

**WCC-101, Government of the Territory of Guam v. Sea-Land Service, Inc., American
President Line, LTD., and Matson Navigation Company, Inc.**

Opening Statement of Chairman Roger Nober

Good morning and thank you for coming. As many of you know, this case has been around for quite some time and I am glad to see it moving forward. This is a unique rate case because it involves the rate reasonableness of shipments in the off-shore domestic trade. Unlike in the rail context where we have established methodologies to address rate reasonableness, we have no set procedures here. Thus, how to address such a rate reasonableness claim is an issue of first impression.

The purpose of this phase of the proceeding and this oral argument is to address what methodology should be used, how it should be applied and whether a lack of competition in the trade should be a prerequisite to any chosen methodology. I understand that the parties intend to address at least two potential methodologies – the FMC method known as General Order Number 11 and the Board’s constrained market pricing standards. I am also interesting in hearing the parties’ views on what role the absence or presence of effective competition may have in this proceeding. I look forward to your presentations this morning.