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Section A: General Questions

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1. Based on your experience since September 2006 (when the European Union announced its decision to terminate the block exemption for liner shipping conferences to take effect in October 2008), what impacts, if any, have you identified on your company's commercial activities, in any trade lane, that you would attribute to the termination of the E.U. conference block exemption? Please explain. If you believe there have been such impacts, please indicate when that impact first occurred.

Although market circumstances observed over the past three years makes it very difficult to evaluate the possible impact of termination of the E.U. conference block exemption, we believe it had no more than a minor effect on our activities.

2. Based on your experience since October 2008 (when the E.U. exemption for liner conferences was terminated) has any class of shipper or class of vessel-operating common carrier received a competitive advantage or been put at a competitive disadvantage as a result of the E.U. decision to terminate the exemption? If so, please explain.

CMA CGM is not aware of any competitive advantage received or competitive disadvantage suffered by a shipper or vessel-operating common carrier as a result of the E.U.'s action.

3. Based on your experience since October 2008 (when the E.U. exemption for liner conferences was terminated), have differences between U.S. and E.U. liner shipping competition regulations created any problems for your company? If so, please explain.

No.

4. Does your company view cooperation among ocean carriers in operational agreements (e.g., vessel sharing agreements, alliances, consortia, etc.) as generally having a positive, neutral or negative impact on the availability or cost of liner shipping services? Please explain.

CMA CGM believes that the current structures allowing for cooperation between vessel-operating ocean carriers has a positive impact on available cargo capacities, as those processes (Vessel Sharing Agreements, alliances, consortia, etc.) provide reasonable mechanisms to obtain economies of scale, including more frequent vessel calls and a broader mix of vessel size.

Does the E.U. market share threshold of 30% for such operational agreements have any effect with respect to that impact? If so, please explain.

No.

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Section B: Questions about the North Atlantic Trade (North Europe/U.S.)

5. Approximately what percent of your company's freight earnings (lines, OTIs) or shipping expenses (shippers) involves international shipping in the North Europe/U.S. trade?

2.5%

Does your company's business involve US imports (westbound service) only, U.S. exports (eastbound service) only, or both? Please explain briefly.

Both imports and exports

6. How, and to what extent, did the recent economic recession (2008 – 2009) affect your company's liner shipping-related business in the North Europe/U.S. trade? Please explain.

The recent economic recession had an effect on volumes, rates and profitability of our operations, as we were forced to restructure our services in order to limit our losses. That restructuring included reduction of capacity in the trade (i.e., off hiring vessel and reorganization and even cessation of specific lines and services) as well as negotiating changes to, or addition of new, Vessel Sharing Agreements or Slot Charter Agreements.

7. Based on your experience prior to July 2008, when the Trans-Atlantic Conference Agreement (TACA) disbanded, did the existence of TACA have any impact on your liner shipping-related business in the North Europe/U.S. trade? If so, please explain.

CMA CGM did not participate in TACA

8. Based on your experience in the period from October 2008 to the present (i.e., since the E.U. block exemption was terminated), has there been any significant change(s) in liner services in the North Europe/U.S. trade that you attribute to the E.U. terminating the block exemption? For example, changes in:

a. the level of freight rates and surcharges;

Not directly, as rates and surcharges are market related (supply demand, FO price, ...)

b. the frequency with which rates or surcharges are adjusted upward or downward (rate volatility);

Yes, CMA CGM has observed and been required to respond to - more frequent adjustments since 2009.

c. the assessment of surcharges;

Yes, particularly with respect to the BAF(monthly review and detailed parameters).

d. the level of competition among ocean carriers;

No

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e. the service contracting practices or terms offered by ocean carriers;

No

f. the availability of vessel capacity and container equipment;

No

g. the level or quality of liner services (including customer service, billing accuracy, etc.)

No

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10. Following repeal of the E.U. block exemption, ocean carriers created a global information system under Container Trade Statistics, Ltd. (CTS) in which a majority of ocean carriers serving the North Europe/U.S. trade participate. CTS provides certain data free on its web site, including indices of the carriers' aggregated average revenue per TEU by month. CTS also sells other data. To what extent, if at all, does your company access and use CTS Europe/U.S. trade data, and (if it does so) for what purpose(s)?

CMA CGM both provides data and utilizes CTS' consolidated market data. Of the information available through CTS, the most relevant is the volume estimate per trade (published five weeks following the end of the relevant month). CMA CGM also utilizes other market information sources, such as PIERS.

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Section C: Questions about the Transpacific Trade (Far East/U.S.)

11. Approximately what percent of your company's freight earnings (lines, OTIs) or shipping expenses (shippers) involve international shipping in the Far East/U.S. trade?

13%

Does your company's business involve U.S. imports (eastbound service) only, U.S. exports (westbound service) only, or both? Please explain.

Both imports and exports, for USWC, USGulf, USEC.

12. How, and to what extent, did the recent economic recession (2008-2009) affect your company's liner shipping-related business in the Far East/U.S. trade? Please explain.

The recent economic recession had an effect on volumes, rates and profitability of our operations, as we were forced to restructure our services in order to limit our losses. That restructuring included reduction of capacity in the trade (i.e., off hiring vessel and reorganization and even cessation of specific lines and services) as well as negotiating changes to, or addition of new, Vessel Sharing Agreements or Slot Charter Agreements

13. Based on your experience from January 2006 to the present, have the activities of the Trans-Pacific Stabilization Agreement (TSA) or the Westbound Trans-Pacific Stabilization Agreement (WTSA) had any significant impact on your company's liner shipping-related business in the Far East/U.S. trades? If so, please explain.

CMA CGM is not part of the WTSA and our participation in the TSA has no real impact on our business in this trade, as TSA actions are non-binding recommendations. In fact, supply and demand are the main drivers of our business in this market.

14. Based on your experience in the period from October 2008 to the present, have there been any significant characteristics of liner services in Far East/U.S. trades that you attribute to actions taken by TSA or WTSA member lines acting collectively? For example:

a. the level of freight rates and surcharges;

Discussions within the TSA with respect to an Emergency Revenue Surcharge - particularly in the context of market trends, significant revenue deficiencies (losses), and other carrier's evaluation of the circumstances which might support restoration of in order to ensure continues service - were critical to the industry's survival and recovery in early 10

b. the frequency with which rates or surcharges are adjusted upward or downward (rate volatility);

See a, above.

c. the assessment of surcharges;

The TSA's BAF formula for calculation of a BAF, which provides a transparent and understandable basis for imposition of that surcharge.

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d. the level of competition among ocean carriers;

No

e. the service contracting practices or terms offered by ocean carriers;

No

f. the availability of vessel capacity and container equipment;

No, furthermore it was / is not in the scope of the TSA.

g. the level or quality of liner services (including customer service, billing accuracy, etc.)

No

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Section D: Questions about the Europe – Asia Trade (Far East/Europe)

16. Approximately what percent of your company's freight earnings (lines, OTIs) or shipping expenses (shippers) involve international shipping in the Far East/Europe trade?

28%

Does your company's business involve European imports (westbound service) only, European exports (eastbound service) only, or both?

Both imports and exports, for North Europe and Med.

17. How, and to what extent, did the recent economic recession (2008-2009) affect your company's liner shipping-related business in the Far East/Europe trade? Please explain.

The recent economic recession had an effect on volumes, rates and profitability of our operations, as we were forced to restructure our services in order to limit our losses. That restructuring included reduction of capacity in the trade (i.e., off hiring vessel and reorganization and even cessation of specific lines and services) as well as negotiating changes to, or addition of new, Vessel Sharing Agreements or Slot Charter Agreements. Simultaneously, we were operating larger vessels on these routes to enjoy economies of scale.

18. Based on your experience prior to October 2008 (i.e., before the Far East Freight Conference (FEFC) disbanded), did the existence of FEFC have any impact on your liner shipping-related business in the Far East/Europe trade? Please explain.

FEFC had a limited impact on our activity which was driven much more by supply and demand. Discussions within the FEFC with respect to surcharges and General Rate Increases - particularly in the context of trends in the market and a perceived ability to support changes to those charges - were particularly useful.

19. Based on your experience in the period from October 2008 to the present (i.e., since the E.U. block exemption was terminated), has there been any significant change(s) in liner services in the Far East/Europe trade that you attribute to the E.U.'s ending of the block exemption? For example, changes in:

a. the level of freight rates and surcharges;

No, not directly.

b. the frequency with which rates or surcharges are adjusted upward or downward (rate volatility);

While it is not clearly a result of the termination of the E.U. block exemption, it seems that market and charge adjustments have been more frequent.

c. the assessment of surcharges;

Yes, carriers are calculating and publishing their own surcharges.

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d. the level of competition among ocean carriers;

No, not directly.

e. the service contracting practices or terms offered by ocean carriers;

No.

f. the availability of vessel capacity and container equipment;

no.

g. the level or quality of liner services (including customer service, billing accuracy, etc.)

No.

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21. Following repeal of the E.U. block exemption, ocean carriers created a global information system under Container Trade Statistics, Ltd. (CTS), in which a majority of ocean carriers serving the Far East/Europe trade participate. CTS makes certain data free on its web site, including indices of the carriers' aggregated average revenue per TEU by month. CTS also sells other data. To what extent, if at all, does your company access and use Far East/Europe trade data, and (if it does so) for what purpose(s)?

Section E: Comparisons Among Trades

As noted in response to Question 10, above, CMA CGM both provides data and utilizes CTS' consolidated market data. Of the information available through CTS, the most relevant is the volume estimate per trade (published five weeks following the end of the relevant month).

22. Based on your experience since October 2008 (since the E.U. block exemption was terminated) are there differences in the characteristics of the Far East/U.S. trade versus the Far East/Europe or North Europe/U.S. trades that you attribute to differences between U.S. and European liner

competition regulations? For example, differences in:

a. the level of freight rates and surcharges;

b. the frequency with which rates or surcharges are adjusted upward or downward (rate volatility);

c. the assessment of surcharges;

d. the level of competition among ocean carriers;

e. the service contracting practices or terms offered by ocean carriers;

f. the availability of vessel capacity and container equipment; and

g. the level or quality of liner services (including customer service, billing accuracy, etc.)

If so, please explain those differences.

23. Please identify any significant similarities and dissimilarities (for example, cargo volumes, scope or scale of operations, shipper mix, geography, market concentration levels, contracting practices, legal requirements, etc.) that existed in liner shipping markets in the (1) Far East/U.S. trade and the (2) Far East/Europe trade during the period 2006-2010. In your opinion, how (if at all) would those similarities and dissimilarities likely impact a comparison of liner pricing and service behavior across those two trades?

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Section F: Additional Questions for Vessel-Operating Common Carriers

FOR VOCCs ONLY:

24. Please estimate the percentage of your liner revenues (globally) that were earned in each of the following trade lanes during CY 2010 to date:

- a. North Europe/U.S. liner trade 2.5 %
- b. Far East/U.S. liner trade 13.0 %
- c. Far East/Europe liner trade 28.0 %
- d. All other liner trades 56.5 %
- e. Total (all liner trades combined) 100 %

If those percentages changed significantly during the 2006 through 2010 period, please describe and explain the change.

N/A

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26. In each of the three major East-West trade lanes, please indicate which lanes have tended to be the relatively most profitable and which was the relatively least profitable for each year between 2006 and 2010 (inclusive). [Write M for most, and L for least.]

Far East/U.S. Far East/Europe North Europe/U.S.

- a. 2006 _____
- b. 2007 _____
- c. 2008 _____
- d. 2009 _____
- e. 2010 _____

If those rankings changed significantly during the 2006 through 2010 period, please explain the reason(s) for the change.

27. Based on your experience during the period from January 2006 to the present, have there been any significant changes in the nature of your business in the **North Europe/U.S. liner** shipping market related to changes in:

a. Seasonality of cargo movements;

No

b. Commodity values;

No

c. Directional cargo imbalances (imports vs. exports);

Yes, reduction of the imbalance(due to the growth of the US exports)

d. Number of carriers serving the trade;

No major change

e. Minimum scale (# and size of vessels) needed to serve the trade efficiently

Bigger vessels appeared, smaller vessels disappeared. Minimum size is probably 2 500/3.000 TEU. 5 or 6 vessels are required with respect to range and port coverage.

28. Based on your company's experience in the North Europe/U.S. trade, please identify any substantial changes that occurred in your liner business (operations, marketing, pricing, etc.) in the two years following repeal of the E.U. liner conference exemption (CY 2009 and 2010) as compared with the two years preceding the repeal (2006 – 2007)?

No major change

29. Based on your experience during the period from January 2006 to the present, have there been any significant changes in the nature of your business in the **Far East/U.S. liner** shipping market related to changes in:

a. Seasonality of cargo movements,

No

b. Commodity values

No

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c. Directional cargo imbalances (imports vs. exports)

Yes, reduction of the imbalance due to the growth of the US exports.

d. Number of carriers serving the trade:

Several newcomers appeared: Matson, TCC, Wan Hai, Huinan

e. Minimum scale (# and size of vessels) needed to serve the trade efficiently

Surprisingly, some services are still running with less than 5,000 TEU vessels. For USEC services via Panama, the maximum vessel size is "restricted" by the size of the locks. For USEC via Suez or USWC, maximum size is quite often "restricted" by the capacity of the infrastructure: port access, terminals, and intermodal capacities. From CMA CGM's perspective, the minimum size for WC and EC via Suez is 6,500 TEU, with many services moving toward operations with vessels over 8,000 TEU. Number of vessels: 5 or 6.

30. Based on your experience during the period from January 2006 to the present, have there been any significant changes in the nature of your business in the **Far East/E.U. liner** shipping market related to changes in:

a. Seasonality of cargo movements;

No

b. Commodity values;

No

c. Directional cargo imbalances (imports vs. exports);

Reduction of imbalance in 2010, growing EB volumes.

d. Number of carriers serving the trade:

No significant change

e. Minimum scale (# and size of vessels) needed to serve the trade efficiently

Even if some relatively small vessels (2500 TEU to the Med, 4000 to North Continent are still operated, we see more and more vessels over 10,000 TEU) A standard service will employ 10 or 11 x >10,000 TEU vessels to North Europe, 10 or 11 x 6,000-8,000 TEU vessels to the Med.