US delays Premier Alliance, seeks more information

The Federal Maritime Commission (FMC) has requested more information on the alliance between HMM, Ocean Network Express (ONE) and Yang Ming.

Marcus Hand, Editor

December 9, 2024



Credit: ONE

The Premier Alliance Agreement was due to have gone into effect on 12 December 2024 ahead of the container shipping's agreement commercial launch in February next year.

The Premier Alliance supersedes the existing THE Alliance arrangement which is being restructured as a new agreement following the departure of Hapag-Lloyd which will be joining with Maersk to form the Gemini Cooperation in February 2025.

"A global operational alliance of three container shipping companies will not go into effect next week because more information is needed by the Federal Maritime Commission to determine the potential competitive impacts of the arrangement," FMC said in a statement.

The Premier Alliance Agreement was filed by the three member lines with the FMC on 28 October 2024 and would have gone into effect after 45 days unless, as is the case, the commission makes a Request for Additional Information (RFAI).

"The Commission has determined that the Premier Alliance Agreement as submitted lacks sufficient detail to allow for a complete analysis of potential competitive impacts and whether the agreement fully complies with all statutory requirements," the FMC said.

The FMC's re-consideration of the new alliance agreement will not start until it receives a "fully compliant" response to its inquiry. Once the reply is received the FMC has 45 days in which to complete a review and the alliance becomes effective.

Related: Gemini alliance agreement goes into effect despite FMC concerns

There will also be a 15-day public comment period once public notice of the RFAI is published.

A similar scenario played out earlier this year with the Gemini Cooperation Agreement between Maersk and Hapag-Lloyd. Despite concerns from some Commissioner's over the impact of the Gemini Cooperation the agreement went into effect 45-days after the two parties submitted additional information in response to the RFAI.

However, while the agreement for the Gemini Cooperation did go into effect in September the FMC said it would be subject to enhanced examination and continuous oversight from its inception.

Meanwhile The Premier Alliance has postponed the launch of Transpacific service PS5 to the Pacific Southwest and PN4 to the Pacific Northwest until May 2025.

ONE said in a customer advisory in the interim it would be adding a Ningbo call to the PS4 service and a Qingdao call to PS6. Calls at Shanghai and Ningbo will be added to the alliance's PN3 service.