is becoming more and more concentrated in the two large ports of the United States—cargo handling is a “natural monopoly.”

### **3.3. Summary**

It is in both the economic and security interests of the United States to try and maintain some diversity in both the ocean common carrier and port capacity of the United States. Fully applying the antitrust laws of the United States, i.e., moving to a pure free market system, will result in accelerating consolidation and concentration of assets in the maritime transportation system.

## **4. MTOS HAVE NO DIRECT RELATIONSHIP WITH THE ULTIMATE PAYER.**

To understand how a pure free market might impact consumers, it is important to understand how maritime transportation services generally, and MTO services specifically, are contracted. The mechanism through which maritime cargo shipment is contracted can vary widely.

### **4.1. Stevedoring Versus MTO Services**

We need to distinguish between two types of services: (1) the stevedoring services which consist of loading and unloading the cargo from the vessel and (2) the MTO services which involve a wide range of services provided to the cargo while the cargo is on the terminal.

Stevedoring services are charged against every piece of cargo that is loaded and unloaded from a vessel. The stevedoring services are typically negotiated directly between the ocean common carrier and the MTO. The costs of the stevedoring services are typically included in the price charged by the ocean carrier.

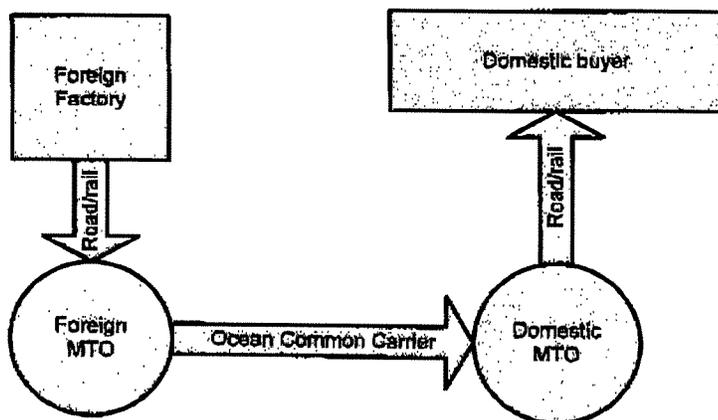
The MTO services, on the other hand, are typically charged directly against the cargo. The MTO services can vary widely from one piece of cargo to another. Some cargo can leave a marine terminal without any MTO charges, while other cargo may be assessed MTO charges that are ten or more times the stevedoring charge. Examples of MTO services include storage of the cargo for periods longer than the grace period, moving cargo for the purposes of customs inspections, and hooking up refrigerated containers to power.

### **4.2. MTO Services Are Not Typically Negotiated**

MTO services are charged against the cargo, meaning that the cargo is not released to the vessel or the motor carrier until the charges are paid. If sufficient time passes without the charges being paid, the cargo can be liquidated to recover the charges. The cargo is



charged for MTO services because the MTO typically does not know or care who actually owns the cargo at the time. The reasons for this fact are many.



First, title to the cargo typically changes at some point during transit. Take for example a shipment of tennis shoes being purchased from a foreign shoe manufacturer by a U.S. retailer. Title to the cargo can change from the manufacturer to the retailer at the manufacturer's door, when the cargo is delivered to the foreign port, when the cargo is loaded on the vessel, when the cargo is received at the domestic port, when the cargo leaves the domestic port or when the cargo is delivered to the retailer's door (or somewhere in between).

Second, the party who contracts to ship the cargo of shoes (typically referred to as the "cargo interest") could either be the foreign manufacturer of the shoe or the domestic retailer who is buying the shoe.

Third, the cargo interest can either contract directly with the ocean common carrier or contract indirectly through an intermediary who arranges shipment. Larger corporations typically contract directly with the ocean carriers, but most entities that ship smaller quantities of cargo typically use third parties who contract with the ocean common carriers.

The end result is that under this system:

- (1) the cargo interest typically does not know what MTOs will handle their cargo,
- (2) the cargo interest virtually never has an opportunity to negotiate with an MTO before services have been provided, and
- (3) the MTO typically does not know who contracted for services and does not know who owns the cargo at the time MTO services are provided.



#### **4.3. MTO Charges are Far From a “Perfect Market.”**

When economists talk about markets, they preface the discussion by noting that they are talking about a theoretical “perfect market”—i.e.: (a) there is a large number of buyers; (b) there is a large number of sellers; (c) the quantity of goods bought by any individual is so small relative to the total quantity traded that individual trades leave the market unaffected; (d) the units of goods sold by different sellers are the same - the product is homogeneous; (e) there is perfect information, i.e., all buyers and sellers have complete information on the prices being asked and offered in other parts of the market; and (f) there is perfect freedom of entry to and exit from the market.

The MTO “marketplace” violates virtually every aspect of a theoretical “perfect market.” Buyers not only do not have complete information and perfect freedom, they have none. Only the largest shippers—the Wal-Marts, Targets and Home Depots—exercise any control whatsoever over choosing and contracting for MTO services. As just noted, the vast majority of the cargo shippers do not know which MTO will be used, nor do they generally have control over which MTO will be used. There is no opportunity to negotiate for services before those services are provided, and there typically is no opportunity to reject services provided.

There simply is no analogy anywhere else in the economy to the way maritime cargo services operate. If the airline industry operated in an analogous manner, most customers would purchase their airline tickets from Expedia without ever knowing what airline they would be flying on or what airports they were going through. Then once they got to their destination, they might be required to pay hundreds or thousands of additional dollars on top of their ticket costs to the airport where they landed before they could leave the airport.

Current federal law recognizes the simple fact that the maritime transportation system is not, never has been, and probably never can be a “perfect market.” Instead, the maritime transportation system is heavily regulated at the federal level. MTO and carrier charges are subject to challenge on a number of grounds even after the services have been provided.

#### **5. IMPACT ON CONSUMERS**

One of the goals of the current regulatory system for maritime transportation is to eliminate discrimination between shippers of goods. A pure free market in shipping costs might potentially result in some cost savings for some shippers, but would undoubtedly result in a greater difference between the shipping costs of large and smaller shippers.

An issue that should be considered by the Commission is whether increased competition in the maritime shipping market will result in less competition in other markets. To the extent the shipping cost differences between large and small shippers becomes greater, this difference in shipping costs could result in less competition in other markets, an unintended consequence.



## **6. MTOs ARE BEING ASKED TO SOLVE PROBLEMS THAT HAVE NO DIRECT BENEFIT TO THE ULTIMATE CONSUMER.**

The ports of this nation are a national resource, but some have argued they are a local nuisance as well. The goods and services that enter one of the nation's major ports support the economy of the entire nation. The goods that are dockside in LA/Long Beach on Monday may be in a Chicago distribution center on Friday and on a store shelf in Minnesota or Iowa by the weekend. Clearly, the entire nation benefits from our ports.

On the other hand, the road congestion, noise and other annoyances associated with a modern port are concentrated locally around the ports. This incongruence has increasingly led local communities to ask ports and MTOs to address these local concerns. MTOs are being asked to reduce road congestion, reduce noise, reduce pollution and increase security. It is important to recognize that these changes are not being driven by the marketplace, and in some cases, are opposed by market forces.

For example, market forces would tend to encourage that cargo be delivered from an MTO as quickly as possible, while security concerns may require that cargo be delayed for inspections.

MTOs have been addressing these concerns in innovative ways that benefit both the market place and the local community. In LA/Long Beach, the MTOs came together to require motor carriers to use RFID tags on their tractors. This requirement allowed MTOs to increase security by tying tractors and drivers to databases on business purposes. On the East Coast, MTOs are working together to reduce pollution emissions on a port wide basis. On the West Coast, MTOs "colluded" on terms and conditions of services, including establishing common fees, to coerce a significant percentage of the motor carrier traffic to evening hours, reducing both road congestion and pollution. None of these solutions to local problems would have been lawful under the antitrust laws of the United States.

## **7. CONCLUSIONS**

For all the reasons stated above, NAWA requests that the Commission recommend that the limited antitrust immunity for MTOs contained in *The Shipping Act* be retained.