



# Department of Justice

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FOR IMMEDIATE RELEASE  
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AT  
202-514-2007  
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## DEPARTMENT OF JUSTICE ISSUES BUSINESS REVIEW LETTER

WASHINGTON, D.C. -- The Department of Justice announced today it does not intend to challenge under antitrust laws the establishment of a Tanker Broker Panel, organized and administered by the Association of Ship Brokers and Agents (U.S.A.) Inc. (ASBA), to provide oil companies with market based rate estimates for intra-company cargo movements.

The Department's position was stated in a letter from Charles A. James, Acting Assistant Attorney General of the Antitrust Division, to the Secretary of the ASBA.

The ASBA had requested a business review letter stating the Department's current enforcement intention if the Tanker Broker Panel began operation.

As noted in ASBA's request, the purpose of the new service is to assist oil companies in assigning, for tax and accounting purposes, an accurate, market-based cost to voyages carrying company cargo and using company-owned ships. The ASBA will send the essential details of a request for a rate estimate to five of the eleven participating tanker brokers.

After receiving the request, the tanker brokers will formulate an estimate based on their knowledge of market

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conditions, and on the likely market rate for the past or prospective voyage. Upon receiving these five estimates, the ASBA administrator will eliminate the highest and lowest estimates and provide the oil company customer with the mean average of the remaining three estimates.

The panel will not disseminate the rate estimates to any party other than the customer, and no separate brokerage fee estimates will be sought by ASBA or provided by the brokers.

James said that although the exchange of price and other competitive information can facilitate anticompetitive coordination among competitors, there does not appear to be a substantial risk of that result in this case. In addition, James said that this service may have a procompetitive benefit for the oil company customers who currently only have one source for these type of estimates, the London Tanker Broker Panel.

Under the Department's Business Review Procedure, a person or organization may submit a proposed course of action to the Antitrust Division and receive a statement as to whether the Division would challenge that action under the antitrust laws. A file containing the business review request and the Department's response may be examined in Room 3233, Antitrust Division, U.S. Department of Justice, Tenth Street and Pennsylvania Avenue, N.W., Washington, D.C. 20530 (Telephone: 202/514-2481). After a

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30-day waiting period, the documents supporting the business review request will be added to the file.

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