As the May 1 implementation of the Ocean Shipping Reform Act (OSRA) approaches, widespread confusion exists in the shipping community. Nobody is stepping forward to assume leadership.

Introduction of deregulation is by its nature a problematic time, but also one of great opportunity. New market freedoms injected into a stagnant marketplace enable bold companies to achieve great success, often for a respectable amount of time.

But deregulation also leaves room for less-prepared companies to go broke.

The ocean-shipping sector has the outward appearance of a mature industry entering a period of greater market freedom. Its problems, however, only begin there. This is an industry that, because of longstanding tradition and the cultural practices of many participants, has become comfortable with maintaining the status quo.

It appears that today’s customers are much more sophisticated than the lines.

That’s no surprise, as customers have been facing deregulation for almost 20 years in other transportation modes. What is alarming is the wide variance of commercial expectation between lines.

Whereas some ship lines actually have accepted the need to work with the market, other lines are trying simply to postpone making tough changes — and seem in denial of deregulation altogether.

Deregulation is not just a minor modification in the ongoing price game between customers and carriers, and to proceed in business using that as an underlying premise is perilous.

The existing pricing mechanisms of the industry are unraveling with no resolution readily apparent.

The Transpacific Westbound Rate Agreement, the westbound Pacific conference, has been realistically defunct for over a year. Carrier withdrawal (it was down to only two lines) forced its final demise.

Simple economics dictated this outcome, as supply of space was so much greater than demand that it was impossible to maintain any sort of price discipline.

There is hope among the lines that the Westbound Transpacific Stabilization Agreement discussion agreement can help restore export rate levels. But similar wishes have, in the past, gone unrealized.

For that reason, not much attention is being paid to exports, and customers can effectively achieve whatever deal they want. Lines have abandoned rate management in this trade to concentrate on the Pacific import trade, trying to make enough on the import portion to be profitable for the entire round trip.

Imports have been contentious for over a year. Last year, the Transpacific Stabilization Agreement forged a solid alliance between the conference and non-conference carriers, enabling lines to obtain a $300 rate increase on all loads, plus surcharges for peak season and cargo transiting the Suez and Panama canals.

Unwilling to settle for their good fortune, many lines attempted peak-season profiteering. Further proving the saying that pigs become fat and hogs get slaughtered, the Federal Maritime Commission investigated — and only recently announced it will pursue — actions against individual lines (although some commissioners thought collective action might have been warranted).

Last week it was announced that the Asia North America Eastbound Rate Agreement will disband as a rate-making group, leaving TSA as the only remaining policy body.

TSA decided that this year’s rate increases should be $900 to $1,300. Because a discussion agreement is not a conference, these represent only “voluntary” guidelines. But last year TSA acted as a conference — lines followed its guidelines because public filing of rates would uncover deviation and invite retaliation.

Confidential contracts should prevent such group control by TSA this year. There’s the fear that the TSA will circumvent confidentiality in order to maintain its guidelines. Although FMC members have cautioned lines that such an action will warrant congressional removal of their anti-trust immunity, such a warning may not be heeded.

Lines, many originating in places in the world where they don’t smirk at the line “I’m from the government and I’m here to help you,” where government jargon is no deterrent, are simply trying to survive. Future penalties from collusive acts are not daunting if you might not survive otherwise.

Lines will only understand immediate action. Meaningful sanctions from last year’s peak season need to be announced soon.

Justice delayed is justice denied. The investigation was completed before Christmas, so lengthy review will only allow some lines to escape payment — they will be gone from the trade.

For that reason, some clear guidelines on discussion agreements should be forthcoming from the FMC — and acknowledged by the participating lines. (The proposed North Atlantic Agreement has many customers concerned, too.)

OSRA offers a great opportunity to help our country continue to prosper in a global marketplace, and the first year will establish the basis for the future. It needs to be forged with great care.

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