

and tariff structures; they therefore have a vested interest in rate-setting rules and mechanisms

.many shippers support a provision for I/A on service contracts to provide enhanced flexibility in rate setting

.the exemption from the *Competition Act* granted conferences under *SCEA* is essential for the establishment of conference rates and shippers have an obvious interest in the exact wording and philosophy of *SCEA* in this respect

(C) Issues Dealing with Shipper Representation and Intervention

.the exchange of information and negotiations

.the difficulty of establishing efficient shipper representation

.the question of shipper group interaction with conferences and its role in liner markets in the present and in the future

.would shippers be better off without conferences, i.e., without *SCEA*?

.would shippers see any advantage to Canada joining the multilateral UN *Liner Conference Code of Conduct*?

(16) Conclusions

The review of the *Shipping Conferences Exemption Act, 1987* provides an important opportunity to evaluate and consider amending legislation in liner shipping to better respond to the needs of transportation users and suppliers.

In studying the experiences with the *Act* a number of issues have been raised which require the attention of government and industry. These issues relate to the purpose of the legislation, its provisions and the way in which the *Act* is administered and executed.

An important question which has evolved since the adoption of the present *SCEA* is industry representation and cooperation. Shippers and carriers might in the past have seen themselves as being on opposite sides of the fence, and their relationships were frequently adversarial. In today's globally competitive environment, strategic alliances and long-term relationships are seen as essential. Suppliers and customers in all types of industries are developing close relations and new forms of cooperation to strengthen their collective position. There appears to be a growing recognition that a better working relationship between shippers and carriers is not necessarily founded on more government intervention or extensive legislation.

On the contrary, cooperation cannot be imposed or legislated. Legislation may provide certain basic rules, but fundamentally, cooperation rests on recognition of common interests and mutual trust. An interesting example of a new type of initiative in liner markets can be found in the United States where the *Alliance for Competitive Transportation (ACT)* which unites shippers, and potentially carriers, strives to develop "a marketplace environment...in which a shipper can negotiate with an ocean carrier for mutually beneficial transportation services."²⁷ While the group lobbies for shipper interests in the review of the *US Shipping Act of 1984*, there is some indication that it would welcome a consensus with carriers rather than government regulation.²⁸

Since *SCEA 1987* was adopted, the concepts