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October 11, 2004

Bryant VanBrakle, Secretary
Federal Maritime Commission
800 North Capitol Street, NW
Washington, D.C. 20573

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FEDERAL MARITIME COMMISSION

Re: Comments of Mitsui O.S.K. Lines Ltd. Inc. in Support of Petition P5-04

Dear Mr. VanBrakle:

Mitsui OSK Lines, Limited (MOL) files these brief comments in support of the Petition of American President Lines, Ltd. (APL) for a Full Exemption from the First Sentence of Section 9(c) of the Shipping Act, as amended. MOL has a substantial presence in the United States, with about 425 employees in more than two dozen locations in the United States. MOL competes with APL for customers in several U.S. import and export trades, and is a partner with APL and Hyundai Merchant Marine in a global operational agreement, The New World Alliance. For the reasons set forth below, MOL fully supports the petition and urges the Federal Maritime Commission to grant it.

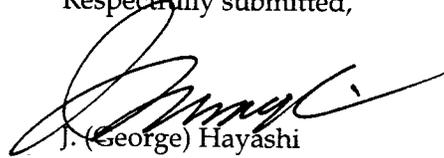
The basis for APL's request is well-stated in its petition. Since its inception more than 150 years ago, APL has been a significant carrier in the U.S. foreign trades. It currently operates dozens of containerships in international shipping markets, including 17 U.S.-flag vessels that are committed to the U.S. Department of Defense VISA program. In its over 150 year history, APL has carried cargoes for tens of thousands of shippers, both foreign and domestic, and has played a major role in facilitating global trade and expanding the reach of American exports.

As a result of share purchases by Temasek Holdings (a company owned by the Government of Singapore), APL meets the technical definition of a "controlled carrier" under Section 9 of the Shipping Act. I am advised that this subjects APL to special rate regulation that prevents it from offering reduced tariff rates on less than thirty days' notice. This restriction is apparently intended to prevent predatory pricing by carriers that, as a result of their government backing, may not be as concerned about earning a profit as private sector carriers. I am also advised, however, that APL may be exempted from this restriction if doing so would not substantially reduce competition nor be detrimental to commerce. I further understand that in April of this year, the FMC addressed similar requests from three Chinese-based controlled carriers, and ultimately granted their petitions. The petitions were granted because the FMC determined that competition would actually be increased, to the benefit of shippers, by granting the Chinese carriers' exemption requests.

The same benefits to the shipping community would be advanced by granting APL's petition. In my view, APL is an aggressive but not irresponsible competitor. Given overall market conditions in the liner shipping industry, both now and for the foreseeable future, including more than a dozen substantial liner carriers in the key Trans Pacific trades, it would make no commercial sense for APL to attempt to compete unfairly using predatory price reductions. I believe APL recognizes this and will not act irresponsibly whether or not the stock of APL is controlled by the Government of Singapore. I also note that the Government of Singapore has publicly stated that it has no intention to make any major changes to the business of NOL, and that it will continue to focus on maximizing shareholder value. Hence, I do not believe that granting APL's petition would substantially reduce competition, nor be detrimental to commerce.

Thank you very much for considering MOL's views on this matter.

Respectfully submitted,



J. (George) Hayashi
Deputy President
Mitsui O.S.K. Lines Ltd.