

# FMC probes legal standing of World Shipping Council agreement



*The Federal Maritime Commission asserts shipping agreements filed with the agency should narrowly cover commercial and operational matters of regulated ocean carriers, not trade groups. Photo credit: GreenOak / Shutterstock.com*

**Michael Angell, Senior Editor, East Coast Ports | Jun 27, 2025, 2:57 PM EDT**

The Federal Maritime Commission (FMC) is reviewing why the World Shipping Council should fall under US shipping law, a probe that could end the antitrust exemption for the WSC's ocean carrier members to discuss cooperative matters.

The FMC announced Thursday it was investigating the “working arrangement” between WSC's members and whether that agreement violates US shipping law.

Under US shipping law, ocean carriers or other regulated entities must file agreements to cooperate on commercial matters, exempting them from antitrust claims. WSC filed its cooperation agreement with the FMC in 2020, two decades after it was formed.

The FMC ordered the WSC to show why the agency has “jurisdiction over the agreement and should not cancel the agreement as outside the agency’s jurisdiction.”

The WSC agreement does not cover rates, operations, capacity or other strictly commercial matters. However, the group said it filed the agreement so members could discuss other issues such as safety, environmental and legal matters that could fall under FMC jurisdiction.

But the FMC questioned that view in its Thursday order. The agency said the WSC may not be a regulated entity under the Shipping Act because it does not provide ocean transportation services. While its members are ocean carriers, within the confines of the agreement filed with the FMC, the members are not acting under their capacity as regulated carriers, the agency said.

“An entity engaged only in the discussion and lobbying activities under the agreement would not qualify as an ‘ocean common carrier’ under the Shipping Act because it is performing none of the functions that define a common carrier,” the FMC said.

The agency conceded that the WSC’s work on cargo screening may fall under the type of operational activities that are covered in FMC-filed agreements. But the agency said courts have previously ruled the WSC’s type of agreement “was meant as a narrow catch-all closely related to other explicitly operations-focused agreement categories” in US shipping law.

While FMC agreements allow carriers and others to avoid antitrust scrutiny, “a trade association not involved in providing ocean transportation service does not appear to be engaged in the type of conduct Congress intended to immunize from scrutiny by antitrust enforcers and private plaintiffs,” the FMC’s order said.

## Two months to reply

The FMC has given the WSC two months to reply to the order, with the agency’s final decision expected next March.

WSC said in a statement to the *Journal of Commerce* that its 2020 agreement was filed “in accordance with its legal obligation (under US shipping law) and with the encouragement of the FMC.”

“As a global trade association, the World Shipping Council takes its regulatory compliance responsibilities very seriously,” WSC said.

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