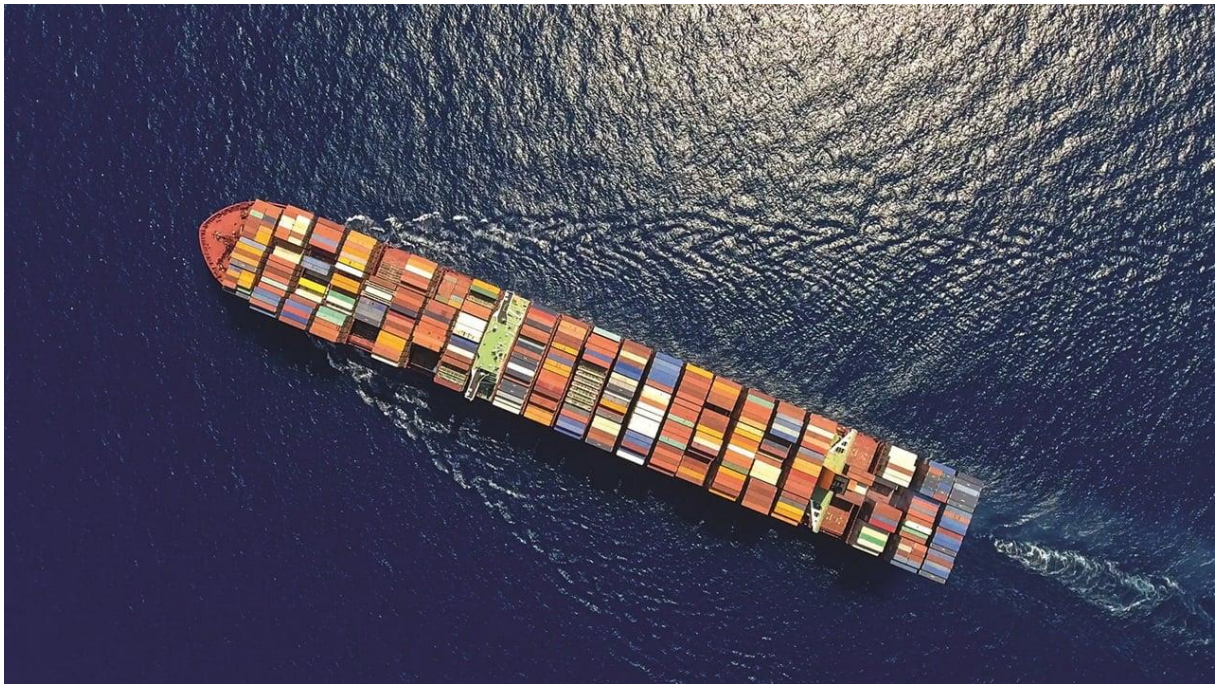


Gemini alliance agreement goes into effect despite FMC concerns

The new alliance agreement between container lines Maersk and Hapag-Lloyd has automatically gone into effect in the US after a 45-day review period for additional information by the Federal Maritime Commission (FMC) ended.

[Marcus Hand](#), Editor

September 10, 2024



Credit: Hapag-Lloyd

At a Glance

- Gemini Cooperation agreement has automatically gone into effect 45 days after members provided additional information
- FMC Commissioner Daniel B. Maffei expresses questions and concerns
- Gemini agreement to be subject to enhanced examination and oversight

The agreement between [Maersk](#) and [Hapag-Lloyd](#) for the formation of the Gemini Cooperation, which starts operations in February 2025, was filed with the [FMC](#) on 31 May this year. A request for additional information (RAFI) was made by the commission on 12 July and the lines submitted response on 26 July.

“By law, the Commission has a maximum of 45 days to review a newly filed agreement or the responses to an RAFI before the agreement automatically goes into effect,” the FMC said in a statement.

Concerns over the potential competitive impact of the new alliance would appear to remain. Under the law (46 U.S.C. 41307) the commission has the power to assess the agreement that it is likely through the reduction in competition either unreasonably reduce service or increase costs.

“If the Commission makes such a finding, on either a newly filed agreement or an already-operative agreement, its exclusive remedy is to seek an injunction in federal district court. The Commission has

not determined to seek an injunction against the Gemini Cooperation Agreement at this time,” the FMC stated.

Commissioner Daniel B. Maffei made clear his worries over the potential impact of the new alliance on competition in ocean shipping to and from the US.

“The Gemini Cooperation Agreement will take effect today by the operation of law. Nonetheless, I have questions and concerns about whether the Gemini Cooperation Agreement filed with the FMC has, or will, result in anti-competitive consequences that violate the Shipping Act,” Maffei said.

Related: [US regulators putting the brakes on Gemini Alliance](#)

He noted the current law did not allow for further time to evaluate the agreement or stop it from taking effect.

“So, while the agreement does take effect, I have joined my colleagues in ordering FMC staff to engage in immediate and ongoing rigorous monitoring of the Gemini Cooperation Agreement to ensure that it doesn’t illegally impact US importers, exporters, covered service providers, and consumers,” Maffei stated.

The FMC said the Gemini agreement would be subject to enhanced examination and continuous oversight and that process would start from today.

The creation of Gemini Cooperation between Hapag-Lloyd followed the announcement by Maersk and MSC that they would dissolve their existing 2M Alliance from February 2025.

[MSC](#), as the world’s largest container line, yesterday unveiled a standalone global network. On the Asia - US East Coast and Asia - US Gulf trades it announced an 3-year cooperation with ZIM Line from February 2025.

The agreement between [ZIM](#) and MSC includes slot swap and vessel sharing agreements and covers six services with extensive connection between Asia to the US East Coast, West Coast of Mexico, Caribbean ports and US Gulf ports.