

FMC Solicits Comments on the Impact of Slow Steaming



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Yesterday, the Federal Maritime Commission ("FMC") issued a notice requesting public comments regarding the impact of slow steaming on U.S. ocean liner commerce. In its notice, the FMC notes that many ocean carriers have implemented slow steaming practices in order to reduce bunker costs, and that the practice also has environmental benefits including the reduction of greenhouse gasses.

The FMC notes that, while the benefits to carriers have been documented in the trade press, there is little information available to it about how the practice affects American exporters and importers. Therefore, it poses a series of questions to them on various issues, most of which touch upon quality of service concerns. The notice also includes questions directed at ocean carriers which aim to gauge the prevalence of slow steaming, its future, and the actual benefits from the practice. Additionally, the Commission has indicated that it intends to probe whether carriers have passed-on to their customers any of the savings associated with slow steaming, and what adjustments carriers have made to soften the adverse impacts of slow steaming on shippers.

Taken in context with the FMC's ongoing study about the effects of antitrust immunity on service quality, and the continuing campaign by the National Industrial Transportation League and other shipper groups to repeal liner antitrust immunity in the name of better service and export competition, the notice serves as another potential red flag for the industry. Carriers would be well advised to ensure that their concerns and views are put before the Commission to help balance what is sure to be a robust showing by shippers.

Responses to the FMC notice are due by April 5, 2011.

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