

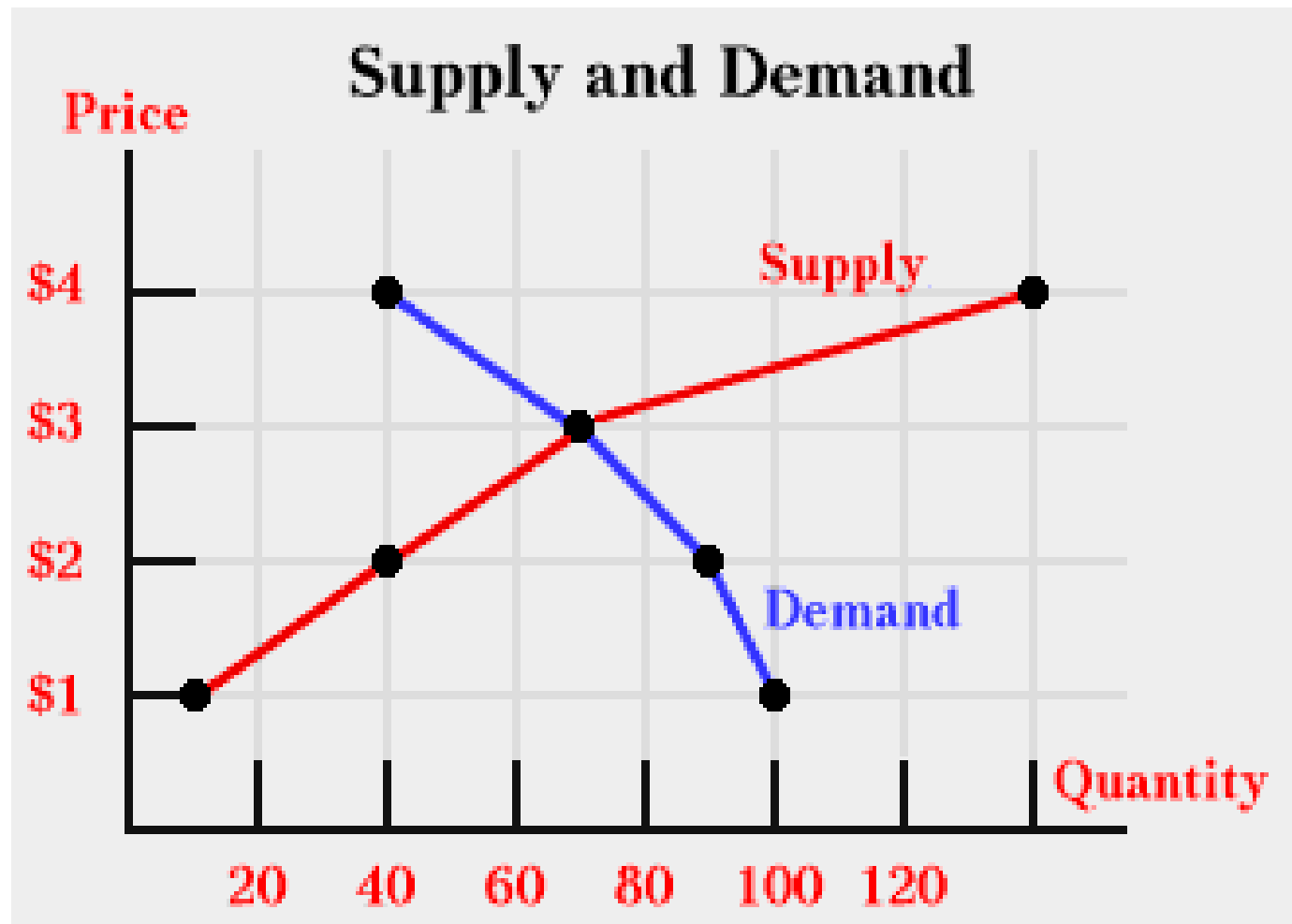


The Case for Port Antitrust Immunity

- Disclaimer
- Goals:
 - Healthy Competition
 - Discussion of mutual issues relating to practices or pricing
 - Common practices – where possible –
 - drives efficiencies
- Not all discussions require antitrust immunity



Pricing in a Perfect World





Pricing in the Port Industry

- What happens if:
 - demand increases and supply remains stagnant?
 - demand increases but contractual commitments prohibit price adjustments?
 - some Ports receive tax subsidies, state incentives?
 - the cost to produce the supply increases?



What is our role?

- How do we ensure that we are receiving reasonable compensation?
 - Covers costs – provide a positive return
 - Facilities occupied/Vacancy rates
 - Competitive
 - Regional benefits, jobs, economic impact
 - Other??



Process

- Agreement(s) with the Federal Maritime Commission (FMC)
 - CAPA – since 1940
 - NWMTA
- Minutes of meetings submitted to FMC
- Independent Action
 - Inform members prior to action



Value of Antitrust Immunity

- Allows dialogue around practices and pricing which impacts competitiveness
- Provides a tool for ensuring reasonable returns for use of facilities
- Allows opportunities to support goods movement/national trade issues
- Allows Ports to be proactive in dealing with emerging issues in a systematic manner



Types of Issues

- Pricing – increases to tariff rates
- Practices –
 - Free Time
 - Pier Pass program
- Labor
 - Allocation
 - Training
 - Rules
- Security
 - Legislation
 - Fees



Conclusion

- Antitrust immunity is a valuable tool which should be used to:
 - Ensure the financial stability of Ports in the U.S.
 - Establish common practices among ports
 - Generate operational efficiencies