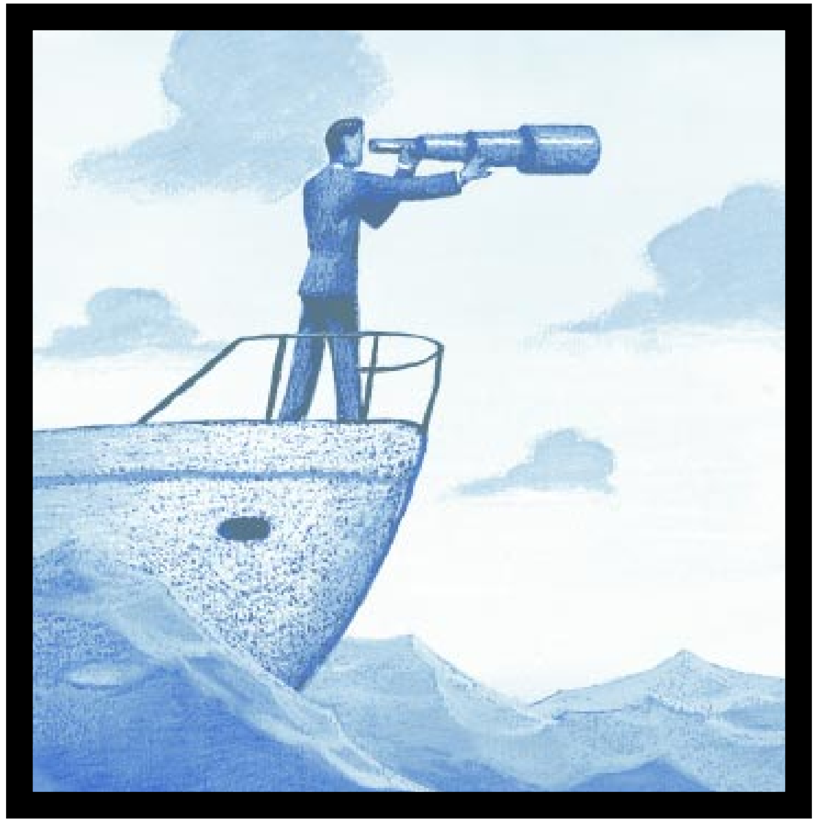
# Clear Sailing in Uncharted Seas

## Container Shipping After Deregulation



APL

# Foreword

**To Our Valued Customers:**

*APL has prepared the following guide to help the shipping public better understand the impacts of ocean transportation deregulation under the Ocean Shipping Reform Act of 1998 (OSRA).*

*Beginning May 1, 1999, the Act promises positive changes for any company that negotiates ocean and intermodal transportation of U. S. imports or exports.*

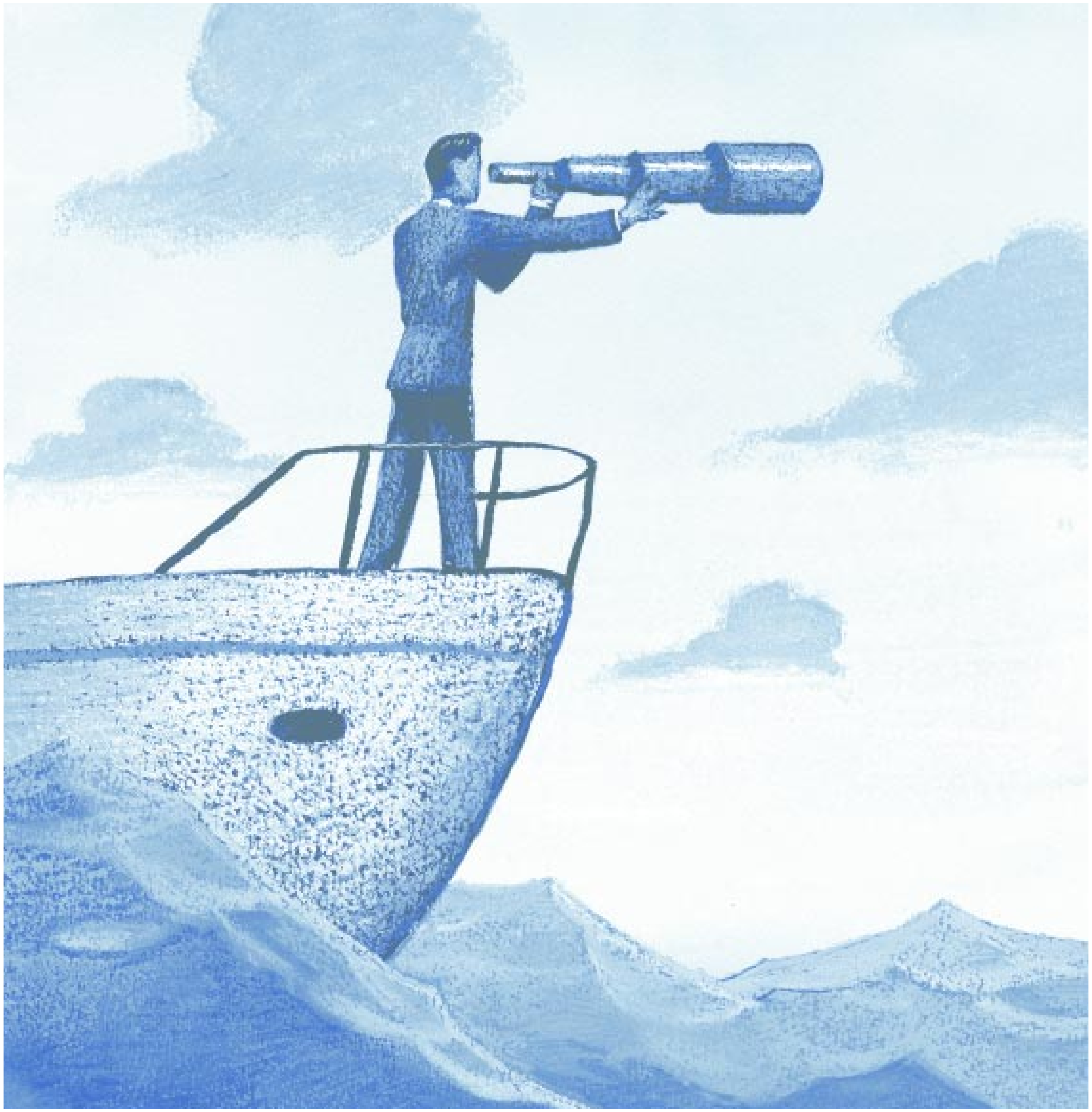
*OSRA represents a second step in the continuing process of deregulation. This process began in 1984 and has, since that time, encouraged price competition and significantly streamlined carrier operations. The new Act focuses on giving carriers and shippers a more natural way to work together, and to build the true global partnerships that both seek in today's marketplace.*

*There has already been much discussion about what the new ocean shipping environment will look like. We at APL believe that informed consumers are in the best interest of our company and our industry. In this regard, I hope you find the guide to be a useful and thought-provoking reference source over the coming months.*

*We look forward to fulfilling the promise of an exciting new era in ocean and intermodal transportation, and to working with you directly — as APL customers and partners.*

Sincerely,

Tim Rhein
President / Chief Executive Officer



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# At a Glance

*How the Ocean Shipping Reform Act of 1998 (OSRA) affects key parties in ocean transportation*

| | Before | After |
|---|---|---|
| **Shippers** | Public tariffs filed with the FMC | Tariffs available through carriers |
| | Group contracts only with conference lines | Individual and multi-carrier joint contracts permitted |
| | Publicly filed contract essential terms | Price, inland origin/destination, service terms confidential |
| | Competitor access to same contract terms | No “me-too” contracts |
| | Contract and tariff rates linked | Contract rates confidential, customized |
| | Global contracts not permitted | Global contracts recognized |
| | Shippers must form association to jointly negotiate volume rates | Any one or more shippers may contract with one or more carriers |
| **Carriers** | Contract rates linked to tariff; terms linked to comparable contracts | Simplified, customized contracting tailored to shipper/carrier needs |
| | Carrier-shipper relationship limited due to information security concerns | Individual, confidential contracts permit greater security |
| | May not offer percentage-based contracts | Percentage-based contracts allowed |
| | Controlled carriers exempt from restrictions in home-country bilateral trades | No waiver of controlled carrier rules in bilateral trades |
| **Conferences** | Agreements permitted to share market information, coordinate pricing | No change |
| | Authority to regulate member line contracting | Individual contracts expressly allowed |
| | Contract information shared by group | Contracts may be confidential |
| | May not discriminate between shippers and intermediaries in contracting | May not discriminate among classes of shippers |
| | May not offer loyalty contracts | No change |
| **Intermediaries** | Forwarders and NVOCCs are distinct, regulated differently | Forwarders and NVOCCs now “ocean transportation intermediaries” |
| | NVOCCs not licensed | NVOCCs must be licensed |
| | NVOCC tariffs filed with FMC | NVOCCs must publish own tariffs |
| | NVOCC service contracts prohibited | No change |
| **FMC** | Central location for filing and public availability of tariffs, essential terms | Carriers maintain own tariffs; essential terms filed but only for internal use |
| | Review of agreements for anti-competitive effects | No change |
| | Enforcement against discrimination among shippers | Discrimination not regulated in individual contracts |
| | Enforcement against unfair foreign government and carrier practices | Rules strengthened against predatory ratemaking |
| | **Before** | **After** |

# Executive Summary

*Navigating an Entirely New Environment*

On May 1, 1999, ocean and inland container transportation in the U.S. trade lanes will take a further, major step toward deregulation, as the Ocean Shipping Reform Act of 1998 (OSRA) takes effect. Shipping lines (carriers) and their customers (shippers) will immediately see important changes in the way they negotiate and purchase transportation and logistics services.

OSRA ends a common carrier system of tariffs filed with the government, and encourages carriers and shippers to freely negotiate contracts according to their particular commercial needs.

### In this new environment:

- **Carriers will individually maintain their tariffs and make them publicly accessible;**
- **Any one or more carriers may negotiate individual or joint service contracts;**
- **Contract rates, service terms and inland origin/destination points will no longer be publicly filed; and**
- **Competing, "similarly situated" shippers will not be able to demand the same terms contained in an existing, publicly filed contract.**

The law also provides for acceptance of global contracts; service contracts in which shippers commit a percentage of their cargo volume; similar licensing and bonding requirements for freight forwarders and non-vessel operating common carriers (NVOCCs); increased protection against discriminatory carrier practices for ports; and tighter restrictions on carriers controlled by foreign governments.

Carrier groups (i.e. conferences and agreements) will still be permitted to exchange information, jointly set rates, adopt common standards and policies, and rationalize assets and services. NVOCCs, while required to file carrier tariffs, will still be prohibited from offering service contracts.

On balance, OSRA ushers in a more flexible, market-based environment for arranging transportation, logistics and supply chain services in ocean shipping:

Carriers and shippers will have the ability to form closer, more confidential working relationships based primarily on service contracting. Contracting will be simplified and tailored to customer needs, rather than offering "one-size-fits-all" service and solutions.

Shippers will have more options, including access to full, value-added logistics services from any one or more carriers of choice, under multi-trade or global contracts. Carriers will be better able, through flexible contracting, to manage equipment and assets across their global networks.

Essentially, OSRA continues a process of domestic and international transportation deregulation in the U.S. that began in the 1970s.

The 1978 Airline Deregulation Act, 1980 Motor Carrier Act and 1980 Staggers Rail Act each transformed its segment of the transportation industry, from one of tightly regulated common carriers to one of competition and relatively open markets. Carriers were given greater freedom to enter and leave markets, customize services, set prices, negotiate contracts, and enter into mergers and joint services as the market dictated.

In some respects, ocean transportation has always been a more open market than air, rail and truck, even after those modes were deregulated. For example, market entry for new ocean carriers is unrestricted in the U.S. trades, while international airline routes and flights are allocated under bilateral government agreements. Railroads retain monopoly control over trackage access by competing railroads. Rail and trucking in the U.S. have been so far insulated from foreign competition.

The 1984 Shipping Act represented the first phase of ocean transportation deregulation—by expanding opportunities for contract shipping; giving conference lines the right to take independent action (IA) on tariff rates; and affording special protections for small shippers. As with previous deregulation efforts, the 1984 Act lowered overall tariff rates, largely through IA. Carriers, in response, have streamlined operations and cut costs through the formation of alliances—a strategy airlines are only now emulating.

OSRA focuses on giving shippers and carriers the flexibility to negotiate customized service packages and rates according to their needs.

Adapting to this new environment will not always be simple. Traditional points of reference used by carriers and shippers to agree on rates and service terms will no longer be available. Instead of relying on comparisons with competitors' rates and terms, emphasis will be on market factors; strategic objectives; and adding overall value to the supply chain.

But any added risks are far outweighed by the potential rewards—for carriers and shippers with the willingness to adapt and work in closer cooperation.

# A Brief History of Transportation Deregulation

*The Genie is Let Out of the Bottle*

The Ocean Shipping Reform Act of 1998 is the most recent in a series of legislative changes to gradually deregulate the U.S. transportation sector. It is a process that began some 20 years ago, to sharply reduce government's day-to-day involvement in the activities of shippers and carriers.

Prior to 1978, transportation companies operated in the U.S. as regulated common carriers, and in some cases, regulated monopoly utilities. U.S. airspace, railroad rights of way, highways and harbor access to U.S. ocean trade lanes were seen as public assets built, maintained and/or managed with public investment. Carriers using those assets made their money providing essential public services—as the infrastructure for intercity and interstate commerce, and for U.S. foreign trade.

To ensure reliable service and equal access for shippers of all sizes, government agencies defined service areas, allocated routes, restricted market entry and abandonment of routes, reviewed mergers, and regulated rates.

## Friendlier Skies

The initial move toward deregulation began in the mid-1970s with commercial aviation. Overbuilding and attractive commercial aircraft financing brought new niche carriers into the market. Regional airports expanded in response to consumer demand for more affordable intercity and overseas flights.

In 1975 the Civil Aeronautics Board (CAB) adopted administrative reforms that gave carriers greater flexibility to discount prices and serve new markets. The Airline Deregulation Act of 1978 eliminated tight CAB controls and oversight of market entry, routes and pricing.

Until that time, restrictive market entry requirements and airport terminal allocation schemes had made it uneconomical for new carriers to operate on many routes. With little competition, established carriers enjoyed high tariffs, with little incentive to manage costs. Deregulation encouraged new competitors, exposed inefficiencies in airline operations and sharply reduced prices.

## Surface Transportation Follows

Expansion of regional and interstate highway systems over time brought trucks and railroads into direct competition for freight dollars. "Discretionary" freight switched to truck because of lower prices, flexible schedules and wider routing choices.

At the same time, ocean carriers pursued dedicated intermodal service arrangements with railroads for container freight, to coordinate ocean and inland transport.

Railroads needed flexibility to expand service territories through mergers; to sell off less profitable routes; and to retail their own intermodal services. New trucking firms wanted to enter specific long distance or shorthaul markets, and offer targeted pricing for truckload or less-than-truckload (LTL) freight. Shippers wanted more service choices and lower prices, and saw opportunities for seamless, door-to-door service via contracts and through rates.

> The emergence of intermodal transportation by the early 1980s forced a rethinking of the way liner shipping operated and was regulated. Having deregulated air, railroads and trucking, Congress turned to ocean transportation.

In 1980, Congress opened the flood gates, passing the Motor Carrier Act in June and the Staggers Rail Act in October. The Motor Carrier Act lifted market entry restrictions, and permitted service expansions, route abandonments, mergers and ratemaking without government review.

The Staggers Act gave railroads greater freedom to set rates individually, while restricting collective ratemaking. It encouraged contract rates and formation of equipment pools for greater operating flexibility and efficiency. It allowed railroads to sell off unprofitable routes to qualified operators, and paved the way for deregulation of rail intermodal rates.

Prior to deregulation, railroads enjoyed protected monopoly routes and access to farming, mining and industrial centers along those routes. High freight rates and access charges had gone unchallenged by competition for more than a century. In trucking, a few large operators and regional freight bureaus dictated pricing.

Deregulation opened joint rail routes and tracking arrangements for the first time; made it easy for small owner-operators to start trucking companies; and encouraged aggressive marketing and pricing of new services.

## Ocean Shipping Reform: No Simple Act

The emergence of intermodal transportation by the early 1980s forced a rethinking of the way liner shipping operated and was regulated. Having substantially deregulated air, railroads and trucking, Congress turned to ocean transportation. A set of unique industry characteristics, however, made deregulation a daunting task.

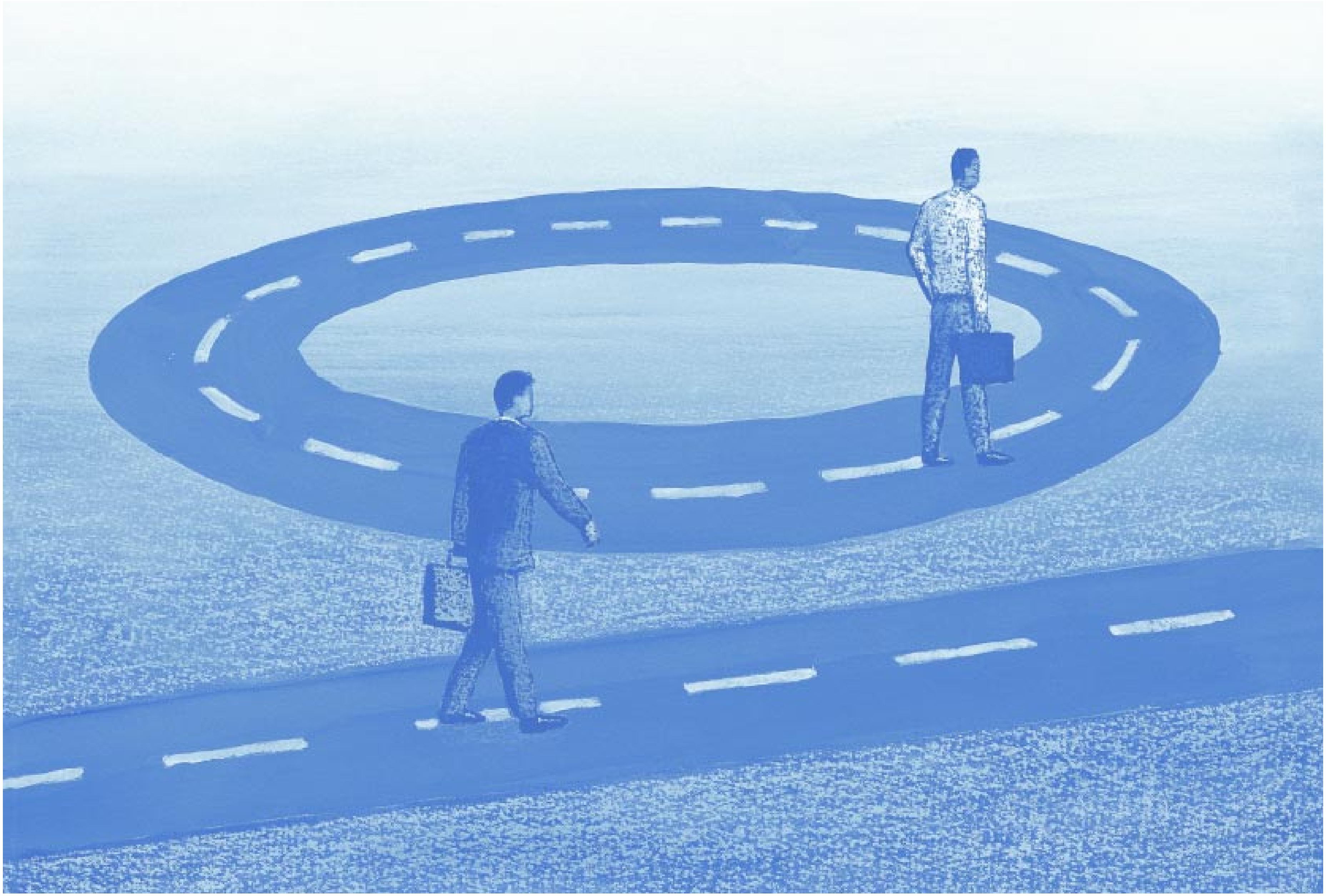
Ships are mobile assets with high fixed operating costs. Left purely to market forces, they flock to lucrative trades and, just as suddenly, abandon depressed ones. Since the turn of the century, ocean carriers have been permitted to exchange market information; share vessels, terminals and equipment; and coordinate pricing through carrier groups known as agreements. The intent behind these agreements is to encourage efficiency and attract long-term carrier investment in U.S. trade lanes by preventing debilitating rate wars.

Automated shipment tracking, coordinated schedules and doublestack rail technology expanded the reach, quality and affordability of intermodal transport. Ocean carriers sought operating and pricing flexibility to quickly respond to market opportunities. Shippers wanted single-party, door-to-door intermodal transportation under contract with a carrier or agreement.

The Shipping Act of 1984 a) streamlined and expedited the Federal Maritime Commission (FMC) hearing and review process; b) expanded opportunities for more customized shipping under service contracts, with equal access protections for small shippers and "intermediaries" such as shippers' associations and non-vessel operating common carriers (NVOCCs); and c) permitted conference lines to take independent action on tariff rates.

A mandated 1990 review of the Act by a blue-ribbon Presidential panel heard shipper testimony favoring further reforms, expanding independent action to service contracting, and providing for confidential service contracts. Those reforms eventually became the basis for OSRA.

By 1998, however, a combination of factors—global competition, cycles of excess containership capacity, independent action on tariff rates and linkage between tariff rates and contract discounts—had already significantly lowered transportation costs in many U.S. trade lanes.



# Old Versus New

*The best way to understand the changes brought about by the Ocean Shipping Reform Act is to view them in relation to what exists today.*

## Tariff filing and Enforcement

**Before:**

The Shipping Act of 1984 requires carriers and conference agreements (groups of carriers that jointly coordinate pricing) to maintain tariffs and file them publicly with the FMC. The FMC monitors tariffs for compliance in both format and content, and responds to complaints. It is a violation for carriers to charge any shipper a tariff rate other than what is filed, or to unreasonably discriminate among shippers. Rate increases must be filed with 30 days' advance notice.

**After:**

OSRA introduces flexibility in several important areas:

Carriers must maintain electronic tariffs, accessible to the public and the FMC in the event of a complaint or inquiry. They will no longer be required to file tariffs with the FMC. The 30 days' advance notice requirement for rate increases remains in force.

The only permitted departure from a carrier's published rate continues to be through a formal service contract.

FMC regulation of tariffs is largely restricted to a) ensuring that tariffs are accessible and accurate; and b) policing rebating and other tariff-based malpractices.

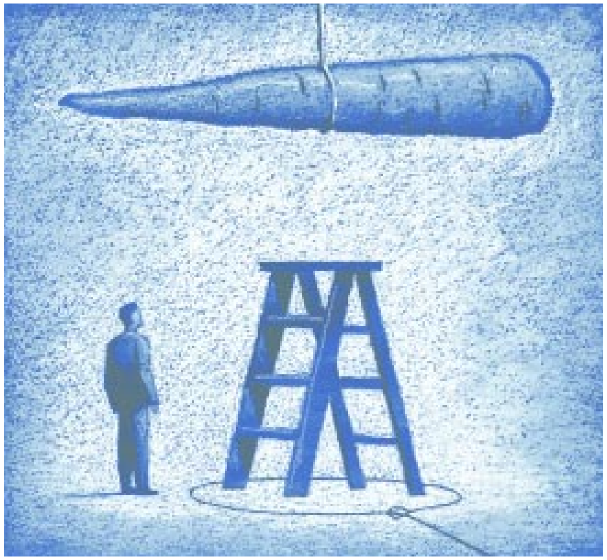
**Net Result:**

Carriers and shippers may increasingly move away from tariffs in favor of service contracts that promise service, price and revenue predictability, even over a short term.

Smaller shippers, faced with an end to public tariff filing and confidential contracting, may initially consider turning to ocean transportation intermediaries. NVOCCs and shippers' associations will have the size and leverage to pool freight and to negotiate service terms and volume discounts with carriers, on shippers' behalf. However, individual carriers will be freer to offer customized rate and service packages to shippers of all sizes, with the only limitation being each party's own internal economic considerations.

Less predictable tariff pricing and more individualized contracts may ultimately erode the link that now exists between contract and tariff rates. Over time, the spread between tariff and contract rates may no longer serve as the basis for discounts or performance penalties.

In a complex and rapidly changing "spot" market, shippers who no longer have the benefit of traditional pricing benchmarks will need to exercise greater diligence in their rate negotiations and research, whether they are dealing with a carrier directly or through intermediaries.



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## Service Contracts

**Before:**

A shipper typically commits a minimum volume under contract, in exchange for service guarantees and a volume discount off tariff rates from the carrier. Essential terms—origin/destination locations, port pairs, commodity, rates, minimum volume commitment, service commitments and contract duration—are publicly filed with the FMC.

A competing shipper offering comparable terms—commodity, volume and origin/destination locations—may demand the same essential terms from carriers as those publicly filed by a competitor. This would be done by claiming to be a "similarly situated" shipper and demanding a "me-too" service contract.

A conference may, by group vote, restrict or prohibit individual contracting by member lines in the interest of pricing stability. Most conferences currently negotiate contracts as a group and prohibit individual contracting.

Service contracts may be amended, unlike time-volume rates and volume incentive programs offered through the tariff.

Individual carriers and conference agreements may reasonably discriminate in their contracting practices among shippers, except that carriers remain obligated to enter into "me-too" contracts upon request.

**After:**

Contracting becomes far more flexible and individualized for carriers and shippers. In essence, OSRA maintains much of the 1984 Act's common carrier principles and obligations for tariff business, but eliminates the ability to claim "me-too" contracts.

Specifically, publicly available contract information will no longer include rates, inland origin/destination points or service terms. Now there will be no way to precisely calculate door-to-door intermodal rates or confirm a shipper's identity through geographic details, which would enable other shippers to determine that they are in fact similarly situated.

Conferences will no longer be able to prohibit individual contracting by members or establish mandatory service contracting guidelines. Discussion of contracting practices and voluntary guidelines are allowed, however, as the need for service contracts offered by groups of carriers will continue.

Confidential contracts will be permitted. Individual conference carriers need not notify the group of pending contract negotiations, even if the shipper is or has been a conference customer.

Individual service contracts may include a percentage-based cargo commitment, rather than a specified volume. Conferences may offer percentage-based contracts, but are subject to restrictions in the way volume discounts are given.

Conference contracts may not discriminate in their treatment of shippers, based on their status as NVOCCs or shippers' associations.

**Net Result:**

Individual contracting will place all carriers on equal footing in their ability to pursue global transportation and logistics contracts with shippers.

In general, the contracting process will be simplified between any one or more carriers and shippers, even for relatively small cargo volumes shipped over a short period of time.

Carriers and shippers in U.S. trades will no longer be disadvantaged by public availability of sensitive contract information that is not accessible in other trades. Freedom from public scrutiny and "me-too" claims will undoubtedly lead to expanded service contracting.

More carriers will pursue individual, customized contract relationships with many of their accounts. But they may also offer group contracts through carrier alliances (groups of carriers that share terminals, equipment and vessels), leveraging the global service strengths of several carrier members. Or, they may choose to participate in traditional conference contracts. finally, any two or more carriers may offer joint contracts independent of alliances or conferences.

Contract confidentiality will be a valuable tool for carriers and shippers in the new environment, where they will frequently be working in partnership at levels of operational detail involving sensitive information.

Less overall information will be publicly filed under essential terms. Now, there will be no way to precisely calculate door-to-door intermodal rates or confirm a shipper's identity through geographic details.

At times, however, both carriers and shippers must be prepared to accept limited information disclosure—for example, to permit multiple carriers to offer seamless service across one or more trade lanes; or for a consolidator to mix shipments in order to maximize asset utilization and negotiate more favorable pricing with a carrier.

The new regulatory environment, and the growing customization of companies' internal operations, free carriers and shippers from the constraints of deals competitors are offering or receiving. Instead, contract rates and service guarantees will focus increasingly on market conditions, terms of trade, internal costs and other factors.

Rates may go up or down, depending entirely on market and operational factors: commodity, season, origin/destination points,volume, handling requirements and so on. Just as important, rates will be influenced by demand for ocean transportation relative to available capacity in a given trade lane.

Contract mechanisms such as "most favored shipper" (MFS) clauses will likely disappear over time, given confidentiality and U.S. Department of Justice concerns about their anti-competitive potential. These clauses automatically adjust contract rates in the event that either a) a more favorable service contract is signed with a competing account; or b) applicable tariff rates below a specified level or within a specified differential.

# Transportation Intermediaries

**Before:**

The 1984 Shipping Act recognizes three distinct types of ocean transportation intermediaries that represent shippers in negotiating service contracts: Freight forwarders, NVOCCs and shippers' associations. All are established for different purposes and fall under different regulatory schemes.

Freight forwarders (including customs brokers) are trade service firms that arrange the physical movement of goods in international commerce. Activities may involve everything from arranging transportation and trade documentation, to letter of credit and insurance support, to compliance with U.S. and foreign government inspection and certification requirements.

NVOCCs are consolidators that provide transportation for small shippers by pooling and managing their volumes. They act as customers of the ocean carrier—negotiating rates, scheduling shipments and arranging pickups and deliveries on behalf of the shipper. NVOCCs maintain publicly filed carrier tariffs, as operating ocean carriers do, but are not permitted to offer service contracts.

Shippers' associations represent multiple shippers of the same or different commodities in service contract negotiations with carriers.

All of these intermediaries share one important characteristic distinguishing them from "beneficial cargo owners" (BCOs): With rare exceptions, they do not hold title, an ownership stake or other direct financial interest in the cargo. Nor do they regularly own or physically operate transportation assets such as ships, trains, trucks or equipment fleets.

Smaller shippers reluctant to commit staff and budget resources to contracting may initially turn to intermediaries to negotiate for them. Over time, however, direct contracting with carriers is likely to become simpler and more accessible to shippers of all sizes.

Forwarders of U.S. exports are licensed and regulated by the FMC. Licensed forwarders are entitled to collect commissions from carriers, as are forwarders of imports, that are not required to be licensed.

NVOCCs operate on the margin between a wholesale rate obtained from the carrier for consolidating large volumes of freight, and a discounted retail rate they offer their small shipper customers.

Shippers' associations are non-profit concerns that pool freight to obtain rate discounts under service contracts. Associations remain subject to U.S. antitrust law. They may, as a precaution, obtain a Department of Justice business review letter advising that they are in compliance with antitrust law.

The 1984 Act, in attempting to balance large and small shipper interests, promoted shippers' associations by mandating that carriers negotiate in good faith with them.

Public filing of contract essential terms and "me-too" provisions offered transparency, enabling small shippers and intermediaries to obtain comparable deals.

finally, carriers and conferences are prohibited from unreasonably discriminating against classes of shippers, including NVOCCs and shippers' associations.

### After:

Basic distinctions remain between freight forwarders and NVOCCs under the new legislation. However, both will now fall under a broad umbrella classification called "ocean transportation intermediary." NVOCCs will become subject to a licensing requirement. They will still not be permitted, despite their "carrier" status, to offer service contracts. Forwarders will still be entitled to receive carrier commissions, but NVOCCs will not.

Shippers' association provisions remain largely intact. However, OSRA increases flexibility by expressly permitting any one or more shippers—whether in a formal shippers' association or not—to negotiate service contracts with one or more carriers.

The new Act explicitly prohibits conferences from discriminating against NVOCCs and shippers' associations in the assessment of rates. Individual carriers are not subject to the same restrictions.

### Net Result:

Smaller shippers reluctant to commit staff and budget resources to contracting may initially turn to intermediaries to negotiate for them. Over time, direct contracting with carriers is likely to become simpler and more accessible to shippers of all sizes. At that point, many small shippers may find benefit to having assured rate and individualized service terms over a period of time.

NVOCCs have begun teaming up, in some cases forming shippers' associations, to offer carriers larger volumes under contract. Their objective is not only to obtain greater volume discounts, but also to achieve operating efficiencies such as balancing equipment and traffic flows, and otherwise adding value for customers.

Large and mid-size companies with complementary traffic flows will be able to team up, without need of an intermediary, and negotiate contracts with carriers that are custom-tailored to their regional or global operations.

## Carrier Agreements

### Before:

As noted earlier, ocean carriers may form agreements that undertake a wide range of activities, under FMC oversight. Some agreements serve as discussion and policy-setting forums for a trade lane. Conference agreements maintain common tariffs and jointly offer service contracts.

Carrier alliances enable members to rationalize service by sharing vessel and terminal space, coordinating sailing schedules or pooling equipment. Carriers also commonly form agreements to share in the cost, research and development of industrywide technological advances, or adopt common industry standards and practices.

The Shipping Act of 1984 requires that carrier agreements be filed with the FMC for review, but has made it easier to form and modify such agreements. It streamlined the review process; set time limits for approval or challenge; and shifted the burden of proof during review.

Conference agreements receive the most oversight, as the law attempts to balance their potential for encouraging stable carrier service and investment against their potential anti-competitive effects.

Key features in the 1984 Act relating to conferences include: The right of conference lines to take independent action on tariff rates; rules barring conferences from discriminating against NVOCCs and shippers' associations in service contracts; prohibition of conference loyalty contracts; and conference authority to regulate individual service contracts.

The principal changes for conferences are that they will lose the ability to regulate individual service contracting, and contracts may be confidential under the new deregulated environment.

The FMC has authority to investigate agreement practices and seek a court injunction against activities which are "likely, by a reduction in competition, to produce an unreasonable reduction in transportation service or an unreasonable increase in transportation cost."

### After:

Any one or more conference lines will be guaranteed the right to enter into individual or joint service contracts apart from the conference, and contracts may be confidential in the new deregulated environment. Members may still develop and adopt voluntary guidelines to bring some uniformity to the contracting process, when offering multi-carrier service packages.

In addition, the maximum advance notification period for individual members' independent actions on tariff rates is reduced from 10 days to 5.

Two or more carriers may negotiate a joint service contract with any one or more shippers. While shippers need not belong to an association, carriers must belong to an agreement authorized to negotiate contracts.

Congress was careful in drafting OSRA to retain other carrier agreement provisions—treatment of intermediaries, FMC enforcement authority, the agreement review process and burden of proof standard—as they are.

**Net Result:**

It is not yet clear whether or how the activities of various carrier groupings—discussion and policy setting agreements, ratemaking conferences and carrier alliances—will be reallocated. Perhaps the biggest question is the future role of conferences in an environment of individual and confidential contracting.

Traditional conferences will still offer their members shared market information, tariff publishing services and contract negotiating expertise. Their customers will benefit from a choice of carrier services under a single contract.

Shippers may, according to their needs, pursue an individual contract with a carrier capable of providing a full range of integrated transportation and logistics services across multiple trade lanes. Alternatively, they may choose to pursue joint/group contracts with multiple carriers, an alliance or a conference. The advantage here would be a choice of route, schedule, and other service options from a menu of carriers.

Shippers may, according to their needs, pursue an individual contract with one carrier providing the full range of integrated services. Or, they may choose a joint or group contract offering a choice of services from multiple carriers, an alliance or a conference.

## Other Changes

*Several other minor changes contained in OSRA are worth mentioning:*

1. Groups of ocean carriers may now negotiate rates and service terms with rail, truck and air cargo operators, provided that the results are consistent with antitrust law and the purposes behind the new Act.

2. Carriers with collective bargaining agreements must disclose, upon written request by shoreside labor unions, service contract information regarding assignment of responsibility for transportation in the dock area or between dock and rail yard, maintenance and repair, and container freight station work.

3. The list of commodities exempt from tariff and service contract publishing and filing requirements is expanded to include new assembled motor vehicles, paper and paper board in pallet or skid-sized sheets.

4. Rules requiring 30 days' advance notice for rate reductions by a controlled carrier (a carrier that has majority foreign government ownership) are widened, to include 1) controlled carriers belonging to conferences; and 2) controlled carriers operating in their home countries' bilateral trades with the U.S. New rules require the FMC to render a decision within 120 days of receiving information in an investigation of controlled carrier rates.

5. OSRA gives the FMC greater latitude to exempt certain agreements or activities from the Act's various requirements, by removing two of four criteria for exemption. An agreement or activity that cannot be demonstrated to substantially reduce competition, or be detrimental to commerce, would be eligible for exemption.

# Conclusion

The process of negotiating and purchasing ocean and intermodal transportation services in the U.S. trade lanes will change significantly after May 1, 1999, in a substantially deregulated environment.

Carriers and shippers will conduct most of their business under individual, confidential service contracts. Contracts, which have focused mainly on price and volume commitment, will increasingly focus on customized service packages that add value across a shipper's supply chain.

In the absence of publicly filed contract information, competing shippers and carriers will structure contracts based on their own internal economics, strategic objectives and customer requirements—not simply on getting better terms than those in an existing contract for a similar customer.

Rates may rise or fall—depending on market factors, not government regulation. For most customers rates will be less public, but simpler and more predictable.

Any one or more shippers will be able to easily and quickly enter into contracts with any one or more carriers. At times, intermediaries, inland domestic carriers and other parties may enter the equation, and a team approach to developing logistics and supply chain solutions will emerge.

Perhaps the most important obstacle to be overcome in adapting to this new environment will be to see the carrier-shipper relationship in an entirely new way.

Those who ask whether OSRA favors shippers or carriers, or whether rates will go up or down, miss the point of this new chapter of deregulation. The new Act favors no particular party in the contracting transaction. Rate reductions and service efficiencies normally attributable to deregulation were achieved long ago under the predecessor 1984 legislation.

OSRA frees carriers and shippers to pursue market-based, cooperative transportation and logistics solutions, according to their individual needs. No contracting party will have an edge; government will not intervene, except in rare cases where a clear pattern of anti-competitive behavior can be shown.

Where the Shipping Act of 1984 sought to protect common carriage by balancing shipper and carrier interests, OSRA removes checks and balances on both sides. Government, conferences and competitors seeking "me-too" contracts are no longer present at the negotiating table.

Above all, OSRA envisions carriers and shippers working in close cooperation, at levels of detail and sensitivity that require confidentiality and cannot take place in a confrontational environment. Shippers should not view the carriers managing the flow of goods in their manufacturing and distribution operations as adversaries. Carriers should look forward to competing in a more open market; to forming logistics and supply chain partnerships; and to working with carrier and other partners to expand services and global reach.

Success will be measured by how readily we all adapt and move forward.

Deregulation allows market forces of competition, innovation and supply and demand to prevail, so that natural advantage seeks its own level. It is overly limiting to view deregulation in the context of an adversarial carrier-shipper relationship. The next century's success stories will focus on flexibility and true partnerships.

**APL** provides worldwide container transportation and logistics services through an integrated network combining high-quality intermodal operations with state-of-the-art information technology. APL is the container and logistics arm of Neptune Orient Lines Limited, a global transportation company engaged in shipping and related businesses.

**APL Limited**
1111 Broadway
Oakland, CA 94607
USA
www.apl.com

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1704 of this Appendix.

**§ 1704. Agreements**

(a) Filing requirements

A true copy of every agreement entered into with respect to an activity described in section 1703(a) or (b) of this Appendix shall be filed with the Commission, except agreements related to transportation to be performed within or between foreign countries and agreements among common carriers to establish, operate, or maintain a marine terminal in the United States. In the case of an oral agreement, a complete memorandum specifying in detail the substance of the agreement shall be filed. The Commission may by regulation prescribe the form and manner in which an agreement shall be filed and the additional information and documents necessary to evaluate the agreement.

(b) Conference agreements

Each conference agreement must--

(1) state its purpose;

(2) provide reasonable and equal terms and conditions for admission and readmission to conference membership for any ocean common carrier willing to serve the particular trade or route;

(3) permit any member to withdraw from conference membership upon reasonable notice without penalty;

(4) at the request of any member, require an independent neutral body to police fully the obligations of the conference and its members;

(5) prohibit the conference from engaging in conduct prohibited by section 1709(c)(1) or (3) of this Appendix;

(6) provide for a consultation process designed to promote--

(A) commercial resolution of disputes, and

(B) cooperation with shippers in preventing and eliminating malpractices;

(7) establish procedures for promptly and fairly considering shippers' requests and complaints; and

(8) provide that any member of the conference may take independent action on any rate or service item upon not more than 5 calendar days' notice to the conference and that, except for exempt commodities not published in the conference tariff, the conference will include the new

rate or service item in its tariff for use by that member, effective no later than 5 calendar days after receipt of the notice, and by any other member that notifies the conference that it elects to adopt the independent rate or service item on or after its effective date, in lieu of the existing conference tariff provision for that rate or service item;

(c) Ocean common carrier agreements

An ocean common carrier agreement may not--

(1) prohibit or restrict a member or members of the agreement from engaging in negotiations for service contracts with 1 or more shippers;

(2) require a member or members of the agreement to disclose a negotiation on a service contract, or the terms and conditions of a service contract, other than those terms or conditions required to be published under section 1707(c)(3) of this Appendix; or

(3) adopt mandatory rules or requirements affecting the right of an agreement member or agreement members to negotiate and enter into service contracts.

An agreement may provide authority to adopt voluntary guidelines relating to the terms and procedures of an agreement member's or agreement members' service contracts if the guidelines explicitly state the right of members of the agreement not to follow the guidelines. These guidelines shall be confidentially submitted to the Commission.

(d) Interconference agreements

Each agreement between carriers not members of the same conference must provide the right of independent action for each carrier. Each agreement between conferences must provide the right of independent action for each conference.

(e) Assessment agreements

Assessment agreements shall be filed with the Commission and become effective on filing. The Commission shall thereafter, upon complaint filed within 2 years of the date of the agreement, disapprove, cancel, or modify any such agreement, or charge or assessment pursuant thereto, that it finds, after notice and hearing, to be unjustly discriminatory or unfair as between carriers, shippers, or ports. The Commission shall issue its final decision in any such proceeding within 1 year of the date of filing of the complaint. To the extent that an assessment or charge is found in the proceeding to be unjustly discriminatory or unfair as between carriers, shippers, or ports, the Commission shall remedy the unjust discrimination or unfairness for the period of time between the filing of the complaint and the final decision by means of assessment adjustments. These adjustments shall be implemented by prospective credits or debits to future assessments or charges, except in the case of a complainant who has ceased activities subject to the assessment or charge, in which case reparation may be awarded. Except for this subsection and section 1706(a) of this Appendix, this chapter does not apply to assessment agreements.

(f) Maritime labor agreements

This chapter does not apply to maritime labor agreements. This subsection does not exempt from this chapter any rates, charges, regulations, or practices of a common carrier that are required to be set forth in a tariff or are essential terms of a service contract, whether or not those rates, charges, regulations, or practices arise out of, or are otherwise related to, a maritime labor agreement.

(g) Vessel sharing agreements

An ocean common carrier that is the owner, operator, or bareboat, time, or slot charterer of a United States-flag liner vessel documented pursuant to sections [1] 12102(a) or (d) of title 46 is authorized to agree with an ocean common carrier that is not the owner, operator or bareboat charterer for at least 1 year of United States-flag liner vessels which are eligible to be included in the Maritime Security Fleet Program and are enrolled in an Emergency Preparedness Program pursuant to subtitle B of title VI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1187 et seq.), to which it charters or subcharters the United States-flag vessel or space on the United States-flag vessel that such charterer or subcharterer may not use or make available space on the vessel for the carriage of cargo reserved by law for United States-flag vessels.

[1] So in original. Probably should be "section".

(Pub. L. 98-237, § 5, Mar. 20, 1984, 98 Stat. 70; Pub. L. 98-595, § 3(b)(1), Oct. 30, 1984, 98 Stat. 3132; Pub. L. 104-88, title III, § 335(c)(2), Dec. 29, 1995, 109 Stat. 954; Pub. L. 105-258, title I, § 104, Oct. 14, 1998, 112 Stat. 1904; Pub. L. 105-383, title IV, § 424(a), Nov. 13, 1998, 112 Stat. 3440.)

## REFERENCES IN TEXT

The Merchant Marine Act, 1936, referred to in subsec. (g), is act June 29, 1936, ch. 858, 49 Stat. 1985, as amended. Subtitle B of title VI of the Act is classified generally to part B (§ 1187 et seq.) of subchapter VI of chapter 27 of this Appendix. For complete classification of this Act to the Code, see section 1245 of this Appendix and Tables.

## AMENDMENTS

1998--Subsec. (b)(8). Pub. L. 105-258, § 104(a)(1), added par. (8) and struck out former par. (8) which read as follows: "provide that any member of the conference may take independent action on any rate or service item required to be filed in a tariff under section 1707(a) of this Appendix upon not more than 10 calendar days' notice to the conference and that the conference will include the new rate or service item in its tariff for use by that member, effective no later than 10 calendar days after receipt of the notice, and by any other member that notifies the conference that it elects to adopt the independent rate or service item on or after its effective date, in lieu of the existing conference tariff provision for that rate or service item."

Subsec. (c). Pub. L. 105-258, § 104(a)(2), (3), added subsec. (c) and redesignated former subsec. (c) as (d).

Subsec. (d). Pub. L. 105-258, § 104(a)(2), redesignated former subsec. (c) as (d). Former subsec. (d) redesignated (e).

Subsec. (e). Pub. L. 105-258, § 104(a)(2), (b)(1), redesignated former subsec. (d) as (e) and substituted "this chapter does" for "this chapter, the Shipping Act, 1916, and the Intercoastal

Shipping Act, 1933, do". Former subsec. (e) redesignated (f).

Subsec. (f). Pub. L. 105-258, § 104(b)(2)(C), inserted "or are essential terms of a service contract" after "tariff".

Pub. L. 105-258, § 104(b)(2)(B), which directed amendment of subsec. (f) by striking out "or the Shipping Act, 1916," was executed by striking out "or the Shipping Act, 1916" before "any rates, charges", to reflect the probable intent of Congress.

Pub. L. 105-258, § 104(b)(2)(A), which directed amendment of subsec. (f) by substituting "does" for "and the Shipping Act, 1916, do", was executed by making the substitution for "and the Shipping Act, 1916 do" after "This chapter", to reflect the probable intent of Congress.

Pub. L. 105-258, § 104(a)(2), redesignated subsec. (e) as (f).

Subsec. (g). Pub. L. 105-383 added subsec. (g).

1995--Subsec. (e). Pub. L. 104-88 substituted "This chapter and the Shipping Act 1916" for "This chapter, the Shipping Act, 1916 [46 App. U.S.C. 801 et seq.], and the Intercoastal Shipping Act, 1933," and "this chapter or the Shipping Act, 1916" for "this chapter, the Shipping Act, 1916, or the Intercoastal Shipping Act, 1933,".

1984--Subsec. (a). Pub. L. 98-595 substituted "section 1703(a) or (b) of this Appendix" for "section 1703 of this Appendix".

## EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-258 effective May 1, 1999, see section 2 of Pub. L. 105-258, set out as a note under section 1701 of this Appendix.

## EFFECTIVE DATE OF 1995 AMENDMENT

Amendment by Pub. L. 104-88 effective Jan. 1, 1996, see section 2 of Pub. L. 104-88, set out as an Effective Date note under section 701 of Title 49, Transportation.

## AUTHORITY OR EFFECTIVENESS OF ORDERS

Pub. L. 105-383, title IV, § 424(c), Nov. 13, 1998, 112 Stat. 3441, provided that: "Nothing in this section [amending this section and sections 1702 and 1709 of this Appendix] shall affect or in any way diminish the authority or effectiveness of orders issued by the Maritime Administration pursuant to sections 9 and 41 of the Shipping Act, 1916 (46 U.S.C. App. 808 and 839)."

## SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1705, 1706, 1709, 1710 of this Appendix.

**§ 1705. Action on agreements**

(a) Notice

Within 7 days after an agreement is filed, the Commission shall transmit a notice of its filing to the Federal Register for publication.

(b) Review standard

The Commission shall reject any agreement filed under section 1704(a) of this Appendix that, after preliminary review, it finds does not meet the requirements of section 1704 of this Appendix. The Commission shall notify in writing the person filing the agreement of the reason for rejection of the agreement.

(c) Review and effective date

Unless rejected by the Commission under subsection (b) of this section, agreements, other than assessment agreements, shall become effective--

(1) on the 45th day after filing, or on the 30th day after notice of the filing is published in the Federal Register, whichever day is later; or

(2) if additional information or documentary material is requested under subsection (d) of this section, on the 45th day after the Commission receives--

(A) all the additional information and documentary material requested; or

(B) if the request is not fully complied with, the information and documentary material submitted and a statement of the reasons for noncompliance with the request. The period specified in paragraph (2) may be extended only by the United States District Court for the District of Columbia upon an application of the Commission under subsection (i) of this section.

(d) Additional information

Before the expiration of the period specified in subsection (c)(1) of this section, the Commission may request from the person filing the agreement any additional information and documentary material it deems necessary to make the determinations required by this section.

(e) Request for expedited approval

The Commission may, upon request of the filing party, shorten the review period specified in subsection (c) of this section, but in no event to a date less than 14 days after notice of the filing of the agreement is published in the Federal Register.

(f) Term of agreements

The Commission may not limit the effectiveness of an agreement to a fixed term.

(g) Substantially anticompetitive agreements

If, at any time after the filing or effective date of an agreement, the Commission determines that the agreement is likely, by a reduction in competition, to produce an unreasonable reduction in transportation service or an unreasonable increase in transportation cost, it may, after notice to the person filing the agreement, seek appropriate injunctive relief under subsection (h) of this section.

(h) Injunctive relief

The Commission may, upon making the determination specified in subsection (g) of this section, bring suit in the United States District Court for the District of Columbia to enjoin operation of the agreement. The court may issue a temporary restraining order or preliminary injunction and, upon a showing that the agreement is likely, by a reduction in competition, to produce an unreasonable reduction in transportation service or an unreasonable increase in transportation cost, may enter a permanent injunction. In a suit under this subsection, the burden of proof is on the Commission. The court may not allow a third party to intervene with respect to a claim under this subsection.

(i) Compliance with informational needs

If a person filing an agreement, or an officer, director, partner, agent, or employee thereof, fails substantially to comply with a request for the submission of additional information or documentary material within the period specified in subsection (c) of this section, the United States District Court for the District of Columbia, at the request of the Commission--

(1) may order compliance;

(2) shall extend the period specified in subsection (c)(2) of this section until there has been substantial compliance; and

(3) may grant such other equitable relief as the court in its discretion determines necessary or appropriate.

(j) Nondisclosure of submitted material

Except for an agreement filed under section 1704 of this Appendix, information and documentary material filed with the Commission under section 1704 of this Appendix or this section is exempt from disclosure under section 552 of title 5 and may not be made public except as may be relevant to an administrative or judicial action or proceeding. This section does not prevent disclosure to either body of Congress or to a duly authorized committee or subcommittee of Congress.

(k) Representation

Upon notice to the Attorney General, the Commission may represent itself in district court proceedings under subsections (h) and (i) of this section and section 1710(h) of this Appendix. With the approval of the Attorney General, the Commission may represent itself in proceedings in the United States Courts of Appeal under subsections (h) and (i) of this section and section 1710(h) of this Appendix.

(Pub. L. 98-237, § 6, Mar. 20, 1984, 98 Stat. 72.)

### SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1706, 1709, 1710 of this Appendix.

## § 1706. Exemption from antitrust laws

(a) In general

The antitrust laws do not apply to--

(1) any agreement that has been filed under section 1704 of this Appendix and is effective under section 1704(d) [1] or section 1705 of this Appendix or is exempt under section 1715 of this Appendix from any requirement of this chapter;

[1] See References in Text note below.

(2) any activity or agreement within the scope of this chapter, whether permitted under or prohibited by this chapter, undertaken or entered into with a reasonable basis to conclude that (A) it is pursuant to an agreement on file with the Commission and in effect when the activity took place, or (B) it is exempt under section 1715 of this Appendix from any filing or publication requirement of this chapter;

**Maritime Administration Project #DMTA1H0005**

**Background to Issues Addressed in this Report**

This report focuses on (Tasks 2A, 2B and 3). The PPC indicated that it would:

> **(Task 2A)** Work with Marad to convene a working group of key port and barge service providers to document system-wide impediments to the development of new cargoes, such as intermodal, international, container on barge, and project cargo shipments, etc., and strategies to overcome those impediments.
>
> **(Task 2B)** Retain a consultant to research the Brownsville-Monterrey barging market, to identify potential leads and interface with the PPC staff to develop those leads, to represent the PPC and inland system capabilities; to document the key shippers and the advantages/disadvantages they perceive to entering barging to the US from Mexico, and to help develop Spanish language marketing materials and to facilitate activities associated with Task 3 below.
>
> **(Task 3)** Form and host a Mexican Barge Shipper's Council (less formal than the Pittsburgh Council), meet with pre-screened shippers and potential shippers to discuss impediments to greater waterway usage and devise strategies to increase waterway commerce.

**Progress**

**(Task 2A)** Working with Marad, the PPC helped convene a working group of port and barge service providers to analyze impediments to new cargo development. The participants met on February 19, 2002 at the Port of Memphis, on March 19, 2002 in Washington D.C., April 25-26, 2002 at the Port of New Orleans, and May 28, 2002 at the Port of New Orleans. There were telephone conference calls on July 31, 2002, and September 20, 2002, under the name of the Inland Waterway Intermodal Cooperative Program. Minutes of the meetings are attached. The minutes of the September 20, 2002 conference call are not yet available, but will be included when complete.

The group set a vision statement: the Inland Waterway Intermodal Cooperative Program (IWICP), under the guidance and assistance of the Maritime Administration, will effect, within ten years, a system-wide intermodal transportation network to increase the efficient intermodal distribution of goods. With the waterway as the spine of the system, the IWICP will link waterway interests with shippers, short-line rail, and road carriers. It will plan, market, and promote the system and seek funding to alleviate growing congestion throughout mid-America. The Cooperative will identify barriers, establish strategies, and seek funding to make this system among the most efficient waterway networks in the world.

The group identified 28 impediments to cargo diversification. Through a series of meetings it reduced its priorities to the top 3. They were (a) the lack of good intermodal data related to the waterways that could become the basis of an intermodal marketing program; (b) the lack of a one-stop marketing clearinghouse for the waterways; and (c) an outreach program to reach 3PLs and other parts of the intermodal system that we need to partner with to make our system work intermodally.

These are complex problems that will eventually require multiple strategies, but as first steps the group decided to (a) approach the US DOT's Freight Analysis Framework project to determine if they could provide useful data related to waterway contestable freight movements; (b) review the Port of Pittsburgh-developed SmartBarge enhancements as a possible common electronic marketing platform for the waterways; and (c-1) organize an effort under Gen. Tommy Sands to review with Osprey Line the requirements to work with 3PLs and (c-2) under the writer to enlist other national waterway related organizations in that effort. The writer did so report to the National Waterways Conference on September 5, 2002.

**(Task 2B)** The PPC, through a cooperative contract with the Commonwealth of Pennsylvania retained the services of Procorfi S.C. in Mexico City and Investra Consultores, S. C. in Monterrey, Mexico, on August 2001.

Investra has since interviewed 71 companies in the Monterrey area. They identified six companies currently barging between Monterrey-Brownsville and 38 companies with existing potential cargo (2547 truck loads) to/from destinations consistent with inland waterway transportation capabilities. Grouped in market areas, they fell in three major target groups. (Group I) IL-IN-MI = 300 TL. (Group II) AR-OK = 325 TL. (Group III) PA-WV-OH-NY-NJ-RI-Ontario = 1333 Truck Loads. This is a very large number of shippers identified with barging potential. There is some caution with this data in that a few shippers grouped multiple destinations that may or may not all be river serviceable.

The biggest impediments these shippers indicated to barging was lack of knowledge about the system and how to use it; the operational difficulty in arranging full barge loads for single destinations at a single time; and the tradition of controlling freight only to the border.

Additionally, US railroads have not traditionally marketed movements to the NE US that would require the participation of two or more US railroads splitting revenues. Barging could be an attractive alternative for these shippers who are not yet even in the NE Mexico to NE US trade.

**(Task 3)** The PPC has traveled twice to Monterrey in this reporting period to meet with current and potential barge shippers as part of the Monterrey Mexico, Barge Shippers Council (MMBSC). This group is less formal than the PBSC and is divided into three groups.

The Port of Pittsburgh has been participating for several years with the Port of Brownsville Texas in an annual reception for shippers in the Monterrey market. The Executive Director and Investra participated in this event in September 18-20, 2002. About 300 to 400 persons attend these events on an annual basis. Attendance this year was down, about 300, due to flooding in the area and the decline in worldwide business. While these meetings have been very useful in opening doors for waterway shippers, it is a large group representing almost all Monterrey shippers. We therefore determined that it would be necessary to have three levels of outreach for the MMBSC. We placed this group, our largest, in the "C" level. The "C" group will continue to be informed about the waterways by our Spanish language edition of our e-mail newsletter, may be visited by Investra and will continue to be hosted at these annual events with Brownsville. Whatever leads may be developed will be followed up. We will continue with the pre-defined invitees for the July event (about 80 companies) in our "B" level; and defined a new core group 13 shippers' for our "A" for the MMBSC "A" group. The "A" group represents those shippers already using or with a very high potential to use the waterways.

For the July meeting, the PPC used the Investra market research to invite the "B" group of shippers to meet with us. The PPC Executive Director and Marketing Director and a PPC Commissioner traveled to Monterrey to host this meeting. We also arranged for the representatives from USS, Inc., a member of the Pittsburgh Barge Shippers Council and representatives from the Port of Brownsville and from American Commercial Barge Lines to participate. More importantly, it included a representative of the PBSC (USS, Inc) and a Mexican shipper (AHMSA) who have successfully used the waterways to enter new markets in each other's countries by changing their supply chain management.

A target "A" group of 15 firms has been identified (for the time being). While the "A" firms have been previously invited to all MMBSC "B" and "C" events. The first "A" meeting is scheduled for November 19, 2002.

SHIPPER'S COUNCIL

| | |
|---|---|
| Ms. Carol Dunlap<br>INDSPEC Chemicals<br>411 Seventh Avenue<br>Suite 300<br>Pittsburgh, PA 152 19 | Mr. Kevin DeAngelis<br>NOVA Chemicals<br>1550 Corapolis Heights Road<br>Moon Township, PA 15 108 |
| Mr. Matt Feidmaier<br>Ashland Chemicals<br>Island Avenue<br>Neville Island, PA | Mr. Terry Onufer<br>USX Corporation<br>600 Grant Street<br>Fourth Floor<br>Pittsburgh, PA 152 19 |
| Mr. Dave Fleming<br>USX Corporation<br>600 Grant Street<br>Fourth Floor<br>Pittsburgh, PA 152 19 | Mr. Jack E. Russell<br>Manager – Fleet Operations<br>PPG Industries<br>One PPG Place – 35th Floor<br>Pittsburgh, PA 15272 |
| Mr. John P. Ham<br>Manager – International Logistics<br>PPG Industries 2X2<br>Pittsburgh, PA 15272 | Mr. Thomas Phalin<br>Director – Logistics Procurement<br>Bayer Corporation<br>100 Bayer Road<br>Pittsburgh, PA 15204-9741 |
| Mr. Robert Miller<br>Manager – Bulk Transportation<br>Bayer Corporation<br>100 Bayer Road<br>Pittsburgh, PA 15204 | Mr. Kenneth Parks<br>Pittsburgh Logistics Systems, Inc.<br>The Quad Center<br>Rochester, PA 15074 |
| Mr. Michael Shurina<br>Falconbridge US, Inc.<br>Suite 245 – Twin Towers<br>4955 Steubenville Pike<br>Pittsburgh, PA 15205-9604 | Ms. Mary Jo Geyer<br>Transportation Specialist<br>Alcoa International<br>201 Isabella Street<br>Pittsburgh, PA 152 12 |
| Mr. Jay Sebbens<br>Koppers Industries<br>436 Seventh Avenue<br>Pittsburgh, PA 152 19- 1800 | Mr. Louis Wagner<br>Keywell, LLC<br>890 Noble Drive<br>West Mifflin, PA 15 122 |

## The Port of Pittsburgh Commission Transportation Seminar

The Changing Nature of Inland Distribution

Attendees for March 15, 2001

| | |
|---|---|
| John Colletti<br>John Colletti & Associates<br>PO Box 13378<br>Pittsburgh, PA 15243 | Gene Del Greco<br>City of Weirton<br>200 Municipal Plaza<br>Weirton, WV 26062 |
| Jack Wojewnik<br>Port of Houston<br>1650 Sycamore Ave, Suite 23<br>Bonemia, NY 11716 | Tom Risley<br>John J. McMullen Associates<br>1789 South Braddock Avenue, Suite 400<br>Pittsburgh, PA 15218 |
| George E. Duffy<br>Navios Ship Agencies, Inc.<br>110 James Drive West, Suite 120<br>St. Rose, LA 70087 | Chris T. Kitsos<br>Navios Ship Agencies, Inc.<br>110 James Drive West, Suite 120<br>St. Rose, LA 70087 |
| Louis A. Tutino<br>EXEL – MARK VII<br>11444 Perry Highway<br>Wexford, PA 15090 | Thomas Randlen<br>US Electro Fused Minerals<br>Baltimore, MD 21227<br>1-800-927-8823 |
| Kevin DeAngelis<br>NOVA Chemicals<br>1550 Coraopolis Heights Road<br>Moon Township, PA 15108 | Richard Marcus<br>General Materials Terminals<br>15 State Street<br>Baden, PA 15005-1916 |
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| Les Lengyel<br>Bayer Corporation<br>100 Bayer Road<br>Pittsburgh, PA 15205-9741 | Bill Dillner<br>Dillner Storage Company<br>4160 Washington Road<br>McMurray, PA 15317 |
| Joseph Rochez<br>Rochez Brothers, Inc.<br>600 Ross Avenue<br>Pittsburgh, PA 15221 | Bob Shebeck<br>Rochez Brothers, Inc.<br>600 Ross Street<br>Pittsburgh, PA 15221 |
| Paul Lyle<br>Rochez Brothers, Inc.<br>600 Ross Avenue<br>Pittsburgh, PA 15221 | Nicholas P. Walsh<br>Philadelphia Regional Port Authority<br>3460 North Delaware Avenue<br>Philadelphia, PA 19134 |
| Robert C. Blackburn<br>Philadelphia Regional Port Authority<br>3460 North Delaware Avenue<br>Philadelphia, PA 19134 | Jack Dubos<br>J & L Structural, Inc.<br>111 Station Street<br>Aliquippa, PA 15001 |
| Bob Mulholland<br>J & L Structural, Inc.<br>111 Station Street<br>Aliquippa, PA 15001 | Gealy W. Wallwork<br>SPC Member<br>102 Country Club Lane<br>Kittanning, PA 16201 |

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| | |
| Michael J. Shurina<br>Falconbridge U.S.<br>4955 Steubenville Pike<br>Pittsburgh, PA 15205 | Bonnie Lawson<br>Bayer Corporation<br>100 Bayer Road<br>Pittsburgh, PA 15205 |
| George Renkin<br>River Terminal Operators Association<br>4848 Cherry Street<br>Allison Park, PA 15101 | Bob Schaefer<br>Clairton Slag, Inc.<br>PO Box 532 Madison Avenue<br>West Elizabeth, PA 15088 |
| Mea Scholl<br>RAM Terminals<br>1 Fifth Street<br>New Kensington, PA | The Port of Brownsville<br>1000 Foust Street<br>Brownsville, TX 78521 |
| Ken Flack<br>Southwestern Pennsylvania Commission<br>425 Sixth Avenue, Suite 2500<br>Pittsburgh, PA 15219 | John Anglin<br>Port of Pittsburgh Commission<br>175 Roscommon<br>McMurray, PA 15317 |
| John P. Klee<br>MRIE<br>104 Broadway Avenue<br>Pittsburgh, PA 15106 | Mary Jo Geyer<br>Miller and Company LLC<br>One Penn Center West<br>Pittsburgh, PA 15276 |

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|---|---|
| John Pushak, Jr.<br>Pittsburgh Tug Company, Inc.<br>PO Box 106<br>South Heights, PA 15081 | Herbert Packer<br>Office of PennPORTS<br>PA DCED Commonwealth Keystone Bldg.<br>Harrisburg, PA 17120-0225 |
| Carol Dunlap<br>Indspec Chemical Corporation<br>411 Seventh Avenue, Suite 300<br>Pittsburgh, PA 15219 | J. Sebbens<br>Koppers Industries, Inc.<br>436 Seventh Avenue, Room 1624<br>Pittsburgh, PA 15219 |
| Robert C. Stephenson<br>Strategic Investment Fund, Inc<br>425 Sixth Avenue, Suite 1290<br>Pittsburgh, PA 15219 | Carl Seiberlich<br>TranSystems Corporation<br>2100 Reston Parkway, Suite 202<br>Reston, VA 20191 |
| Steven C. Jaeger<br>Port of New Orleans<br>PO Box 60046<br>New Orleans, LA 70160-0046 | Peter Stephaich<br>Port of Pittsburgh Commission<br>Campbell Transportation<br>Suite 3901<br>525 William Penn Place<br>Pittsburgh, PA 15222 |
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|---|---|
| Max Janairo, Jr.<br>Port of Pittsburgh Commission<br>GeoSci Associates<br>PO Box 13209<br>15106<br>Pittsburgh, PA 15243 | The PPC Staff<br>425 Sixth Avenue, Suite 2990<br>Pittsburgh, PA 15219 |